ALLIED SUSTAINABILITY AND ENVIRONMENTAL CONSULTANTS GROUP LIMITED
沛然環保顧問有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8320)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "**Directors**" and the "**Board**", respectively) of Allied Sustainability and Environmental Consultants Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") announces the audited annual results of the Group for the year ended 31 March 2025. This announcement, containing the full text of the annual report of the Company for the year ended 31 March 2025 (the "**2024/25 Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to the information to accompany the preliminary announcement of annual results. Printed version of the 2024/25 Annual Report containing the information required by the GEM Listing Rules will be despatched to relevant shareholders of the Company in due course.

By Order of the Board
Allied Sustainability and Environmental Consultants Group Limited
Kwok May Han Grace
Chairman and Executive Director

Hong Kong, 20 June 2025

As at the date of this announcement, the Executive Directors are Ms. Kwok May Han Grace (Chairman) and Mr. Wu Dennis Pak Kit (Chief Executive Officer); and the Independent Non-Executive Directors are Ms. Wong Yee Lin Elaine, Mr. Li Wing Sum Steven and Mr. Szeto Chi Hang Clive.

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

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company's website at www.asecg.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this annual report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this annual report.

This annual report, for which the directors (the "Directors") of Allied Sustainability and Environmental Consultants Group Limited (the "Company", and together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.

This annual report is written in both English and Chinese. If there is any inconsistency between the English version and the Chinese version of this annual report, the English version will prevail.

Contents

Corporate Information

Board of Directors

Executive Directors

Kwok May Han Grace *(Chairman)*
Wu Dennis Pak Kit *(Chief Executive Officer)*

Independent Non-executive Directors

Li Wing Sum Steven
Wong Yee Lin Elaine
Szeto Chi Hang Clive
Lam Kin Che (Resigned on 30 April 2025)

Company Secretary

Siu Chun Pong Raymond

Compliance Officer

Kwok May Han Grace

Board Committees

Audit Committee

Li Wing Sum Steven *(Chairman)*
Wong Yee Lin Elaine
Szeto Chi Hang Clive (Appointed on 30 April 2025)
Lam Kin Che (Resigned on 30 April 2025)

Nomination Committee

Kwok May Han Grace *(Chairman)*
Li Wing Sum Steven
Wong Yee Lin Elaine
Wu Dennis Pak Kit
Szeto Chi Hang Clive (Appointed on 30 April 2025)
Lam Kin Che (Resigned on 30 April 2025)

Remuneration Committee

Wong Yee Lin Elaine *(Chairman)*
Li Wing Sum Steven
Kwok May Han Grace
Wu Dennis Pak Kit
Szeto Chi Hang Clive (Appointed on 30 April 2025)
Lam Kin Che (Resigned on 30 April 2025)

Environmental, Social and Governance Committee

Kwok May Han Grace *(Chairman)*
Wu Dennis Pak Kit
Li Wing Sum Steven
Wong Yee Lin Elaine
Lam Kin Che (Resigned on 30 April 2025)

Risk Management Committee

Kwok May Han Grace *(Chairman)*
Wu Dennis Pak Kit
Li Wing Sum Steven
Wong Yee Lin Elaine
Lam Kin Che (Resigned on 30 April 2025)

Responsible Investment Committee

Wu Dennis Pak Kit *(Chairman)*
Kwok May Han Grace
Li Wing Sum Steven
Szeto Chi Hang Clive

Authorised Representatives

Kwok May Han Grace
Siu Chun Pong Raymond

Company's Website

http://www.asecg.com

Auditor

OOP CPA & Co.
Registered Public Interest Entity Auditor
Unit A, 21/F, LL Tower, 2–4 Shelley Street
Central, Hong Kong

Legal Adviser

Raymond Siu & Lawyers
Units 1302–3 & 1802, Ruttonjee House
11 Duddell Street, Central, Hong Kong

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

27/F, Overseas Trust Bank Building
160 Gloucester Road
Wan Chai
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited

Principal Share Registrar and Transfer Office in the Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Stock Code

8320

Financial Highlights

Revenue of the Group decreased from approximately HK$52.0 million for the year ended 31 March 2024 to approximately HK$47.6 million for the year ended 31 March 2025, representing a decrease of 8.5%. The decrease in the revenue was mainly driven by decrease in average fees from new contracts awarded in the year and delay in project program under the current market sentiment.

The loss attributable to owners of the Company for the year ended 31 March 2025 was approximately HK$9.6 million as compared to the profit attributable to owners of the Company of approximately HK$0.6 million for the year ended 31 March 2024, mainly due to (i) the decrease in revenue and gross profit margin; (ii) the increase in staff cost for retaining talents; (iii) the increase in impairment of other receivables; and (iv) business development costs for overseas expansion.

The board of Directors (the "Board") has resolved not to declare the payment of any final dividend for the year ended 31 March 2025.

Chairman's Statement

Dear Valued Shareholders,

Since its establishment in 1994, Allied Environmental Consultants Limited has entered their thirty-first year's of service. Over more than three decades, Allied Environmental Consultants Limited has integrated its core businesses, driven the net-zero economic transition, built healthy and safe sustainable communities, consolidated its industry leadership and achieved record-high performance. On behalf of the Board of Directors (the "Board"), I am pleased to present the audited consolidated results of Allied Sustainability and Environmental Consultants Group Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 31 March 2025 (the "Year").

Kwok May Han, Grace
Chairman and Executive Director

Strengthening Core Businesses, Advancing Green Transition Tailored to Local Conditions, and Achieving Synergistic Development

Leading by Example: Enhancing Climate Resilience and Nature-Positive Transition

A green transition is crucial to addressing environmental challenges, promoting sustainable economic development and safeguarding social welfare. The COP 29 took place in Baku, Azerbaijan, in November 2024, with "financing" as a key topic due to rising global financial losses resulting from climate change and extreme weather. Hong Kong is positioned as an "international green technology and financial center" and a "superconnector" of the Belt and Road Initiative, benefiting from its connection to the Greater Bay Area and overseas markets. With a diverse financial services system, Hong Kong attracts green capital, green products and professionals, creating significant market opportunities. The establishment of the Glasgow Financial Alliance for Net Zero Hong Kong Chapter will further promote climate finance in the region, supporting the transition to a low-carbon economy.

In the Year, the Group further analyzed climate-related risks by using climate scenarios in the risk assessment with reference to the ISSB recommendations. We engaged our management and external stakeholders to identify climate-related risks relevant to our assets. We have adopted quantitative and qualitative scenario analysis to identify risk and develop a comprehensive strategy. Simultaneously, aligning with the LEAP (Locate, Evaluate, Assess, Prepare) methodology recommendations, the company systematically advances the deep integration of nature-related factors into business strategies. During the 'Locate' and 'Evaluate' phases, we employ TNFD framework-mandated governance processes to identify and prioritize material nature-related risks and opportunities that have significant environmental impacts and high business relevance. This ensures natural capital considerations are embedded into corporate strategic decision-making. We disclose our approach to the management of climateand nature-related risks and opportunities through four core elements: governance, strategy, risk management, and metrics and targets. We are committed to demonstrating to our stakeholders that our approach to managing climate and nature-related risks and opportunities aligns with the ISSB Disclosure Guidelines and the UK Transition Plan Taskforce (TPT) Guidance.

Strengthening Core Businesses, Advancing Green Transition Tailored to Local Conditions, and Achieving Synergistic Development (continued)

Leading by Example: Enhancing Climate Resilience and Nature-Positive Transition (continued)

As a top-notch and professional environmental and sustainable consultancy firm, the Group has consolidated the development of its core business and maintained its leading position. The Group has been nominated for and awarded various accolades, recognizing its professional enactment and thought leadership in driving climate action and promoting climate resilience. These awards include the 2023 Hong Kong Awards for Environmental Excellence – Outstanding HKAEE Promotional Partner – Servicing and Trading – Certificate of Merit – Hong Kong Green Organisation, Hong Kong Green Organisation Certification – Energywi$e Certificate (Good Level), Hong Kong Green Awards 2023 – Green Management Award – Service Provider (SME) – Bronze, Ethical Finance Awards 2023 – Most Pioneering Sustainability & Environmental Consulting Firm 2023 – Hong Kong.

Our Science-based Targets and Participation in Race to Zero

The Group recognizes the severe impact of climate change and understands that humanity is facing an unprecedented crisis. As such, the Group strives to lead as a role model and has set decarbonization targets validated by the SBTi. As a pioneer in addressing global warming, the Group has been validated by the Science Based Targets initiative (SBTi) in March 2024. The latest target is to reduce scope 1 and scope 2 GHG emissions by 42% by 2030 from the base year 2023 and to measure and reduce its scope 3 emissions. In addition, the Group commits to reach net-zero by 2044 and commits to reduce scope 1, 2 and 3 emissions by 90% by 2044 from the base year 2023 and sets targets of limiting the magnitude of global warming within 1.5°C by 2030 in near term and by 2044 in long term respectively. In addition, in order to work towards a zero-carbon future, the Group has formulated a net-zero roadmap to transit to a low carbon economy and living and progressively realize the Company's zero carbon strategic ambition. Meanwhile, the Group cooperated with the WorldGBC to offer net-zero solutions in the property development and management sectors. Since AEC is one of the members agreeing to attain net-zero emission by 2030, a net-zero roadmap navigating to the target was initiated.

With an aim to further realize the Group's sustainability commitment, the Report is also prepared in alignment with the Task Force on Climate related Financial Disclosures ("TCFD"), the Ten Principles of the United Nations Global Compact ("UNGC") and the United Nations Sustainable Development Goals ("UNSDGs"). The Year marks an important milestone for the Group as we embark on pioneering disclosure practices in alignment with the IFRS S2 Climate-related Disclosures ("IFRS S2") published by the International Sustainability Standards Board ("ISSB") of the IFRS Foundation. Building on the conclusions drawn from the consultation paper of the Stock Exchange, which received broad-based support for its proposals to enhance climate-related disclosures, we are committed to adopting a proactive stance towards sustainability reporting by conducting assessment on the readiness evaluation to adopt ISSB-aligned climate disclosure.

Strategic Development in the Middle East and Asia-Pacific

Fueled by globalization and the Belt and Road Initiative, the Group has strengthened its collaboration with entities in those countries along the Belt and Road, rapidly expanding its presence in overseas markets. Through consulting, education and training, green financing, and green technology services, we foster bilateral cooperation between Hong Kong, the Greater Bay Area, ASEAN, and the Middle East, achieving synergistic development. To strengthen multilateral co-operation on sustainable development, the Group has signed non-legally binding agreements with entities in the United Arab Emirates (UAE), Malaysia, Vietnam, Indonesia, Singapore, South Korea and Hong Kong. These agreements aim to raise awareness of environmental, social and governance (ESG) issues, promote professionalisation through knowledge sharing and enable collaboration on low-carbon construction, green technology, climate resilience, green energy and carbon neutrality throughout the Guangdong – Hong Kong – Macao Greater Bay Area and the Belt and Road region.

Strategic Development in the Middle East and Asia-Pacific (continued)

During the Year, the Group has signed nine further memoranda of understanding or letters of intent with enterprises in the UAE, Malaysia, Vietnam, Indonesia, Singapore and Hong Kong to advance Belt and Road business co-operation. In addition, the Group has reached a strategic co-operation agreement with South Korea's EnergyX Inc. to deepen collaboration on ESG, building-integrated photovoltaics, solar-photovoltaic construction, green energy and carbon neutrality, thereby strengthening business partnerships in Asia and the Middle East.

Diversify the Group's Business Scopes and Portfolio

Environmental, Social and Governance (ESG)

The Group is actively capturing new opportunities arose from sustainable development. In September 2023, the Group was listed as an official participant on Core Climate, the first international carbon marketplace initiated by Hong Kong Exchanges and Clearing Limited (HKEX). This Platform enables the Group to trade and retire carbon credits. In addition, the Group's ESG team has expanded its range of ESG initiatives, including one-stop, on-demand services in Smart and Green Internet of Things (IoT) with our own ESG platform – Sustainature – designed to assist companies in tracking their progress towards carbon neutrality targets and generating the Stock Exchange and Bursa Malaysia compliant ESG reports. The Group also co-organized with Global Real Estate Sustainability Benchmark ("GRESB") the "2024 GRESB Regional Insights: Hong Kong (Real Estate and Infrastructure)" Event in November 2024 as GRESB Asia-Pacific training partner, and forged collaboration with Carbon Risk Real Estate Monitor ("CRREM") to launch the 8-month Net Zero Pioneers for China and Hong Kong CRREM Early Adopter Program as CRREM's first training partner in Hong Kong and Mainland China.

Sustainable Design

The Group emphasizes on the health and well-being of individuals living in and around the built environment by providing solutions that prioritize their health, safety, and protection of the environment, society and governance. The sustainable solutions consist of environmental impact assessment, air quality impact assessment, air ventilation impact assessment, noise impact assessment, environmental monitoring and audit, carbon and energy audit and building environment research.

Green and Healthy Buildings

The Group's green building certification consulting services provide comprehensive environmental design and one-stop certification application services, aimed at achieving greater sustainability for both new and existing structures. Leveraging on our expertise in the Building Environmental Assessment Method ("BEAM Plus"), Leadership in Energy and Environmental Design ("LEED"), Building Research Establishment Environmental Assessment Method ("BREEAM"), China Green Building Label ("China GBL"), EDGE Green Building Certification ("Excellence in Design for Greater Efficiencies"), WELL Building Standard ("WELL") and Fitwel, we assist our clients to fulfil the local and international green building standards. Remarkably, the Group's Green and Wellness Building Team maintained its position by successfully obtaining the green building projects certified with internationally recognizable green and wealthy building standards and design awards: (1) Swire Properties achieved LEED Platinum certification for Operations and Maintenance (O+M) Existing Buildings for One/Two/Three Pacific Place; (2) The Fullerton Ocean Park Hotel Hong Kong achieved a GOLD rating in BEAM Plus New Building Certification and WELL Certification.

Diversify the Group's Business Scopes and Portfolio (continued)

Green and Wellness Building (continued)

During the Year, the Group's Green and Wellness Building Team continued to excel, securing a number of prestigious green building certifications and design awards that are internationally recognized. Key achievements include: (i) International Commerce Centre (ICC) became the first building in Hong Kong to attain the BEAM Plus Existing Building (EBv3.0) Pilot Scheme Final Platinum rating, issued by the Hong Kong Green Building Council. ICC achieved a score of 120, the highest attainable credit points in the pilot scheme. In addition, ICC is also the first building in Asia to attain Platinum certification under the latest Leadership in Energy and Environmental Design (LEED) v5.0 Operations and Maintenance: Existing Buildings by the U.S. Green Building Council (USGBC). ICC achieved a score of 91, the highest among seven certified buildings worldwide. This recognition underscores ICC's unwavering commitment to environmental excellence, operational efficiency, and sustainable development; and (ii) Hongkong Land became the first developer to attain "Triple-Platinum" certifications (BEAM Plus, LEED, WELL) for existing buildings across its entire Hong Kong commercial portfolio. The central portfolio managed by Hongkong Land (Property Management) Limited in Central District includes Alexandra House, Chater House, The Landmark (Edinburgh Tower, Gloucester Tower, York House, Landmark Atrium), Jardine House, Prince's Building and Exchange Square (One, Two & Three Exchange Square, The Forum). Those buildings sum up to an aggregate of around 613,900 m^2 of Gross Floor Area (GFA) and they were all "Triple Platinum" certified with BEAM Plus EB V2.0 Comprehensive Scheme, LEED Existing Building and Operation v4.1 and WELL Core v2, the highest among eleven certified buildings worldwide so far.

Leveraging Green Finance for Sustainable Built Environment

As climate change risks increase in real estate and other industries, the market preferences are to gravitate towards more sustainable buildings and more robust ESG strategy formulation. The Group connects finance and construction, promotes green finance for low-carbon development and contributes to the formulation of local green taxonomies and global real-estate ESG benchmarks. By combining green-building certifications with corporate decarbonisation goals, the Group enhances real-estate portfolios' GRESB scores, assists clients in securing green-bond financing and uses green finance and ESG to drive sustainable-building development. On 8 November 2024, the Group, together with GRESB and the Greater Bay Area Carbon Neutrality Association (GBACNA), organised the "2024 GRESB Regional Insights: Hong Kong (Real Estate and Infrastructure)" at HKU iCube, marking the third consecutive year of this event. This event facilitated a high-level cross-sectoral collaboration among key industry players from different regions, diving deeper into the 2024 GRESB Benchmark Results for Asia, Hong Kong, and China to further enable the development of the benchmark to support the achievement, sustainability, and advancement of green financing. As the GRESB partner and a pioneer in the sustainability industry, the Group values the importance of partnerships in driving sustainable development, through consulting, education and training, green financing, and green technology services. We are dedicated to providing innovative sustainable solutions for our clients and actively contributing to the sustainable development of the real estate and infrastructure sectors in collaboration with various stakeholders. Additionally, the Group co-organized the "Webinar Introducing Net Zero Real Estate Pioneers for Hong Kong and Mainland China CRREM Early Adopter Program" with CRREM and GBACNA to officially launch the program, the aims of which are to support companies of all sizes in their decarbonization journey, accelerate carbon reduction in real estate industry in the Asia-Pacific region, and provide real estate clients with the ability to align with the Paris Agreement's climate targets as well as achieve net-zero emissions. The Group strives to be a bridge between environmental protection and green financing, promoting sustainable development processes. The Group is also actively assisting the Hong Kong Green Building Council in launching Hong Kong's first "Climate Change Framework for Built Environment", promoting the integration of physical-climate-risk assessments and resilience design in built environments.

Responsible Investment to seize Climate-related opportunities

The Group established the Responsible Investment Committee in February 2022 to promote sustainable procurement practices. The committee integrates ESG factors, sustainability, climate resilience, biodiversity, and carbon neutrality into investment planning to ensure that responsible investment principles are embedded throughout the entire decision-making process. Responsible investment is also one of the core business segments of the Group. When providing professional consulting, we comprehensively assess the impact of ESG factors on long-term investment returns and optimize investment strategies for clients based on sustainability principles. At the same time, the Group is committed to making responsible investments in key sustainable development areas such as climate adaptation and resource circulation, and has strategically invested in climate risk management-related projects in recent years.

Cultivating Sustainable Talent and Drafting a Blueprint for Sustainable Development

The Group believes that talents drive changes and regards nurturing the next generation as foundational to achieving peak-carbon and carbon-neutrality goals. Externally, it invests in initiatives to cultivate sustainable development talents, providing systematic training, professional guidance and comprehensive support to young people. Internally, it offers training and development opportunities for employees and organises green-themed lectures and seminars on ESG, green building and other topics to enhance professional knowledge and skills.

Demonstrating Industry Leadership and Market Recognition by Awards and Accolades

During the Year, we are honored to have received several significant accolades during the Year, which recognize our professionalism and dedication to advancing climate action and sustainability. These accolades include BOCHK Corporate Environmental Leadership Awards – EcoChallenger – 8 Years+ EcoPioneer, Hong Kong Green Organisation Certification – Energywi$e Certificate (Good Level), 2023 Hong Kong Awards for Environmental Excellence – Outstanding HKAEE Promotional Partner – Servicing and Trading – Certificate of Merit – Hong Kong Green Organisation, Hong Kong Corporate Governance and ESG Excellence Awards 2024 – Corporate Governance and ESG Excellence Awards 2024 (Category 5), Women in Green Building Leadership Award 2024, TVB ESG Awards 2024 – ESG Environmental Innovative Technology Award, 13th Junzi Corporation Award – Junzi Corporation Award (Small and Medium Enterprises), HKIS Awards 2024, New Quality Productive Forces (NQPF) Award 2024 – Green Finance and Environmental Services, Green Office Awards Labelling Scheme and Eco-Healthy Workplace Award Labelling Scheme (GOALS), BDO ESG Awards – Theme Awards – Merits, 2024 ABCD-GITEX HK Delegation Award – ESG Leader Award.

Prospects

Since its establishment in 1994, the Group has been committed to its mission and vision of "achieving commercial success and satisfaction for our clients, while building a sustainable future for all stakeholders in the community." The Company integrates sustainable development values into its business framework, continuously providing a sustainable development path for customers, business partners, communities, and employees. By reshaping cities with sustainable building designs, offering innovative green solutions to mitigate climate change impacts, and promoting sustainable development awareness through continuous knowledge sharing and education, the Group aims to create a green future and become a pioneer in the field of sustainable development and environmental consulting. To respond to the global demand for sustainable development, the Group actively responded to the Hong Kong Government's commitment to achieving carbon neutrality by 2050, aligning with the latest climate disclosure requirements issued by the Stock Exchange, we have consistently refined the Group's sustainability strategy through various measures such as raising awareness of sustainability and providing sustainable solutions, and we are committed to promoting the process of sustainable development holistically through the Group's influence in the Asia Pacific region and the Greater Bay Area. Working together, we will create a healthier and more resilient environment for our future generations.

Prospects (continued)

Facing the new challenges and opportunities posed by climate change, the Group leverages advanced technology and a highly skilled professional team. We are dedicated to promoting sustainable development initiatives, raising public awareness of environmental and climate issues through our actions, enhancing low-carbon building construction, and contributing to the creation of greener cities. Additionally, fueled by globalization and the Belt and Road Initiative, the Group has strengthened its collaboration with entities in those countries along the Belt and Road region, rapidly expanding its presence in overseas markets. Through consulting, education and training, green financing, and green technology services, we foster bilateral cooperation between Hong Kong, the Greater Bay Area, ASEAN, and the Middle East, achieving synergistic development. Looking ahead, the Group will continue to strengthen its core business development, enhance green technology innovation, accelerate expansion in the Asia-Pacific and Middle East markets and foster close cooperation with partners both locally and globally to build a greener earth together!

Under the development framework of "Excellence", "Integrity", "Clients", "People" and "Environment", the Group is committed to setting higher goals, prioritizing customer satisfaction to deliver excellent services, and adding value for customers. The Group also emphasizes employee development and continuously provides one-stop high-quality sustainability and environmental consulting services, placing environmental and social interests at the core.

Appreciation

On behalf of the Board and the management team, I would like to express my sincere gratitude to all the shareholders, business partners and clients for their generous support over the past financial year. My heartfelt appreciation also goes to all the Directors for their contributions, and all the staff members for their hard work and collective efforts. Looking forward, we will continue to build on our strengths, keep abreast of the industry trends, and capture new business opportunities as the market becomes increasingly competitive in the forthcoming years.

Kwok May Han Grace
Chairman and Executive Director

20 June 2025

Management Discussion and Analysis

Industry Review

Since the adoption of the Paris Agreement in 2015, nearly 200 countries have committed to working together to limit the global temperature increase to below 1.5°C. At COP28, various nations reached the UAE Consensus, which calls for countries to submit new nationally determined contributions (NDCs) and develop ambitious climate policies by 2025. The agreement also sets critical targets, such as tripling global renewable energy capacity by 2030 and doubling the average annual global energy efficiency improvement rate – from 2% to 4%. The UAE Consensus emphasizes the need for these actions to be carried out in a "just", "orderly", and "equitable" manner, ensuring a fair transition towards the 2050 net-zero emissions goal. According to the International Energy Agency (IEA), global investment in clean energy technologies and infrastructure is projected to reach US$2 trillion by 2024 which represents twice the amount invested in fossil fuels. This trend underscores the steady growth of clean energy investment worldwide.

As the Asia-Pacific region plays a key role in addressing the challenges of global climate change, Hong Kong, as Asia's green finance hub, is committed to channeling international investment into different sustainable development projects in Asia to support the region's green transformation. In April 2024, Hong Kong Exchanges and Clearing Limited (HKEX) put forward the "Proposal to Enhance Climate-Related Disclosure Requirements under IFRS S2" for enhancing climate-related disclosure under the ESG framework, making HKEX one of the first exchanges in the world to introduce the requirements, such requirements have been implemented in phases from 1 January 2025 onwards. In addition, the Chief Executive's 2024 Policy Address has re-emphasized that the overall direction of Hong Kong's environmental protection policy is to "focus on building a beautiful Hong Kong and accelerate the green transformation of our society as well as green and low-carbon development, with a view to fostering a harmonious coexistence of mankind and nature".

Against this background, the Group is seizing new market opportunities arising from environmental, social and governance (ESG) consultancy services, green and healthy building certification, and green finance to promote green transformation and achieve long-term stability and sustainable development.

Business Review

The Group is specialized in providing (i) green building certification consultancy; (ii) sustainability and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy. The four business segments contributed approximately 63.5%, 17.5%, 7.2%, and 11.8% to the Group's total revenue for the year ended 31 March 2025, respectively. For the year ended 31 March 2025, the Group derives majority of its revenue from green building certification consultancy and sustainability and environmental consultancy.

Green Building Certification Consultancy

This segment mainly provides environmental design and one-stop certification application services for developers and owners to enhance environmental performance and sustainability of their buildings. The Group provides professional consultancy services for its customers to meet global green building standards, including but not limited to Building Environmental Assessment Method (BEAM/BEAM Plus), Leadership in Energy and Environmental Design (LEED) and China Green Building Design Label (China GBL). As at 31 March 2025, the Group had 311 (as at 31 March 2024: 320) engagements with clients which mainly comprised property developers, contractors, architects, designers and government departments.

Business Review (continued)

Green Building Certification Consultancy (continued)

During the Year, the Group's Green and Wellness Building Team continued to excel, securing a number of prestigious green building certifications and design awards that are internationally recognized. Key achievements include: (i) International Commerce Centre (ICC) became the first building in Hong Kong to attain the BEAM Plus Existing Building (EBv3.0) Pilot Scheme Final Platinum rating, issued by the Hong Kong Green Building Council. ICC achieved a score of 120, the highest attainable credit points in the pilot scheme. In addition, ICC is also the first building in Asia to attain Platinum certification under the latest Leadership in Energy and Environmental Design (LEED) v5.0 Operations and Maintenance: Existing Buildings by the U.S. Green Building Council (USGBC). ICC achieved a score of 91, the highest among seven certified buildings worldwide. This recognition underscores ICC's unwavering commitment to environmental excellence, operational efficiency, and sustainable development; and (ii) Hongkong Land became the first developer to attain "Triple-Platinum" certifications (BEAM Plus, LEED, WELL) for existing buildings across its entire Hong Kong commercial portfolio. The central portfolio managed by Hongkong Land (Property Management) Limited in Central District includes Alexandra House, Chater House, The Landmark (Edinburgh Tower, Gloucester Tower, York House, Landmark Atrium), Jardine House, Prince's Building and Exchange Square (One, Two & Three Exchange Square, The Forum). Those buildings sum up to an aggregate of around 613,900 m^2 of Gross Floor Area (GFA) and they were all "Triple Platinum" certified with BEAM Plus EB V2.0 Comprehensive Scheme, LEED Existing Building and Operation v4.1 and WELL Core v2, the highest among eleven certified buildings worldwide so far.

These accolades affirm the Group's leadership in sustainable and wellness-focused building design.

Sustainability and Environmental Consultancy

This segment is mainly engaged in the provision of sustainable design solutions to architects for urban regeneration, sustainable development and integrated planning. The solutions include but are not limited the provision of environmental impact assessment, noise impact assessment, air quality impact assessment, air ventilation assessment, carbon/energy audit and build environmental study. As at 31 March 2025, the Group had 140 projects (as at 31 March 2024: 122) on hand which were mainly from property developers, contractors, architects, designers and government departments.

As of 31 March 2025, the Group has completed or is conducting several environmental impact assessments in accordance with the Environmental Impact Assessment Ordinance, including: the **Construction of Annex Block at Hong Kong Observatory Headquarters** project completed in 2024, the **Proposed KMB Tai Po E-bus Depot at Dai Fuk Street Tai Po** project completed in 2025, the **SPCA Centenary Centre for Animal Welfare And Education, Tsing Yi** project completed in 2025. Notably, the Group has provided environmental consultancy services for the light public housing projects proposed in the Chief Executive's 2022 Policy Address. These services include, but are not limited to, air ventilation assessments, noise impact assessments, air quality impact assessments, water quality assessments, waste management, environmental reviews, and drainage & sewerage impact assessments. All services align with the United Nations Sustainable Development Goals and the HKSAR Government's objectives to address the short-term public housing supply gap and improve living conditions and quality of life for those in inadequate housing as swiftly as possible. They include **Ma On Shan Light Public Housing** project completed in August 2024, followed by the completion of the **Tuen Mun 54 Light Public Housing** in September 2024.

Acoustics, Noise and Vibration Control and Audio-visual Design Consultancy

This segment provides services to assist architects and engineers to test and evaluate environmental performance of various materials and products for buildings. The services include but are not limited to architectural acoustics, building acoustics, mechanical service and airborne noise control, sound reinforcement and public address system, architectural and façade lighting system as well as theatre planning and stage equipment system. As at 31 March 2025, the Group had 87 projects (as at 31 March 2024: 85) on hand which were mainly from property developers, architects and designers.

Business Review (continued)

ESG Reporting and Consultancy

This segment provides consultancy services on ESG reporting for companies listed on the Stock Exchange, which is required by the Stock Exchange to encourage listed companies to identify and disclose ESG issues and key performance indicators ("KPIs") that are non-financial information but reflect significant environmental and social impacts, and ultimately influence the assessments and decisions of stakeholders. The Group provides comprehensive solution from identifying the material aspects of ESG issues and formulating ESG implementation plan to the preparation of an ESG report.

As a leader in sustainability and environmental consulting, the Group has partnered with the Chamber of Hong Kong Listed Companies (CHKLC) to develop the ESG Certified Professional (ESGCP) examination and training courses through our ESG Academy. This initiative helps ESG practitioners to understand HKEX rules and regulations and improves the quality of ESG reporting for companies listed on the Stock Exchange. To amplify the dissemination of ESG knowledge, the Group's ESG Academy launched a series of specialized training programs in FY2024 comprising 8 intensive workshops totaling 54 training hours. These sessions attracted nearly 120 professionals from diverse industries. The curriculum was structured around key themes including deconstructing key ESG concepts and topics, analyzing regulatory developments, sharing industry best practices, and exploring corporate climate risk management strategies, significantly enhancing participants' strategic decision-making and risk management competencies. These efforts underscore the Group's multifaceted role in advancing the ESG ecosystem – serving not only as a key contributor to professional standard-setting but also as a catalyst for industry capacity-building. Through a dual-driven approach combining authoritative certification systems and practical training mechanisms, we continue to energize Hong Kong's ESG talent pool. By equipping enterprises to transform sustainability blueprints into impactful business practices, we collectively propel the region's transition towards a greener future.

During the Year, we continued to improve our one-step online ESG management platform – Sustainature. It simplifies ESG data processing, enable data analytics and management with the same platform and generate the Stock Exchange and Bursa Malaysia compliant ESG reports, helping enterprises to track their progress towards carbon neutrality goals and enhancing ESG performance. In line with sustainability reporting, we also offer auxiliary value-added services such as stakeholder engagement, materiality assessment, target setting, sustainability assessments such as Global Real Estate Sustainability Benchmark ("GRESB") consulting and sustainable strategy development. Our mission is to direct our clients towards a sustainable future on a solution basis that outperforms regulatory standards. In light of more stringent disclosure requirements of sustainability reporting guidelines and frameworks, we aspire to advise clients on up-to-date industrial trends and assist them in growing their capacity for long-term sustainable development.

We are honored to be recognized with several significant accolades throughout the Year, which assure our expertise and devotion to producing high-quality ESG reports. The Group has been awarded the Best in ESG Reporting Awards (GEM), Best in ESG Awards (GEM), and ESG Report of the Year (GEM) by the BDO Limited, which acknowledged the outstanding performance of the Company's 2021/22 ESG report. These accomplishments epitomize our leadership position in both Hong Kong's and Mainland China's green building consulting industry.

As at 31 March 2025, the Group had 78 projects (as at 31 March 2024: 54) on hand across various industries.

e-Learning Platform, Air Quality, Smart & Green IoT

In addition to our core services, the Group also provides a number of enhancement services for our clients to further their sustainable development aspirations. To enhance properties' overall indoor environmental quality, the Group has been providing real-time air quality monitoring solutions to our clients, to assist them to monitor and improve indoor IAQ of their properties. Moreover, to improve our clients' knowledge and understanding on the importance of sustainable development, the Group has also been providing our clients with e-Learning platform on trainings for ESG topics.

Prospects

The COP 29 took place in Baku, Azerbaijan, in November 2024, with "financing" as a key topic in light of rising global financial losses resulting from climate change and extreme weather. Hong Kong is positioned as an "international green technology and financial center" and a "superconnector" of the Belt and Road Initiative, benefiting from its connection to the Greater Bay Area and overseas markets. With a diverse financial services system, Hong Kong attracts green capital, green products and professionals, creating significant market opportunities. The establishment of the Glasgow Financial Alliance for Net Zero Hong Kong Chapter will further promote climate finance in the region, supporting the transition to a low-carbon economy.

Additionally, the Hong Kong Green Building Council (HKGBC) launched the "HKGBC Climate Change Framework For Built Environment" in June 2023 to help the building industry to set net zero carbon goals, report ESG achievements, and justify green finance requirements. The new "Zero-Carbon-Ready Building Certification Scheme" benchmarks energy performance and sets carbon neutrality targets, which are likely to increase demand for the Group's green building certification and sustainability consultancy services.

As the first sustainability and environmental consultancy firm listed on the Stock Exchange, the Group is dedicated to delivering environmental solutions across Hong Kong, Mainland China and the Asia-Pacific region. The Group is committed to building a low-carbon future by deepening professional knowledge, tracking cutting-edge technological trends, and delivering forward-looking and actionable environmental solutions. We collaborate closely with multiple stakeholders to develop comprehensive action plans covering carbon reduction and resource circulation, while promoting the popularization and practice of environmental awareness through corporate culture cultivation and community education. Leveraging advanced technologies such as digital twin and IoT monitoring, we provide end-to-end sustainability strategies from assessment to implementation, ensuring the scientific validity and feasibility of our solutions. In our operations, we adhere to the principles of transparency and accountability, upholding ethical standards and maintaining honest communication with stakeholders. By continuously enhancing service quality and innovative solutions, we strive to set industry benchmarks, drive positive environmental change, and inspire more organizations and individuals to join the sustainability movement, working together to build a healthier and more resilient planet for the future.

Financial Review

Revenue

The total revenue of the Group decreased from approximately HK$52.0 million for the year ended 31 March 2024 to approximately HK$47.6 million for the year ended 31 March 2025, representing a decrease of approximately 8.5%. As at 31 March 2025, the Group had 616 projects on hand, the aggregate contract sum of which amounted to approximately HK$257.0 million.

The revenue of green building certification consultancy decreased by 9.6% from approximately HK$33.4 million for the year ended 31 March 2024 to approximately HK$30.2 million for the year ended 31 March 2025, which was resulted from delay in project program under the current market sentiment.

The revenue of sustainability and environmental consultancy decreased by 19.5% from approximately HK$10.4 million for the year ended 31 March 2024 to approximately HK$8.3 million for the year ended 31 March 2025 which was mainly due to decrease in average fees from new contracts awarded to the Group.

The revenue of acoustics, noise and vibration control and audio-visual design consultancy decreased by approximately 21.3% from approximately HK$4.4 million for the year ended 31 March 2024 to approximately HK$3.4 million for the year ended 31 March 2025 which was mainly resulted from delay in project program under the current market sentiment.

The revenue of ESG reporting and consultancy increased by approximately 44.7% from approximately HK$3.9 million for the year ended 31 March 2024 to approximately HK$5.6 million for the year ended 31 March 2025, which was due to the increase in number of new contracts awarded to the Group.

The table below sets forth the breakdown of the revenue by segment for each of the years ended 31 March 2025 and 2024:

	2025		2024	
	HK$'000	**%**	HK$'000	%
Green building certification consultancy	**30,195**	**63.5**	33,417	64.2
Sustainability and environmental consultancy	**8,341**	**17.5**	10,363	19.9
Acoustics, noise and vibration control and audio-visual design consultancy	**3,429**	**7.2**	4,355	8.4
ESG reporting and consultancy	**5,618**	**11.8**	3,882	7.5
Total	**47,583**	**100.0**	52,017	100.0

Cost of Services Provided and Gross Profit

The majority of the Group's cost of services provided comprised subcontracting cost and direct labour cost. The Group's cost of services provided increased by approximately 5.3% from approximately HK$28.2 million for the year ended 31 March 2024 to approximately HK$29.7 million for the year ended 31 March 2025.

The Group's gross profit decreased by approximately 25.0% from approximately HK$23.8 million for the year ended 31 March 2024 to approximately HK$17.8 million for the year ended 31 March 2025, which was primarily due to the decrease in revenue and gross profit margin for the year ended 31 March 2025.

Financial Review (continued)

Other Income, Gains and Losses, net

The Group's other income, gains and losses, net increased by approximately 604.7% from approximately HK$0.2 million for the year ended 31 March 2024 to approximately HK$1.4 million for the year ended 31 March 2025 which was mainly resulted from receipt of the dedicated fund on Branding, Upgrading and Domestic Sale under Free Trade Agreement and Investment Promotion and Protection Agreements Programme during the year ended 31 March 2025.

Administrative Expenses

The Group's administrative expenses increased by approximately 17.0% from approximately HK$22.3 million for the year ended 31 March 2024 to approximately HK$26.1 million for the year ended 31 March 2025 mainly because there is an increase in administrative staff cost to reward their contribution and retain talents and business development costs for overseas expansion.

(Loss)/Profit Attributable to the Owners of the Company

The loss attributable to the owners of the Company was approximately HK$9.6 million for the year ended 31 March 2025 as compared to the profit attributable to the owners of the Company of approximately HK$0.6 million for the corresponding period in 2024 which was mainly attributed to the (i) decrease in revenue and gross profit margin, which was mainly driven by decrease in average fees from new contracts awarded in the Year and delay in project program under the current market sentiment; (ii) increase in staff costs for retaining talents; (iii) the increase in impairment of other receivables; and (iv) business development costs for overseas expansion for the year ended 31 March 2025.

Net Cash Used in Operating Activities

The Group's net cash used in operating activities for the year ended 31 March 2025 was approximately HK$3.2 million, whereas there was net cash used in operating activities of approximately HK$0.3 million for the year ended 31 March 2024. There is an increase in net cash used in operating activities for the year ended 31 March 2025 as compared to that for the year ended 31 March 2024, which was mainly due to increase in prepayments, deposits and other receivables for the year ended 31 March 2025.

Liquidity, Financial Resources and Capital Structure

Historically, the Group has met the liquidity and capital requirements primarily through operating cash flows and capital contribution from its shareholders ("Shareholders").

The Group requires cash primarily for its working capital needs. As at 31 March 2025, the Group had approximately HK$11.9 million in cash and bank balances (31 March 2024: approximately HK$14.2 million), representing a decrease of approximately HK$2.3 million as compared to that as at 31 March 2024. The decrease was mainly due to the decrease in net proceeds of bank loan.

The Company monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's bank borrowings (including short-term bank loan) as appropriate. The bank borrowings are secured, repayable on demand and denominated in Hong Kong dollars, and bear interest at a floating rate.

As at 31 March 2025, the Group had banking facilities in an aggregate amount of approximately HK$21.0 million, of which approximately HK$19.0 million was utilised.

Dividend

The Board has resolved not to declare any final dividend in respect of the year ended 31 March 2025 (2024: Nil).

Financial Review (continued)

Employees and Remuneration Policies

As at 31 March 2025, the Group had a total of 80 employees (2024: 86). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the role and function, performance, qualification and experience of individual employee. The Group recognizes the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances.

The Company adopted a Share Option Scheme on 23 September 2016 and a Share Award Scheme on 8 February 2017 to complement its human resources policy for enhancing staff (including directors, employees, officers, consultants, etc.) welfares to ensure talents can be retained and their productivity and potentials can be elevated.

Gearing Ratio

The gearing ratio of the Group, calculated as total borrowings divided by total share capital and reserves, was approximately 29.5% as at 31 March 2025 (2024: 23.4%).

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars. Nevertheless, the Directors will closely monitor the Group's foreign currency position and consider natural hedge measures to manage its foreign currency exposures by non-financial methods, managing the transaction currency, leading and lagging payments and receivables management, etc. The Group did not enter into any derivatives agreement and did not have any financial instruments to hedge against its foreign exchange exposure during the year ended 31 March 2025.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2025. The Group strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Significant Investments and Future Plans for Material Investments and Capital Assets

Save as disclosed in this annual report, as at 31 March 2025, the Group did not hold any significant investments in equity interest in any other companies nor have any definite future plans for material investments and capital assets.

Strategic Alliances with Business Partners

In February 2022, the Group has established the Responsible Investment Committee to integrate responsible investment principles into investment planning, which takes into account the impact of ESG, sustainability, climate resilience, biodiversity, and carbon neutrality on the long-term investment returns and their respective positive impacts. The Group actively expanded its business footprint and adhered to building a diversified portfolio, including Building Information Modeling ("BIM") project life cycle, green business and consumer goods. During the Year, the Group has taken a significant step forward in its commitment to advancing the development of a robust carbon trading market by joining both Core Climate and Verra.

The Group has an extensive operation and is committed to providing world-class environmental and sustainability consultancy services to its clients, as reflected in our wide-ranging project portfolio spanning across Hong Kong, Mainland China and the Asia Pacific region. Sustainability lies at the very core of our day-to-day business and working culture. To promote the importance of sustainability across society, the Company offers professional sustainability advisory services that bring value to our clients, human capital and the environment. At the same time, we collaborate with various organizations to further advocate for sustainable practices and expand our influence beyond the local market to the Asia-Pacific region and globally.

The Group has expanded its business venture to the Malaysian Green Building, Sustainability, Environmental, Social and Governance ("ESG") market and established an office in Kuala Lumpur, Malaysia in the 2nd half of 2022. The presence of the Group in the Asia Pacific Region has started in Thailand and Singapore in 2020 and now the strategic hub in Malaysia.

The Group endeavours to expand its project portfolio across Southeast Asia riding on the Belt and Road Initiative, as well as from the Greater Bay Area to the other parts of Mainland China. The Group is of the view that this strategic action will significantly enhance its status as a leading sustainability and environmental consultancy services provider in the Green Building, Sustainability, ESG, Green Finance, Green Technology, Renewable Energy, Carbon Credit, Climate Change, Carbon Neutrality market. The Group also believes that the cooperation with regional partners will complement the Group's existing expertise and elevate its services to the Asia Pacific Region and Mainland China.

In 2024, the Group seizes the opportunity presented by the development of the Middle East, aligning with China's Belt and Road Initiative. This strategic move positions the Group to offer premium green solutions and consultancy services to the local market and explore innovative partnership models to enhance service delivery.

On 4 July 2024, the Malaysia office signed a Memorandum of Understanding with Universiti Tunku Abdul Rahman (UTAR) to jointly promote academic collaboration in green solutions and sustainable development training.

On 23 July 2024, AEC signed a Memorandum of Understanding with Blue Sky Energy Technology Limited to broaden their collaboration on smart energy management, tenant engagement, ESG data integration, and green building certification. This partnership will leverage green IoT technology to deliver smart energy solutions and promote green building certifications, ultimately improving indoor air quality, water consumption, electricity efficiency, and waste management.

On 14 August 2024, a Memorandum of Understanding was signed with Korea's EnergyX Inc. to deepen cooperation in Information Technology and Engineering Based Sustainability Consultancy Services. This partnership will specifically focus on BIPV, BAPV, and other solar panels across Asia and the Middle East.

Strategic Alliances with Business Partners (continued)

On 9 September 2024, the Group entered into a Memorandum of Understanding with The Hong Kong and China Gas Company Limited (Towngas). Both parties will engage in deep collaboration in sustainable development and green energy, jointly promoting knowledge sharing related to green development and enhancing awareness and professionalism in environmental, social, and governance matters.

On 11 September 2024, nine non-legally binding cooperation agreements, including Memorandum of Understanding, and Memorandum of Agreement (collectively referred to as "Cooperation Agreements") were signed with multiple business entities from the United Arab Emirates ("UAE"), Malaysia, Vietnam, Indonesia, Singapore, and Hong Kong under the Belt and Road Initiative. These agreements aim to deepen collaboration in sustainable development areas such as low-carbon construction, green technology, climate adaptation, and green financing among Belt and Road countries.

On 22 November 2024, three new cooperation agreements were signed to further advance green technology innovation and ESG development: (i) A Sponsorship Agreement with GreatMeta Limited to support the four-month "Create Your AI ESG Colleague" project, focusing on ESG disclosure, compliance, and regulatory reporting, and promoting the application of green and sustainable fintech in Hong Kong. (ii) A Memorandum of Understanding with Achelous Pure Metal Co., Ltd. to leverage their expertise in business development, sustainability consulting, and strategic planning to develop and promote more environmentally and cost-effective waste treatment and precious metal recycling solutions in the Middle East and ASEAN regions. (iii) A Memorandum of Understanding with Hong Kong Univisual Intelligent Technology Limited (HKUIT) to jointly develop and promote localized products and solutions based on Behavioral Ergonomics Smart Technology and AI Motion Capture, Detection, and Prediction System (BEST-AMOS) for markets in the Middle East and ASEAN.

On 10 December 2024, the Malaysia office signed a non-legally binding Memorandum of Understanding with the University of Nottingham Malaysia to enhance their commitment to sustainable development through collaborative projects, resource sharing, and talent exchange.

On 19 February 2025, the Malaysia office formally signed a Memorandum of Understanding with Global Hemisphere Group Sdn Bhd (GHG), marking the establishment of the Global Sustainability Leadership Academy (GSLA). This collaboration is dedicated to advancing sustainability education and practice, nurturing future environmental leaders worldwide to address environmental challenges and move toward a greener, more sustainable future.

The Group considers that the collaboration will add to the Group's current expertise and elevate its services in the Asia Pacific Region, Mainland China and Middle East. As a result, the action will boost the Group's sustainability initiatives and ESG advisory business by deploying cutting-edge innovation and technology and carving out a niche in an increasingly competitive industry.

In the future, the Group will continue to identify business possibilities to broaden its regional coverage of environmental advices, solutions, and products.

Corporate Guarantee and Pledge of Assets

As at 31 March 2025 and 2024, the Group's bank borrowings were guaranteed or secured by the followings:

(i) corporate guarantees provided by the Company and one of its wholly-owned subsidiaries; and

(ii) personal guarantees provided by two Executive Directors.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2025 (2024: Nil).

Other Commitments

On 16 February 2021, the Group entered into a shareholders' agreement with Share News Media Limited in respect of China Enterprise Green Financial PR Limited (formerly known as New Economy Communications Limited). Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK$1,000,000. On 13 March 2025, all shareholders agreed to the deregistration of China Enterprises Green Financial PR Limited. As at 31 March 2025, no outstanding capital commitment is held by the Group (2024: approximately HK$500,000).

On 18 February 2021, the Group entered into a shareholders' agreement with Luk Advisor Limited and Mr. Cho Shiu Ming in respect of Marine Sustainature Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK$1,000,000. On 28 March 2025, all shareholders agreed to the deregistration of Marine Sustainature Limited. As at 31 March 2025, no outstanding capital commitment is held by the Group (2024: approximately HK$505,000).

On 22 February 2021, the Group entered into a shareholders' agreement with Bamboo International (Group) Co., Ltd. in respect of Bamboo Technology Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK$1,500,000. As at 31 March 2025, the outstanding capital commitment by the Group amounted to HK$445,000 (2024: approximately HK$445,000). The Company expects all capitals to be injected by the Group to the said company will be funded by the internal resources of the Group.

On 3 January 2023, the Group entered into an investment agreement with SMAC Computing Company Limited. Pursuant to the agreement, the Group has committed to acquire approximately 5% equity interest in SMAC Computing Company Limited at a total consideration of HK$1,190,000. The Group has paid HK$200,000 as deposit of the acquisition of the said equity interest during the year ended 31 March 2024. According to the terms, the agreement has expired and no outstanding capital commitment is held the Group as at 31 March 2025 (2024: HK$990,000).

Financial Risk Management

Risk management is carried out by the Company's risk management committee pursuant to the policies approved by the Board. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides guidance for overall risk management and specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Principal Risks and Uncertainties

The Group's financial condition, operation and business prospect may be affected by the following principal risks and uncertainties directly or indirectly. There may be other risks and uncertainties in addition to those set out below which are not presently known to the Group or are currently considered to be immaterial but may adversely affect the Group in future.

1. Reliance on Bidding for Revenue

Most of the Group's revenue were derived from projects awarded through bidding which are not recurrent in nature and there is no assurance that its customers will provide new businesses in the future. The ability of the Group to achieve success in the bidding processes will be essential to its revenue.

In view of the intense market competition, the Company's project team has dedicated more time and efforts in exploring additional business opportunities or strengthening its professional accreditations, such as:

(i) submitting bidding for other types of properties (e.g. infrastructure projects) in the sustainability and environmental consultancy sector;

(ii) encouraging its project team members to obtain the new certifications in the green building certification consultancy sector as clients may award extra score to companies with certified staff, thereby increasing the Group's competitiveness and successful rate in bidding; and

(iii) extending its scope of services to lighting design projects in the acoustic, noise and vibration control, and audio-visual designs sector.

The Group has also involved more professional staff in the bidding process of a project, including preparing fee proposal, dealing with potential clients and negotiating the service fees after the bid, in order to secure more projects on hand and to maximise the profitability of the Group which may lead to a further increase in such costs.

To reduce the Group's reliance on bidding for new business, the Group has also sent its project team members to team up with engineering consultancy companies in the industry as it plans to venture to provide services of sustainability and environmental consultancy for other types of property in the sector and submit proposal for tender projects offered by property developers and the Government.

Principal Risks and Uncertainties (continued)

2. Keen Competition

There is no legal entry barrier to the industry. The Group faces keen competition from the other players in the market, some of which may have greater financial and other resources, a larger variety of services, greater pricing flexibility, stronger brand recognition or more established and solid customer base.

3. Additional Operating Costs for Team Expansion

In view of the intense competition in the market, the Group has further strengthened and expanded its in-house team of professional staff. There is a risk that incurrence of such additional costs might not generate revenues proportionately.

The Board is of the view that the new staff members can strengthen the Group's ability to secure bids in the future and maintain its relationship with existing clients. They can also share their work experience they gained with their previous firms and bring synergy to the Group. The Board thus believes that the expansion of its in-house team is beneficial to the gross profit margin in the future.

Furthermore, the Group's pricing and revenue recognition are determined based on the estimated time and costs to be involved in a project which may subsequently deviate from the actual time and costs involved and any material inaccurate estimation may adversely affect its financial results. It is essential that the Group controls and manages its costs of services carefully and effectively.

The costs of services include both direct labour costs and sub-contractors costs. The Board will continue to adjust the ratio of consultancy work between those outsourced to sub-contractors and performed by the in-house team with an aim to improve the service quality and to enhance our profitability.

Use of Proceeds from the Listing

On 9 August 2018, the Company has resolved to change the use of net proceeds ("Net Proceeds") of the initial public offering of the Company ("IPO") (the "First Change in UOP"). Details of the revised allocation of the funds under the First Change in UOP are set out as follows:

Proposed use of Net Proceeds	Original allocation of the Net Proceeds HK$'000	Approximate percentage of total Net Proceeds	Actual use of Net Proceeds up to 31 July 2018 HK$'000	Unused Net Proceeds up to 31 July 2018 (before the Change) HK$'000	Revised use of Net Proceeds	Revised allocation of unused Net Proceeds (after the Change) HK$'000	Reasons for the revised use and allocation of Net Proceeds as stated in the announcement of the Company dated 9 August 2018
Expand into the PRC market through acquisition or establishment of subsidiaries	13,358	40%	45	13,313	No Change	13,313	–
Expand through strategic mergers and acquisitions in Hong Kong	6,679	20%	–	6,679	Acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business	5,800	The revised use of proceeds is to better reflect the Company's current direction of expansion. The allocation of proceeds was adjusted downward because under the recent preliminary term-sheet discussion in relation to an acquisition of a target company, the cash consideration was not expected to exceed HK$5.8 million.
Further expand and develop the Group's services to ESG	6,679	20%	3,708	2,971	Strengthen ESG and environmental project team to expand and develop both ESG consultancy and environmental consultancy business	3,634	The revised use and allocation of proceeds is to combine the resources of both ESG consultancy and environmental consultancy business in order to expand the business in an effective and efficient manner.
Further strengthen and expand the Group's in-house team of professional staff	5,010	15%	4,347	663			
Provide funding for the Group's working capital and other general corporate purposes	1,670	5%	1,670	–	Transferred from the original purpose of strategic mergers and acquisitions in Hong Kong	879	The extra amount of HK$879,000 (available from the reduced amount of HK$5.8 million used in mergers and acquisitions in Hong Kong) was applied towards the Group's working capital and general corporate purposes since the Company anticipated that it is unlikely to identify another suitable acquisition target in the near future.
Total	33,396	100%	9,770	23,626		23,626	

Use of Proceeds from the Listing (continued)

On 25 March 2019, the Company has resolved to have a second change to the use of Net Proceeds from the IPO (the "Second Change in UOP"). Details of the Second Change in UOP are set out as follows:

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the First Change in UOP) HK$'000	Unused Net Proceeds up to 28 February 2019 (before Second Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Second Change in UOP)	Revised allocation of unused Net Proceeds after Second Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Second Change in UOP) as stated in the announcement of the Company dated 25 March 2019
Expand into the PRC market through acquisition or establishment of subsidiaries	13,313	13,268	Acquisition and development of subsidiaries in the PRC for green building certification and environmental consultancy services which the target company has operations in both Northern and Southern China.	12,500	The revised use of proceeds is to better reflect the Company's current direction of expansion. The allocation of proceeds is adjusted downward because under the recent preliminary term sheet signed in relation to an acquisition of a target company, the funding needs are not expected to exceed HK$12.5 million.
Acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business	5,800	5,800	Acquisition and development of subsidiaries or associate companies in Hong Kong for ESG consultancy services business.	3,000	The Company cannot locate a suitable acquisition target for acoustics and lighting business. Alternatively, the Company has set up its own subsidiary for development of lighting business. Due to outstanding growth of ESG consultancy services business in the 2 years preceding the Second Change in UOP, the Company would like to further expand the ESG business and has entered into a memorandum in relation to the subscription of shares in a target company which provides ESG and sustainability consultancy services in Asia and HK$3.0 million of the subscription is expected to be funded by the Net Proceeds.

Use of Proceeds from the Listing (continued)

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the First Change in UOP) HK$'000	Unused Net Proceeds up to 28 February 2019 (before Second Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Second Change in UOP)	Revised allocation of unused Net Proceeds after Second Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Second Change in UOP) as stated in the announcement of the Company dated 25 March 2019
Further expand and develop the Group's services to ESG and further strengthen and expand the Group's in-house team of professional staff	3,634	476	Transferred from the original purpose of acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business.	2,176	The extra amount of HK$1.7 million (available from the reduced amount of HK$3.0 million used in acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business) is applied towards the Group's further expansion of ESG consultancy service since the Company anticipates that it is unlikely to identify another suitable acquisition target in the near future.
Provide funding for the Group's working capital and other general corporate purposes	879	–	Transferred from the original purpose of acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business and expand into the PRC market through acquisition or establishment of subsidiaries.	1,868	This extra amount of approximately HK$1.0 million is available from the reduced amount of HK$3.0 million used in acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business and the reduced amount of HK$12.5 million for proposed use of expanding into the PRC market through acquisition or establishment of subsidiaries since the Company anticipates that it is unlikely to identify another suitable acquisition target in the near future.
Total	23,626	19,544		19,544	

Use of Proceeds from the Listing (continued)

On 20 December 2019, the Company has resolved to have a third change to the use of Net Proceeds from the IPO (the "Third Change in UOP"). Details of the Third Change in UOP are set out as follows:

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the Second Change in UOP) HK$'000	Unused Net Proceeds up to 20 December 2019 (before the Third Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Third Change in UOP)	Revised allocation of unused Net Proceeds after Third Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Third Change in UOP)
Expand into the PRC market through acquisitions or establishment of subsidiaries	12,500	12,500	Acquisitions and development of subsidiaries in the PRC for green building certification and environmental consultancy services for which the target company has operations in both Northern and Southern China.	7,800	The revised use of proceeds is to better reflect the Company's current direction of expansion. The allocation of proceeds is adjusted downward because the valuation of target company was less than expected and upon negotiations with the counterparties, it was agreed that less equity interest will be acquired under the revised capital injection and equity transfer agreement signed on 18 December 2019 in relation to an acquisition of and capital injection in ("Acquisition") 35% equity interest of a target company (namely Beijing Dashi Derun Energy Technology Co. Ltd. (北京達實德潤能源科技有限公司)) at the total consideration of RMB7,000,000 (equivalent to approximately HK$7,700,000).
Acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business	3,000	–	–	–	–
Further expand and develop the Group's services to ESG and further strengthen and expand the Group's in-house team of professional staff	2,176	–	–	–	–

Use of Proceeds from the Listing (continued)

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the Second Change in UOP) HK$'000	Unused Net Proceeds up to 20 December 2019 (before the Third Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Third Change in UOP)	Revised allocation of unused Net Proceeds after Third Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Third Change in UOP)
Provide funding for the Group's working capital and other general corporate purposes	1,868	–	Transferred from the original purpose of expanding into the PRC market through acquisitions or establishment of subsidiaries.	4,700	The Board is of the view that the unutilised net proceeds of approximately of HK$4.7 million originally allocated to expand into the PRC market through acquisitions or establishment of subsidiaries shall now be better utilised to meet the current needs on financial activities of the Group. The re-allocation of the unutilised net proceeds could provide a better allocation of cash resources and strategic planning on working capital allocation and future investment opportunities. The proposed change is in line with the business strategy of the Group and will meet the financial needs of the Group more efficiently. It will also enhance the flexibility in the financial management of the Company.
Total	19,544	12,500		12,500	

Use of Proceeds from the Listing (continued)

On 16 March 2022, the Company has resolved to have a forth change to the use of Net Proceeds from the IPO (the "Forth Change in UOP"). Details of the Forth Change in UOP are set out as follows:

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the Third Change in UOP) HK$'000	Unused Net Proceeds up to 16 March 2022 (before the Fourth Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Fourth Change in UOP)	Revised allocation of unused Net Proceeds after Fourth Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Fourth Change in UOP)
Expand into the PRC market through acquisitions or establishment of subsidiaries	7,800	7,800	Expand existing PRC subsidiary for PRC expansion together with local partners.	3,300	The revised use of proceeds is to better reflect the Company's current direction of expansion. The allocation of proceeds is adjusted because the COVID-19 situation is still evolving rapidly and there remains a substantial uncertainty of the global outbreak. Hence, the Company tends to focus on expansion in existing PRC subsidiary with direct control from headquarters in Hong Kong rather than acquisition or establishment of a new subsidiary to promptly react to potential uncertainty and to effectively align with the Company's PRC expansion strategy.
			Invest in diversified portfolio of investments products proposed by responsible investment committee.	2,800	The Board is of the view that responsible investment as an investment approach that takes into account the impact of various environmental, social and governance, sustainability, climate resilience, biodiversity and Carbon Neutrality factors on the long-term investment returns and their respective positive impacts.

Use of Proceeds from the Listing (continued)

Proposed use of Net Proceeds as disclosed in the Prospectus	Use of Proceeds (as revised by the Third Change in UOP) HK$'000	Unused Net Proceeds up to 16 March 2022 (before the Fourth Change in UOP) HK$'000	Revised allocation of unused Net Proceeds (the Fourth Change in UOP)	Revised allocation of unused Net Proceeds after Fourth Change in UOP HK$'000	Reasons for the revised use and allocation of Net Proceeds (the Fourth Change in UOP)
					The Company believes that, by putting an appropriate emphasis on responsible investment, it can improve risk management, enhance long-term financial return and contribute positive societal change. The re-allocation of the unutilised net proceeds could deploy its financial resources more effectively to enhance the financial performance of the Group and therefore is in the interests of the Company.
Provide funding for the Group's working capital and other general corporate purposes	4,700	–	Transferred from the original purpose of expanding into the PRC market through acquisitions or establishment of subsidiaries.	1,700	The Board is of the view that the unutilised net proceeds in the sum of approximately HK$1.7 million originally allocated for expansion into the PRC market through acquisitions or establishment of subsidiaries shall now be better utilised to meet the current needs on daily operation of the Group. The re-allocation of the unutilised net proceeds could provide a better allocation of cash resources and strategic planning on working capital allocation. The proposed change is in line with the business strategy of the Group and will meet the financial needs of the Group more efficiently. It will also enhance the flexibility in the financial management of the Group.
Total	12,500	7,800		7,800	

Use of Proceeds from the Listing (continued)

As at 31 March 2025, the Net Proceeds have been applied and utilized as follows:

Proposed use of net proceeds as at 31 March 2021	Unused net proceeds as at 31 March 2021 HK$'000	Unused net proceeds up to 16 March 2022 HK$'000	Revised use of net proceeds on 16 March 2022 (Note 1)	Revised allocation of unused net proceeds upon change on use of net proceeds on 16 March 2022 HK$'000	Actual use of net proceeds up to 31 March 2025 HK$'000	Unused net proceeds up to 31 March 2025 HK$'000
Expand into the PRC market through acquisition or establishment of subsidiaries	7,800	7,800	Expand an existing PRC subsidiary for PRC expansion together with local partners.	3,300	3,300 (Note 2)	–
			Invest in diversified portfolio of investments products proposed by responsible investment committee.	2,800	1,770 (Note 3)	1,030 (Note 5)
Provide funding for the Group's working capital and other general corporate purposes	–	–	Provide funding for the Group's working capital and other general corporate purposes.	1,700	1,700 (Note 4)	–
Total	7,800	7,800		7,800	6,770	1,030

Notes:

1. The Board has resolved to change the allocation of the use of net proceeds on 16 March 2022. For details, please refer to the announcement of the Company dated 16 March 2022.

2. The net proceeds had been injected into a subsidiary of the Company incorporated in the PRC for its establishment, operation and business development.

3. The net proceeds was used for (i) the subscription of the convertible notes issued by Intensel Limited, details of which are set out in note 21 to the consolidated financial statements of this report and (ii) the deposit for the acquisition of approximately 5% equity interest in SMAC Computing Company Limited.

4. The net proceeds had been used as payment of staff costs and other operation overheads of the Group.

5. The net proceeds were originally intended to be invested in SMAC Computing Company Limited. After further assessment by the Company, the latest market conditions may not favour the investments in the business of SMAC Computing Company Limited. The Company is in the course of identifying other suitable investments. It is expected to be utilized on or before 31 December 2025.

Events After Reporting Period

Up to the date of this report, no significant event of the Group occurred after the reporting period.

Disclosures under Rules 17.22 to 17.24 of the GEM Listing Rules

As at 31 March 2025, there is no circumstance which would give rise to a disclosure obligation on the part of the Group under Rules 17.22 to 17.24 of the GEM Listing Rules.

Disclosure of Change of Directors' Information

The Directors are not aware of any change in the information in respect of Directors and chief executives required to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules during the year ended 31 March 2025.

Professor Lam Kin Che resigned as an independent non-executive Director, a member of each of the audit committee, the remuneration committee, the nomination committee, the environmental, social and governance committee, and the risk management committee of the Company with effect from 30 April 2025.

Mr. Szeto Chi Hang Clive, who is an independent non-executive Director, has been appointed as a member of each of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 30 April 2025.

Directors' Report

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2025.

Principal Activities and General Information

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is at 27/F, Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong.

The Company is an investment holding company. During the year ended 31 March 2025, the Company's subsidiaries were principally engaged in the provision of consultancy services relating to green building certification consultancy, sustainability and environmental consultancy, acoustics, noise and vibration control and audio-visual design consultancy and environmental, social and governance ("ESG") reporting and consultancy in Hong Kong, Macau and the mainland of the People's Republic of China ("Mainland China" or the "PRC"). Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments of the Group's business, are set out in the Management Discussion and Analysis set out on pages 11 to 31 of this annual report. This discussion forms part of this Directors' report. The Board has resolved not to declare any final dividend in respect of the year ended 31 March 2025.

Results and Appropriations

The financial performance of the Group for the year ended 31 March 2025 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 71 to 145 of this annual report.

Non-competition Undertaking by Controlling Shareholders

Each of the controlling shareholders (as defined under the GEM Listing Rules) of the Company, i.e. Gold Investments Limited, Ms. Kwok May Han, Grace and Mr. Wu Dennis Pak Kit (the "Controlling Shareholders"), entered into a deed of non-competition dated 23 September 2016 (the "Deed of Non-competition") in favour of the Company, details of which were set out in the Prospectus, pursuant to which, at any time the Controlling Shareholders are interested, directly or indirectly, in 30% or more of the Shares, they will, and will procure their associates (other than members of the Group) (1) not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business (as defined below), or acquire or hold shares or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any companies or business that compete directly or indirectly with the Restricted Business (as defined below); and (2) not to engage, invest, participate or be interested (economically or otherwise) in any business involving the provisions of consultancy services in respect of (i) green building certification consultancy; (ii) sustainability consultancy and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy (the "Restricted Business"), except where the Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group.

Non-competition Undertaking by Controlling Shareholders (continued)

During the year ended 31 March 2025, none of the Controlling Shareholders or their respective associates had any business or interest in a business which competes or may compete with the business of the Group and any other conflict of interest with the Group.

The Controlling Shareholders have confirmed to the Company that during the year ended 31 March 2025, they and their respective associates have complied with the undertakings contained in the Deed of Non-competition.

Directors' Interest in Competing Business

Save and except for the interests of our Directors in our Company and its subsidiaries, during the year ended 31 March 2025, none of our Directors had any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business.

Environmental Policy

The Group recognizes its responsibility to protect the environment from its business activities. The Group has endeavoured to comply with the laws and regulations regarding environmental protection and encourages environmental protection and promotes awareness towards environmental protections among our staff.

Dividend Policy

The Group has adopted a dividend policy ("Dividend Policy") to enhance the transparency of the Company and to facilitate its shareholders ("Shareholders") and investors to make informed investment decisions relating to the Company. According to the Dividend Policy, in addition to final dividends, the Company may declare interim dividends or special dividends to the Shareholders from time to time. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board. In proposing any dividend payout, the Board will take into account, *inter alia*, the Group's general financial position, current and future operations, working capital requirements, liquidity position and any other factors it may deem relevant from time to time. Any payment of the dividend by the Company is also subject to the applicable laws of the Cayman Islands and the articles of association of the Company.

The Dividend Policy will be reviewed from time to time and there is no assurance that any dividend will be paid in any particular amount for any given period or that the Company is obliged to declare any dividend at any time.

Key Relationship with Customers and Suppliers

The Group maintains good relationship with its customers and suppliers. During the year ended 31 March 2025, there was no dispute between the Group and its customers and suppliers.

Major Customers and Suppliers

The information in respect of the Group's sales and subcontracting cost attributable to the major customers and suppliers respectively during the year ended 31 March 2025 is as follows:

	Percentage of the Group's total	
	Revenue	Subcontracting cost
The largest customer	13.9%	N/A
Five largest customers in aggregate	38.9%	N/A
The largest supplier	N/A	13.3%
Five largest suppliers in aggregate	N/A	47.3%

At no time during the year have the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued Shares) had any interest in these major customers and suppliers.

Reserves

Details of movements in the reserves of the Group during the year ended 31 March 2025 are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity included in this annual report.

Distributable Reserves

Pursuant to the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, share premium of the Company is distributable to the shareholders. As at 31 March 2025, the Company's reserve available for distribution to equity shareholders of the Company amounted to approximately HK$8.1 million (2024: approximately HK$10.3 million).

Share Capital

Details of the movements in share capital of the Company during the year ended 31 March 2025 are set out in note 28 to the consolidated financial statements of this annual report.

Placing of New Shares under General Mandate

On 24 January 2025, in order to broaden its shareholders' base and raise additional funds at reasonable cost, the Company, as the issuer, entered into the placing agreement (the "Placing Agreement") with SBI China Capital Financial Services Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed to place a maximum of 36,000,000 Shares (the "Placing Shares") at the placing price of HK$0.10 per Share (the "Placing Price") on a best efforts basis and would receive a placing commission of 2.0% of the aggregate placing price of the Placing Shares being placed. The Placing Price represented a discount of approximately 7.41% to the closing price of HK$0.108 per Share as quoted on the Stock Exchange on the date of the Placing Agreement.

Completion took place on 13 February 2025 and a total of 36,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six placees who are individuals, corporate, institutional or other investors independent of the Company and its connected persons. The Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors.

The 36,000,000 Placing Shares represented approximately 5.13% of the issued share capital of the Company of 701,510,000 Shares as at the date of the Placing Agreement and approximately 4.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares in full. The total nominal value of the Placing Shares is HK$720,000.

Placing of New Shares under General Mandate (continued)

The gross proceeds of the Placing was HK$3,600,000 and the net proceeds of the Placing (after deduction of other expenses of the Placing) was approximately HK$3,450,000. The net issue price was approximately HK$0.0958 per Placing Share.

The Company intended to apply the net proceeds for general working capital of the Group. As at 31 March 2025, approximately HK$1,725,000 has been utilized as intended. The remaining proceeds in the sum of approximately HK$1,725,000 have been fully utilized as intended before the date of this annual report.

Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK$0.4 million for the year ended 31 March 2025 which comprised acquisition of furniture, fixtures and office equipment and motor vehicle.

Directors

The Directors during the year ended 31 March 2025 and up to the date of this report were:

Executive Directors

Ms. Kwok May Han Grace *(Chairman)*
Mr. Wu Dennis Pak Kit *(Chief Executive Officer)*

Independent Non-executive Directors

Ms. Wong Yee Lin Elaine
Mr. Li Wing Sum Steven
Mr. Szeto Chi Hang Clive
Professor Lam Kin Che (resigned on 30 April 2025)

Further details of the Directors are set forth in the section headed "Biographical Details of Directors and Senior Management" of this annual report. To the best knowledge of the Directors, save as disclosed under the section headed "Biographical Details of Directors and Senior Management", there is no financial, business, family or other material or relevant relationships among members of the Board.

No Director who is required to retire by rotation and offer himself or herself for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting") has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Debenture

The Group has not issued any debentures during the year ended 31 March 2025.

Equity-linked Agreements

Details of the equity-linked agreements entered into during the year ended 31 March 2025 or subsisting as at 31 March 2025 are set out below:

Share Option Scheme

The Company has adopted a share option scheme (the "Share Option Scheme") by the resolutions in writing of the Shareholders on 23 September 2016. No options had lapsed or had been granted, exercised or cancelled under the Share Option Scheme during the year ended 31 March 2025. As at 31 March 2025, there was no outstanding option under the Share Option Scheme.

The GEM Listing Rules on share schemes of listed issuers have been amended with effect from 1 January 2023 and the Share Option Scheme shall be subject to the amended GEM Listing Rules.

Equity-linked Agreements (continued)

Share Option Scheme (continued)

1. Purpose	(i) to motivate the Eligible Participants (defined below) to optimise their performance efficiency for the benefit of the Group; and (ii) to attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.
2. Who may join	(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) of the Company or any of its subsidiaries; and (iii) any advisers, consultants, suppliers, customers, agents and related entities to the Company or any of its subsidiaries, each an "Eligible Participant", subject to the requirements and restrictions under the GEM Listing Rules.
3. Maximum number of shares	120,000,000 shares of HK$0.01 each, being 10% of the total number of shares of HK$0.01 each in issue immediately following completion of the placing on the date of Listing. Upon the Share Consolidation of every two shares of HK$0.01 each into one share of HK$0.02 each which took effect on 10 March 2021, the maximum number of shares to be issued pursuant to the options which are available for grant under the Share Option Scheme was adjusted to 60,000,000 Consolidated Shares of HK$0.02 each.
4. Maximum number of options which may be granted to any one individual	1% of the shares in issue as of the date of grant in any 12-month period up to the date of grant.
5. Period within which the securities must be taken up under an option	An option may be exercised in accordance with the terms of the Share Option Scheme and the terms of grant as may be determined by the Directors provided that no option may be exercised after the expiry of 10 years from the date of grant.
6. Minimum period or performance target for which an option must be held before it can be exercised	There is no such express requirement imposed by the Share Option Scheme, provided that all grants shall be subject to the requirements under the GEM Listing Rules and the Directors may impose such requirement upon grant of the option on which the option is deemed to be granted and accepted.
7. Amount payable on application or acceptance of the options	Upon acceptance of the option, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant.

Equity-linked Agreements (continued)

Share Option Scheme (continued)

8. Exercise price of shares	The exercise price must not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.
9. Remaining life of the scheme	Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme will expire on 22 September 2026, provided that the provision of the Share Option Scheme shall remain in force to the extent of any option granted prior thereto.

Share Award Scheme

On 8 February 2017 (the "Adoption Date"), the Company approved the adoption of the Share Award Scheme. The purpose of the share award scheme is to complement its human resources policy for enhancing staff welfares to ensure talents can be retained and their productivity and potentials can be elevated.

The GEM Listing Rules on share schemes of listed issuers have been amended with effect from 1 January 2023 and the Share Award Scheme shall be subject to the amended GEM Listing Rules.

Subject to the requirements and restrictions under the GEM Listing Rules, the participants of the Share Award Scheme comprise any individual being a Director (including Executive and Non-executive Director), employee, officer, agent or consultant of the Group.

The Share Award Scheme shall be valid for a period of 10 years commencing from the Adoption Date.

All award shares are subject to a vesting schedule in tranches of 33.3% of the award shares respectively on the first and second anniversary dates of the grant date and the balance of the remaining awarded shares on the third anniversary date of the grant date.

The maximum number of award shares which may be granted to a participant may not, in aggregate, exceed 1% of the issued share capital of the Adoption Date.

In April 2018, the Administration Committee has resolved to grant 12,100,000 restricted shares ("the Grant Shares") to a selected participant. The vesting of the Grant Shares is subject to the selected participant remaining at all times after the grant date and on the vesting date a participant of the Company or any of its subsidiaries.

On 24 December 2020, the Board resolved to top up the maximum number of shares under the Share Award Scheme to 37,200,000 shares (with par value of HK$0.01 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI-Prudential Trustee Limited ("BOCI Trustee"), the trustee under the Share Award Scheme, entered into a supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 5 January 2021.

Equity-linked Agreements (continued)

Share Award Scheme (continued)

On 22 March 2022, the Board resolved to further top up the maximum number of shares under the Share Award Scheme from 37,200,000 shares (with par value of HK$0.01 each) to 60,000,000 shares (with par value of HK$0.02 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI Trustee entered into a second supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 12 April 2022. For details, please refer to the announcement of the Company dated 12 April 2022.

On 19 April 2022 and 22 April 2022, 6,000,000 and 2,000,000 issued shares had been purchased by BOCI Trustee respectively, acting as the trustee, on the Stock Exchange to hold on trust for any participant selected by the Remuneration Committee and the Board pursuant to the terms and conditions of the Share Award Scheme. For details, please refer to the announcements of the Company dated 19 April 2022 and 22 April 2022.

On 5 March 2024, the Board resolved that the remaining award shares were early vested to relevant awardees in late June 2024 and the trust deed with BOCI Trustee was terminated.

As at 31 March 2025, no issued shares were held by the trustee.

During the year ended 31 March 2025, restricted shares were awarded to selected participants pursuant to the Share Award Scheme. Details of the restricted shares awarded were as follows:

	Number of shares					
Date of grant	**As at 1 April 2024**	**Granted during the year**	**Vested during the year**	**Lapsed during the year**	**As at 31 March 2025**	**Vesting period**
31 August 2021	2,623,334	–	(2,623,334)	–	–	31 August 2022 – 31 August 2024 (Notes (a), (b))
30 December 2022	6,400,000 (Note (c))	–	(6,400,000)	–	–	29 December 2023 – 30 December 2025 (Notes (a), (b))
	9,023,334	–	(9,023,334)	–	–	

Notes:

(a) The award shares are subject to a vesting schedule in tranches of 33.3% of the awarded shares respectively on the first and second anniversary dates of the grant date and the balance of the remaining awarded shares on the third anniversary date of the grant date. In case such anniversary date is not a business day, the date of vesting shall be the business day immediately thereafter. The award shares were early vested in June 2024 as authorised by the resolution passed by the Board on 5 March 2024.

(b) During the years ended 31 March 2025 and 2024, Ms. Kwok May Han Grace and Mr. Wu Dennis Pak Kit, being Directors of the Company, participated in the Share Award Scheme.

(c) The closing price of the Shares immediately before the date of grant was HK$0.087. There is no performance target for the award shares.

(d) During the year ended 31 March 2025, there was no award share which has been cancelled.

Equity-linked Agreements (continued)

Share Award Scheme (continued)

Further details of the Share Award Scheme are also set out in note 32 to the consolidated financial statements of this annual report.

Save as disclosed above, at no time during the year was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

The number of Shares that may be issued in respect of options and awards granted under the Share Options Scheme and the Share Award Scheme during the year ended 31 March 2025 divided by the weighted average number of Shares in issue for the year ended 31 March 2025 was nil.

Other than the Share Option Scheme and the Share Award Scheme, the Company has not adopted other share schemes.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 March 2025, the interests and short positions of Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (《證券及期貨條例》) (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

Interests in the Company

Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding
Ms. Kwok May Han Grace ("Ms. Kwok") (Note)	Beneficial owner, interest of a controlled corporation and interest of spouse	384,370,800 (long position)	52.12%
Mr. Wu Dennis Pak Kit ("Mr. Wu") (Note)	Beneficial owner and interest of spouse	384,370,800 (long position)	52.12%

Note: Among these 384,370,800 Shares, (i) 360,850,800 Shares are held by Gold Investments Limited ("Gold Investments"), a company incorporated in the British Virgin Islands (the "BVI") and the issued share capital of which is owned as to 70% by Ms. Kwok, an Executive Director and the chairman of the Board and 30% by Mr. Wu, an Executive Director and the chief executive officer and the husband of Ms. Kwok, (ii) 12,225,000 Shares are held by Ms. Kwok as beneficial owner and (iii) 11,295,000 Shares are held by Mr. Wu as beneficial owner. Accordingly, Ms. Kwok is deemed to be interested in those Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in those Shares held by Ms. Kwok under the SFO.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (continued)

Interests in the associated corporation

Name of associated corporation	Name of Directors	Capacity	Number of Shares	Percentage of shareholding
Gold Investments	Ms. Kwok (Note)	Beneficial owner	70 shares of HK$1.00 each (long position)	70%
		Interest of spouse	30 shares of HK$1.00 each (long position)	30%
	Mr. Wu (Note)	Beneficial owner	30 shares of HK$1.00 each (long position)	30%
		Interest of spouse	70 shares of HK$1.00 each (long position)	70%

Note: Gold Investments is a company incorporated in the BVI and the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu. Accordingly, Ms. Kwok is deemed to be interested in the Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in the Shares held by Ms. Kwok under the SFO.

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standard of dealings by Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Save for the Share Option Scheme and the Share Award Scheme as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted as at 31 March 2025 or at any time during the year ended 31 March 2025.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As far as the Directors are aware, as at 31 March 2025, the following persons (other than a Director or chief executive of the Company) have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding
Gold Investments (Note 1)	Beneficial owner	360,850,800 (long position)	48.93%
Ms. Choy Wei Ling	Beneficial owner	54,965,800 (long position)	7.45%
City Beat Limited ("City Beat") (Note 2)	Beneficial owner	42,776,200 (long position)	5.80%

Notes:

1. Gold Investments is a company incorporated in the BVI and the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu, each a Director.

2. City Beat is a company incorporated in the BVI and is wholly owned by Ocean Equity Partners Fund II L.P. which is an exempted limited partnership registered in the Cayman Islands. The general partner of Ocean Equity Partners Fund II L.P. is Ocean Equity Partners Fund II GP Limited. Accordingly, each of Ocean Equity Partners Fund II L.P. and Ocean Equity Partners Fund II GP Limited is deemed to be interested in the Shares held by City Beat.

Save as disclosed above, as at 31 March 2025, the Company has not been notified by any persons (other than Directors or chief executive of the Company) who have interests or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Rights to Acquire Shares or Debentures

Other than the Share Option Scheme, the Share Award Scheme and as disclosed under the section headed "Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above, at no time during the year ended 31 March 2025 and up to the date of this annual report, has the Company or any of its subsidiaries, or any of its fellow subsidiaries, been a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in notes 9 and 10 to the consolidated financial statements of this annual report, respectively. No Director has waived or has agreed to waive any emolument during the year ended 31 March 2025.

Sufficiency of Public Float

Based on information that is publicly available to the Company and based on the best knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules of at least 25% of the Company's total number of issued Shares which was held by the public during the year ended 31 March 2025 and as of the date of this annual report.

Connected Transactions

Details of the related party transactions of the Group are set out in note 34 to the consolidated financial statements of this annual report. The related party transactions of the Group did not constitute connected transactions or continuing connected transactions of the Group under Chapter 20 of the GEM Listing Rules which are required to comply with the reporting, announcement and/or independent shareholders' approval requirements under the GEM Listing Rules.

Compliance with Laws and Regulations

As far as the Board and the management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 March 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Emolument and Remuneration Policy

The Company has established a remuneration committee for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practice.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year ended 31 March 2025.

Bank Borrowings

Particulars of bank borrowings of the Group as at 31 March 2025 are set out in note 25 to the consolidated financial statements of this annual report.

Confirmation of Independence

In accordance with Rule 5.09 of the GEM Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his/her independence. The Company, based on such confirmations and its internal assessment, considers Mr. Li Wing Sum Steven, Ms. Wong Yee Lin Elaine and Mr. Szeto Chi Hang Clive are independent.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Pre-emptive Rights

There are no provision for pre-emptive rights under the Articles of Association of the Company (the "Articles") nor the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

Permitted Indemnity Provision

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the year ended 31 March 2025.

Pursuant to the Articles and subject to the laws of the Cayman Islands, every Director or his or her heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she shall or may incur or sustain or by reason of any act done, incurred in or omitted in or about the execution of his or her duties, or supposed duty, in his or her office.

Throughout the year ended 31 March 2025, the Company has arranged appropriate insurance cover for the Directors' and officers' liabilities in respect of legal actions against the Directors and senior management of the Company arising out of corporate activities.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 March 2025, pursuant to the general mandate given to the Directors, the Company repurchased its own Shares through the Stock Exchange as follows:

Date of repurchase	Number of shares involved	Highest repurchase price per Share	Lowest repurchase price per Share	Aggregate price paid
19 September 2024	1,120,000	HK$0.111	HK$0.11	HK$124,220
20 September 2024	1,400,000	HK$0.115	HK$0.115	HK$161,000
21 September 2024	1,800,000	HK$0.118	HK$0.117	HK$212,320

All Shares repurchased are kept as treasury shares of the Company as at the date of this annual report.

Save as disclosed above, none of the Company or any of its subsidiaries purchased or sold or redeemed any of the Company's listed securities during the year ended 31 March 2025 and thereafter up to the date of this annual report.

Corporate Governance Code

The Company is committed to maintaining good corporate governance standard and procedures.

During the year ended 31 March 2025 and up to the date of this annual report, the Group has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules.

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 50 to 65 of this annual report.

Compliance with Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries by the Company, all Directors confirmed that they had complied with the standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company during the year ended 31 March 2025 and up to the date of this annual report.

Corporate Governance, Environmental and Social Responsibility

The Group is committed to the principles of good corporate governance, and strives to integrate corporate social responsibility into its business strategy and management approach.

The Sustainability Report of the Group is published in accordance with Appendix C2 to the GEM Listing Rules.

Charitable Donations

Charitable donations made by the Group during the year ended 31 March 2025 amounted to HK$26,700 (31 March 2024: HK$15,000).

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the financial summary on page 146 of this annual report.

Audit Committee

The Board has established an audit committee (the "Audit Committee") on 23 September 2016 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control procedures of the Group. During the year ended 31 March 2025, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. Li Wing Sum Steven, Professor Lam Kin Che and Ms. Wong Yee Lin Elaine. Upon the resignation of Professor Lam Kin Che on 30 April 2025, Mr. Szeto Chi Hang Clive has been appointed as a member of the Audit Committee. Mr. Li Wing Sum Steven, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee. During the year ended 31 March 2025, the Audit Committee held five meetings to consider the change of auditors and review the Group's annual report and interim report. The Group's audited consolidated financial statements for the year ended 31 March 2025 and this annual report have been reviewed by the Audit Committee. The Audit Committee is of the view that such financial information has been prepared in compliance with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

Changes of Independent Auditor

On 20 April 2023, Moore Stephens CPA Limited, the predecessor external auditor, resigned and the Company engaged CWK CPA Limited as the external auditor to fill the casual vacancy. On 14 November 2024, CWK CPA Limited resigned as the auditor of the Company and OOP CPA & Co. was appointed by the Board to fill the casual vacancy so arising on the same date. Save for the aforesaid, there have been no other changes in auditor during the preceding three years.

The consolidated financial statements of the Group for the year ended 31 March 2025 have been audited by OOP CPA & Co. whose term of office will expire upon the conclusion of the forthcoming Annual General Meeting. A resolution to re-appoint OOP CPA & Co. as independent auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Closure of the Register of Members

The forthcoming Annual General Meeting is scheduled to be held on Friday, 8 August 2025. For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Tuesday, 5 August 2025 to Friday, 8 August 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 August 2025.

By order of the Board
Allied Sustainability and Environmental Consultants Group Limited
Kwok May Han Grace
Chairman and Executive Director

Hong Kong, 20 June 2025

Biographical Details of Directors and Senior Management

The biographical details of the Directors and Senior Management of the Group as at the date of this annual report are as follow:

Executive Directors

Ms. Kwok May Han Grace (郭美珩), aged 51, was appointed as the Executive Director of the Company on 11 November 2015 and the chairman of the Board on 11 November 2016. Ms. Kwok is also the compliance officer of the Company and one of the authorised representatives under Rule 5.24 of the GEM Listing Rules. She is responsible for the overall planning, management and strategic development of the Group and oversees the operations of the Group's business. Ms. Kwok joined the Group in April 1999 and has over 20 years' experiences working as acoustics, environmental and sustainability consultant. She was appointed as a director of Allied Environmental Consultants Limited on 10 June 2004. She was accredited as a member of the Green Building Faculty since 2012. She also possessed various professional qualifications, including LEED Accredited Professional recognized by the Green Building Certification Institute in November 2007, BEAM Professional since July 2010 (including accredited as BEAM Pro Neighbourhood in 2017) by the Hong Kong Green Building Council, BREEAM Accredited Professional and BREEAM In-Use Assessor in 2016 by the BRE Academy and authorized GBL Manager by the China Green Building (Hong Kong) Council in 2017. She received a certificate on training from the China Green Building Council in March 2015 and certificate from GRI on G4 exam on sustainability reporting in January 2016. Ms. Kwok is an Immediate Past Chairperson of the Construction Environmental Management Expert Panel of the BEAM Society Limited. She has been appointed as the Board of Director of Hong Kong Green Building Council (HKGBC) and served as member in various standing committees, including Communications and Membership Committee, and Sustainable Development Committee, Environment and Conservation Fund (ECF) Committee, Expanded Building Committee. Her another prominent role is in cultural heritage to achieve sustainable development. The Government of Hong Kong announced in March 2023 to appoint Ms. Kwok as a member of the Board of Trustees of the Lord Wilson Heritage Trust. She is a founding fellow and serves on the Board of Directors of the Hong Kong Institute of Qualified Environmental Professionals (HKIQEP) and also a fellow member of the Hong Kong Institute of Acoustics (HKIOA). She is the Chairman of the Environmental Campaign Committee, a member of the Advisory Council on the Environment, and a member of the Environment and Conservation Fund Committee.

Ms. Kwok graduated from The Hong Kong Polytechnic University with a degree of Bachelor of Engineering in Environmental Engineering in November 1998. She is the wife of Mr. Wu Dennis Pak Kit, an Executive Director of the Company and chief executive officer of the Group.

Mr. Wu Dennis Pak Kit (胡伯杰), aged 50, has been re-designated as an Executive Director with effect from 1 July 2020 and appointed as the chief executive officer of the Group with effect from 1 July 2022. He was appointed as our Non-executive Director on 16 November 2015 and has been providing advice on strategic development of the Group. Mr. Wu helped to create a greater synergy between the Group's existing business segments, including green finance, ESG advisory as well as Smart & Green IoT, so as to further expand our Group's customer base and extend our customers' geographical coverage to the Asia-Pacific region. Mr. Wu is also the Founder and CEO of AEC Capital Limited focusing on sustainable finance, real estate and investment management. Mr. Wu has 20 years of experience in finance industry. He worked as an accounting supervisor at Techno Group, a company engaging in manufacturing of plastic moulds for home appliances, in Hong Kong from April 1998 to June 2000. From September 2000, he worked as a staff accountant at the Assurance and Business Advisory Services Department of Arthur Andersen (which was acquired by PricewaterhouseCoopers since July 2002) and he left the firm as a senior associate in April 2003. He was the Executive Director in the finance department of CITIC Capital Holdings Limited, a company focusing on alternative asset management including private equity, real estate, mezzanine venture capital and marketable securities from April 2003. During the period of 1 July 2017 to 30 June 2020, he was appointed as the Executive Director in the principle investment department of the same company. He is also a director of Hong Kong Private Equity Finance Association which aims to promote the private equity and venture capital industry in Hong Kong. Mr. Wu received a certificate on training from China Green Building Council in March 2015. Since April 2023, Mr. Wu has served on the Panel of Film Censorship Advisers, appointed by Film Censorship Authority (FCA) under the Film Censorship Ordinance (FCO) (Cap. 392).

Executive Directors (continued)

Mr. Wu is the husband of Ms. Kwok May Han Grace, the Executive Director of the Company and the chairman of the Board.

Mr. Wu graduated from the University of Southern California in the United States with a bachelor's degree in Business Administration, majoring in Finance, in December 1996. He obtained a master degree of Accountancy from The Chinese University of Hong Kong in November 2001. He completed courses in Sustainable Finance at Cambridge Institute for Sustainable Leadership in 2020, the GRI Professional Certification Program, and Digital Transformation at Imperial College Business School in 2021, acquiring knowledge of sustainability and digital transformation.

Independent Non-executive Directors

Mr. Li Wing Sum Steven (李永森) ("Mr. Li"), aged 68, was appointed as an Independent Non-executive Director of the Company on 30 June 2018.

Mr. Li is a fellow member of the Association of Chartered Certified Accountants. Mr. Li has accumulated over 30 years' experience in auditing, accounting, company secretarial services, taxation and financial management. Mr. Li once served as financial controller, executive director, independent non-executive director and company secretary in several Hong Kong listed companies, and currently, he is still acting as an independent non-executive director in other two Hong Kong listed companies, namely Wang On Properties Limited (Stock Code: 1243) and Amasse Capital Holdings Limited (Stock Code: 8168).

Ms. Wong Yee Lin Elaine (王綺蓮) ("Ms. Wong"), aged 70, was appointed as an Independent Non-executive Director of the Company on 23 September 2016.

Ms. Wong is a season Human Resources professional. She is a fellow member of Hong Kong Institute of Human Resources Management ("HKIHRM"), also member of the Talent Management Committee and Remuneration Committee of HKIHRM.

Ms. Wong is currently a member of the Human Resources Committee of Scout Association of Hong Kong, and Human Resource Advisor for master students in Hong Kong Baptist University.

Ms. Wong was the Managing Director, Head of Human Resources of CITIC Securities International Company Limited. She has served various organizations including China CITIC Bank International Limited, CITIC Capital Holdings Limited, Jardine Fleming Holdings Limited (now known as J.P. Morgan Holdings Limited), Standard Chartered Bank, Unisys Computers Limited, Tandem Computers Limited (now known as Hewlett Packard Ltd.), Enviropace Limited (now known as Ecospace Limited) and Northwest Airlines (now known as Delta Airlines).

Ms. Wong obtained a Master degree in Human Resources Management through a distance learning program from American States University in USA. She also got Certificates of Competence in Occupational Testing from the British Society of Psychology.

Independent Non-executive Directors (continued)

Mr. Szeto Chi Hang Clive (司徒智恒) ("Mr. Szeto"), aged 54, was appointed as an Independent Non-executive Director of the Company on 4 June 2019.

Mr. Szeto has accumulated over 30 years' experience in electronic engineering, sales and marketing, business development and solid team management. Mr. Szeto once served as a business development director, director of marketing, director of sales and Vice-President of sales and business development in several Hong Kong and multinational electronics, engineering and technology companies, and he is the founder of a consulting platform and supporting a number of business development and initial public offering projects. Mr. Szeto graduated from The University of Hong Kong with a bachelor's degree in electrical and electronic engineering in 1993.

Senior Management

Mr. Lai Ka Yeung Andy (黎家揚) ("Mr. Lai"), aged 39, is our Associate Director, with extensive experience in the environmental and green building consultancy industry across a diversified project portfolio, including residential buildings, commercial offices, retail, industrial buildings and data centers, in both public and private sectors. Mr. Lai joined our Group in November 2011. Mr. Lai is responsible for project management, coordination, and progress monitoring of ongoing green building certification projects including Building Environmental Assessment Method (BEAM Plus), Leadership in Energy and Environmental Design (LEED), WELL Building Standard, Fitwel Standard, RESET Air, Building Research Establishment Environmental Assessment Method (BREEAM) and Civil Engineering Environmental Quality Assessment and Award Scheme (CEEQUAL). He obtained his Bachelor of Science degree from the University of Nottingham in July 2008 and a Master of Science in Environmental Engineering degree from The University of Hong Kong in November 2016.

Ms. Lin Yu (林宇) ("Ms. Lin"), aged 39, is our Associate Director. Ms. Lin joined our Group in April 2015. She has extensive experience in providing green building design and certification consultancy services for various certification schemes, including BEAM Plus, Leadership in Energy and Environmental Design (LEED), and China Green Building Design Label (GBL). She has been involved in various types of green building design and certification projects, including public housing development projects, government, and community development projects, private residential projects, and commercial development projects. Ms. Lin graduated from The Hong Kong University of Science and Technology with a Master's degree in 2009. She holds various professional qualifications, including BEAM Professional (NB, EB, BI & ND), LEED Green Rater, LEED Accredited Professional (BD+C), and GBL Manager.

Ms. Man Yi Hang Cathy (文爾珩) ("Ms. Man"), aged 39, is our Associate Director, with extensive experience in environmental assessments, from environmental planning support to EIAs, for developments in both public and private sectors. Ms. Man joined our Group in September 2010 and is responsible for project execution, management, coordination, and progress monitoring of ongoing projects. She obtained a Bachelor of Social Science Degree in 2008 and a Master of Environmental Science Degree from the University of Sydney in July 2010. She holds various professional qualifications, including BEAM Professional (BEAM Pro), certified professional in noise modeling by the Hong Kong Institute of Qualified Environmental Professionals, Member of the Hong Kong Institution of Qualified Environmental Professional (MHKIQEP), Member of the Chartered Institution of Water and Environmental Management (MCIWEM), and CEEQUAL Assessor.

Senior Management (continued)

Ir. Cheung Siu Ming (張兆明) ("Ir. Cheung"), aged 37, is our Associate Director, with diversified experience in building sustainability and environmental assessment. He is a Chartered Professional Engineer (CPEng) in Engineers Australia and Member (MHKIE) in the Hong Kong Institution of Engineers. Ir. Cheung joined our Group in April 2012 and played a key role in innovative projects across disciplines including corporate sustainability, ESG strategies, decarbonization roadmap, net-zero & carbon neutrality design and life cycle carbon assessment. Ir. Cheung has been leading green building design projects for both new and existing developments such as HK BEAM Plus, LEED, WELL and EDGE from government to commercial sectors. He is also familiar with environmental assessment to discharge requirement of land lease or planning application and promote sustainable design of buildings. He is a certified professional in noise modelling by the Hong Kong Institute of Qualified Environmental Professionals (MHKIQEP, CNM) and has been involved in noise reduction window design and noise impact assessment. Ir. Cheung obtained his Bachelor of Engineering in Electronic and Information Engineering in 2009 and Master of Science in Environmental Management and Engineering in 2010 from the Hong Kong Polytechnic University.

Company Secretary

Mr. Siu Chun Pong Raymond (蕭鎮邦) ("Mr. Siu") has been appointed as the company secretary of the Company on 18 June 2019.

Mr. Siu, aged 45, has been a practising solicitor of The High Court of Hong Kong since 2005. Mr. Siu has over 19 years of practical experiences in corporate finance and regulatory compliance. He is the founder and the senior partner of Raymond Siu & Lawyers. Mr. Siu graduated from The University of Hong Kong with a Bachelor of Laws degree and University College London with a Master of Laws degree.

Corporate Governance Report

Corporate Governance Practices

The Company is committed to maintaining good corporate governance standard and procedures. The Company's corporate governance practices for the year ended 31 March 2025 were based on the principles and code provisions as set out in Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the GEM Listing Rules.

During the year ended 31 March 2025 and up to the date of this annual report, the Group has complied with all the code provisions of the CG Code.

Compliance with Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made a specific enquiry by the Company with each of the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company since 1 April 2024 and up to the date of this annual report.

Board of Directors

As at 31 March 2025, the Board comprised six Directors, including two executive Directors and four Independent Non-executive Directors. All Directors were directors throughout the year ended 31 March 2025. Professor Lam Kin Che resigned as an independent non-executive Director on 30 April 2025. Details of their composition by category are as follows:

Name	Position	Date of appointment/ re-designation
Ms. Kwok May Han Grace	Executive Director Chairman of the Board	11 November 2015 11 November 2016
Mr. Wu Dennis Pak Kit	Executive Director Chief Executive Officer	1 July 2020 1 July 2022
Ms. Wong Yee Lin Elaine	Independent Non-executive Director	23 September 2016
Mr. Li Wing Sum Steven	Independent Non-executive Director	30 June 2018
Mr. Szeto Chi Hang Clive	Independent Non-executive Director	4 June 2019
Professor Lam Kin Che	Independent Non-executive Director	23 September 2016 (resigned on 30 April 2025)

Responsibilities, Accountability and Contributions of the Board and Management

The Board's main functions include:

(i) approving the Group's overall business plans and strategies, monitoring the implementation of these policies and strategies and the management of the Group;

(ii) developing and reviewing the Company's policies and practices on corporate governance;

(iii) reviewing the Group's compliance with the CG Code and disclosure in the Corporate Governance Report;

(iv) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; and

(v) monitoring the risk management and internal control systems of the Company and reviewing their effectiveness. Daily business operations and administrative functions of the Group are delegated to the Executive Director and the senior management of the Group. The Board acts collectively by majority decisions in accordance with the Articles and the applicable laws, and no single Director has any decision-making power unless otherwise authorised by the Board.

Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. All minutes of the Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

During the year ended 31 March 2025, seven board meetings and one general meeting were held. Details of the attendance of the Directors are as follows:

Directors	Attendance/Number of general meeting entitled to attend	Attendance/Number of Board meetings entitled to attend
Ms. Kwok May Han Grace *(Chairman)*	1/1	7/7
Mr. Wu Dennis Pak Kit *(Chief Executive Officer)*	1/1	7/7
Mr. Li Wing Sum Steven	1/1	7/7
Ms. Wong Yee Lin Elaine	1/1	6/7
Mr. Szeto Chi Hang Clive	1/1	7/7
Professor Lam Kin Che (Resigned on 30 April 2025)	1/1	7/7

Appointment, Re-election and Removal of Directors

The Articles provide that subject to retirement by rotation of Directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

The Company has entered into a service contract with Ms. Kwok May Han Grace for a term of three years commencing from 17 October 2022, and a service contract with Mr. Wu Dennis Pak Kit for a term of three years commencing from 1 July 2023, subject to the early removal, retirement and re-election provisions in the Articles. The Company has also entered into (i) letters of appointment with Professor Lam Kin Che and Ms. Wong Yee Lin Elaine for a term of three years commencing from 23 September 2022 and Professor Lam Kin Che has resigned with effect from 30 April 2025; (ii) a letter of appointment with Mr. Li Wing Sum Steven for a term of three years commencing from 30 June 2024; and (iii) a letter of appointment with Mr. Szeto Chi Hang Clive for a term of three years commencing from 4 June 2025, all subject to the early removal, retirement and re-election provisions in the Articles.

Continuous Professional Development

According to the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the year ended 31 March 2025, all the Directors had participated in seminars/courses and read articles, as below, in relation to Director's responsibilities and obligations under the GEM Listing Rules and relevant statues, laws, rules and regulations arranged by accredited service providers.

Name of Directors	Attending seminars/courses	Reading articles
Ms. Kwok May Han Grace	✔	✔
Mr. Wu Dennis Pak Kit	✔	✔
Mr. Li Wing Sum Steven	✔	✔
Ms. Wong Yee Lin Elaine	✔	✔
Mr. Szeto Chi Hang Clive	✔	✔
Professor Lam Kin Che (Resigned on 30 April 2025)	✔	✔

Independent Non-executive Directors

During the year ended 31 March 2025, the Company has four Independent Non-executive Directors in compliance with Rule 5.05(1) of the GEM Listing Rules. Among the four Independent Non-executive Directors, Mr. Li Wing Sum Steven has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules.

The Company has also complied with Rule 5.05A of the GEM Listing Rules as the four Independent Non-executive Directors represent more than one-third of the Board.

In accordance with Rule 5.09 of the GEM Listing Rules, the Company has received from each of the Independent Non-executive Directors the written confirmation of his/her independence. The Company, based on such confirmations and its internal assessment, considers Mr. Li Wing Sum Steven, Ms. Wong Yee Lin Elaine and Mr. Szeto Chi Hang Clive are independent.

Chairman and Chief Executive

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Kwok May Han Grace is the chairman of the Board. Mr. Wu Dennis Pak Kit, an executive Director, has been the chief executive officer of the Company since 1 July 2022.

Company Secretary

Mr. Siu Chun Pong Raymond has taken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules during the year ended 31 March 2025. Mr. Siu is not an employee of the Company.

Mr. Wu Dennis Pak Kit, an executive Director, is the primary contact person of the Company with Mr. Siu.

Board Committees

While at all times the Board is responsible for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Articles as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the Articles).

With the establishment of the Audit Committee, the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"), the Independent Non-executive Directors will be able to effectively devote their time to perform the duties required by the respective Board committees.

The Board has also established the environmental, social and governance committee (the "ESG Committee") and the risk management committee (the "Risk Management Committee") to review and monitor the Group's specific policies and practices to ensure compliance with the relevant legal and regulatory requirements.

Besides, the Board has also established the responsible investment committee (the "Responsible Investment Committee") to handle any issues or affairs related to responsible investment of the Company. The investment approach takes into account the impact of ESG, sustainability, climate resilience, biodiversity and carbon neutrality factors on the long-term investment returns and their respective positive impacts.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, *inter alia*, capital, finance and financial reporting, internal controls, communication with shareholders, board membership, delegation of authority and corporate governance.

Board Committees (continued)

Audit Committee

The Board established the Audit Committee on 23 September 2016 with written terms of reference in compliance with the GEM Listing Rules. The terms of reference of the Audit Committee are available on both the Stock Exchange's website and the Company's website. The primary duties of the Audit Committee include (but without limitation):

(i) assisting the Board by providing an independent view of the effectiveness of the financial reporting process;

(ii) making recommendation to the Board on the appointment and removal of external auditors;

(iii) reviewing the Group's financial information and disclosures;

(iv) overseeing the audit process, to develop and review the Group's policies and practices on compliance with legal and regulatory requirements; and

(v) performing other duties and responsibilities as assigned by the Board.

The composition of the Audit Committee during the year ended 31 March 2025 is as follows:

Mr. Li Wing Sum Steven *(Chairman)*
Ms. Wong Yee Lin Elaine
Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Mr. Li Wing Sum Steven, who has appropriate professional qualifications and experience in accounting matters, was appointed as the Chairman of the Audit Committee.

Five Audit Committee meetings were held during the year ended 31 March 2025. During the year ended 31 March 2025, the Audit Committee has:

(i) reviewed the audited annual results for the year ended 31 March 2024;

(ii) reviewed the unaudited interim results during the periods in the year ended 31 March 2025;

(iii) reviewed the necessity to establish an internal audit function;

(iv) monitored the audit and non-audit (if any) services rendered to the Group by its auditor and ensure that their engagement in other non-audit services will not impair their audit independence or objectivity; and

(v) assessed and made recommendation to the Board on the appointment of new auditors and assessed the underlying reasons of the resignation of outgoing auditors.

Board Committees (continued)

Audit Committee (continued)

Apart from the Audit Committee meetings, the Independent Non-executive Directors have met its external auditor to discuss matters relating to the Company's audit fees and other issues arising from the audit for the year ended 31 March 2025. The attendance record of each member at the Audit Committee meetings is set out as follows:

Directors	**Attendance/Number of Audit Committee meetings entitled to attend**
Professor Lam Kin Che *(Independent Non-executive Director)*	5/5
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	5/5
Ms. Wong Yee Lin Elaine *(Independent Non-executive Director)*	4/5

Remuneration Committee

The Board established the Remuneration Committee on 23 September 2016 with written terms of reference in compliance with the GEM Listing Rules. The terms of reference of the Remuneration Committee are available on both the Stock Exchange's website and the Company's website. The primary duties of the Remuneration Committee include (but without limitation):

(i) making recommendations to the Directors regarding the Group's policy and structure for the remuneration of all of our Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies;

(ii) making recommendations to the Board on the remuneration packages of the individual Executive Director and senior management;

(iii) reviewing and approving the management's remuneration proposals by reference to the Board's corporate goals and objectives;

(iv) considering and approving the grant of share options to eligible participants pursuant to the Share Option Scheme; and

(v) reviewing matters relating to the share schemes of the Company.

The composition of the Remuneration Committee during the year ended 31 March 2025 is as follows:

Ms. Wong Yee Lin Elaine *(Chairman)*
Mr. Li Wing Sum Steven
Ms. Kwok May Han Grace
Mr. Wu Dennis Pak Kit
Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Board Committees (continued)

Remuneration Committee (continued)

One Remuneration Committee meeting was held during the year ended 31 March 2025. The Remuneration Committee reviewed the policy for the remuneration of all the Directors, assessed the performance of the Executive Directors and approved the terms of the Executive Directors' service contracts for the year ended 31 March 2025. The Remuneration Committee also made recommendations to the Board on the remuneration packages of the individual Executive Director and senior management for the year ended 31 March 2025. The attendance record of each member at the Remuneration Committee meeting is as follows:

Directors	**Attendance/Number of Remuneration Committee meetings entitled to attend**
Ms. Wong Yee Lin Elaine *(Independent Non-executive Director)*	1/1
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	1/1
Ms. Kwok May Han Grace *(Executive Director)*	1/1
Mr. Wu Dennis Pak Kit *(Executive Director)*	1/1
Professor Lam Kin Che *(Independent Non-executive Director)* (Resigned on 30 April 2025)	1/1

Nomination Committee

The Board established the Nomination Committee on 23 September 2016 with written terms of reference in compliance with the GEM Listing Rules. The terms of reference of the Nomination Committee are available on both the Stock Exchange's website and the Company's website. The primary duties of the Nomination Committee include (but without limitation):

(i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(iii) assessing the independence of Independent Non-executive Directors; and

(iv) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman.

The composition of the Nomination Committee during the year ended 31 March 2025 is as follows:

Ms. Kwok May Han Grace *(Chairman)*
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Mr. Wu Dennis Pak Kit
Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Board Committees (continued)

Nomination Committee (continued)

One Nomination Committee meeting was held during the year ended 31 March 2025. The Nomination Committee determined the policies for the nomination of directors, including the nomination procedures and the process and criteria to select and recommend candidates for directorship during the year ended 31 March 2025. It also reviewed the Company's policies concerning board diversity for the year ended 31 March 2025. The attendance record of each member at the Nomination Committee meeting is as follows:

Directors	**Attendance/Number of Nomination Committee meeting entitled to attend**
Ms. Kwok May Han Grace *(Executive Director)*	1/1
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	1/1
Ms. Wong Yee Lin Elaine *(Independent Non-executive Director)*	1/1
Mr. Wu Dennis Pak Kit *(Executive Director)*	1/1
Professor Lam Kin Che *(Independent Non-executive Director)* (Resigned on 30 April 2025)	1/1

Board Diversity Policy

The Company recognises and embraces the benefits of having a Board with diversified skills, talents and experiences, and sees diversity at Board level as an essential element in maintaining a competitive advantage. The Company has therefore adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the policy, the Nomination Committee seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industrial experience, background, gender and other qualities of the members of the Board. These factors will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective.

The Nomination Committee reviews and assesses the composition of the Board and makes recommendations to the Board on the appointment of new Directors. The Nomination Committee also oversees the conduct of the annual review of the effectiveness of the Board.

In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, those described above, in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

In overseeing the conduct of the annual review of the effectiveness of the Board, the Nomination Committee will consider the balance of talents, skills, experience, independence and knowledge on the Board and the diversity of the Board.

As at the date of this annual report, (i) 3 Directors and 2 senior management are male and (ii) 2 Directors and 2 senior management are female.

Board Committees (continued)

Nomination Committee (continued)

Directors Nomination Policy

The directors nomination policy ("Directors Nomination Policy") of the Company serves to improve the transparency of the process and criteria in selecting and recommending candidates as Directors for the Board's approval from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board.

The Directors and the Nomination Committee will consider and nominate candidates, according to the Directors Nomination Policy based on objective criteria with due regard to the benefits of diversity as set out in the Board Diversity Policy, to the Board for approval. In identifying individuals and making recommendations for nominations, the Nomination Committee considers whether such individuals have the appropriate qualifications, abilities and perspectives that would enable them to effectively fulfil their roles and responsibilities as Directors.

Where a candidate is proposed to be appointed as an Independent Non-executive Director, his/her independence will be assessed in accordance with, among others, the independence factors as set out under the GEM Listing Rules, the totality of the candidate's education, qualifications and experience will also be evaluated to consider whether he/she has the appropriate professional qualifications or accounting or related financial management expertise for taking up the office of an Independent Non-executive Director.

Measurable Objectives

The Nomination Committee discusses annually the measurable objectives for achieving diversity of the Board and recommends them to the Board for adoption. The Board will consider such recommendation and may seek to improve the diversity of the board composition.

Monitoring and Reporting

The Nomination Committee and the Board monitor the progress of the improvement measures on an annual basis and make relevant disclosure in the corporate governance reports of the Company on the process the Board has used in relation to Board appointments.

Reviewing the Policies

The Nomination Committee will review the design, implementation and the effectiveness of the policy in its annual meeting on Board Diversity Policy and the Directors Nomination Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

ESG Committee

The Board established the ESG Committee on 23 September 2016. The terms of reference of the ESG Committee are available on both the Stock Exchange's website and the Company's website. The primary function of the ESG Committee is to report and advise the Board on matters relating to environmental protection, social responsibility and corporate governance of the Group.

The composition of the ESG Committee during the year ended 31 March 2025 is as follows:

Ms. Kwok May Han Grace *(Chairman)*
Mr. Wu Dennis Pak Kit
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Professor Lam Kin Che (Resigned on 30 April 2025)

Board Committees (continued)

ESG Committee (continued)

One ESG Committee meeting was held during the year ended 31 March 2025. The attendance record of each member at the ESG Committee meeting is as follows:

Directors	**Attendance/Number of ESG Committee meeting entitled to attend**
Ms. Kwok May Han Grace *(Executive Director)*	1/1
Mr. Wu Dennis Pak Kit *(Executive Director)*	1/1
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	1/1
Ms. Wong Yee Lin Elaine *(Independent Non-executive Director)*	1/1
Professor Lam Kin Che *(Independent Non-executive Director)* (Resigned on 30 April 2025)	1/1

Risk Management Committee

The Board established the Risk Management Committee on 23 September 2016. The terms of reference of the Risk Management Committee are available on both the Stock Exchange's website and the Company's website. The primary duties of the Risk Management Committee include (but without limitation):

(i) considering the necessity of an internal audit function of the Group;

(ii) evaluating and determining the nature and extent of the significant risks faced by the Group;

(iii) making recommendations to the Board on the Group's risk management and internal control systems; and

(iv) overseeing the Group's risk management framework to identify and deal with financial, operational, legal, regulatory, technology, business and strategic risks faced by the Group.

The composition of the Risk Management Committee during the year ended 31 March 2025 is as follows:

Ms. Kwok May Han Grace *(Chairman)*
Mr. Wu Dennis Pak Kit
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Professor Lam Kin Che (Resigned on 30 April 2025)

Board Committees (continued)

Risk Management Committee (continued)

One Risk Management Committee meeting was held during the year ended 31 March 2025. The Risk Management Committee has identified the risks faced by the Group and discussed the designs of the risk management and internal control systems for the year ended 31 March 2025. The committee also reviewed the adequacy of resources, qualifications and experience of the Group's staff in implementing the risk management and internal control systems for the year ended 31 March 2025. The attendance record of each member at the Risk Management Committee meeting is as follows:

Directors	**Attendance/Number of Risk Management Committee meeting entitled to attend**
Ms. Kwok May Han Grace *(Executive Director)*	1/1
Mr. Wu Dennis Pak Kit *(Executive Director)*	1/1
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	1/1
Ms. Wong Yee Lin Elaine *(Independent Non-executive Director)*	1/1
Professor Lam Kin Che *(Independent Non-executive Director)* (Resigned on 30 April 2025)	1/1

Responsible Investment Committee

The Board established the Responsible Investment Committee on 16 February 2022. The Company sees responsible investment as an investment approach that takes into account the impact of various environmental, social and governance, sustainability, climate resilience, biodiversity and Carbon Neutrality factors on the long-term investment returns and their respective positive impacts.

The primary duties of the Responsible Investment Committee include (but without limitation):

(i) assess the viability and the terms of any major investment project or financing arrangements;

(ii) evaluate the feasibility, forecast, profits and loss calculations of the investment projects;

(iii) analyze, consider and determine whether any proposed responsible investment project is in the best interests of the Company and its shareholders as a whole;

(iv) oversee the incorporation of considerations relating to environmental, social and governance, climate change, climate resilience, biodiversity, sustainability and Carbon Neutrality into the investment and risk management processes;

(v) oversee progress against goals of the Group for addressing responsible investment issue relating to environmental, social and governance, climate change, sustainability, climate resilience, biodiversity and Carbon Neutrality; and

(vi) review the Company's investing capital and financing strategies.

Board Committees (continued)

Responsible Investment Committee (continued)

The composition of the Responsible Investment Committee during the year ended 31 March 2025 is as follows:

Mr. Wu Dennis Pak Kit *(Chairman)*
Ms. Kwok May Han Grace
Mr. Li Wing Sum Steven
Mr. Szeto Chi Hang Clive

One Responsible Investment Committee meeting was held during the year ended 31 March 2025. The Responsible Investment Committee has discussed about the potential investment projects and recommended and arranged the Company to sign a number of memorandum of understanding and letters of intent with various entities. The attendance record of each member at the Responsible Investment Committee meeting is as follows:

Directors	**Attendance/ Number of Responsible Investment Committee entitled to attend**
Mr. Wu Dennis Pak Kit *(Executive Director)*	1/1
Ms. Kwok May Han Grace *(Executive Director)*	1/1
Mr. Li Wing Sum Steven *(Independent Non-executive Director)*	1/1
Mr. Szeto Chi Hang Clive *(Independent Non-executive Director)*	1/1

Corporate Governance Function

The Board is responsible for overseeing the corporate governance of the Group. During the year ended 31 March 2025, the Board has reviewed the corporate governance practices of the Company by reference to the CG Code. The summary of their work is as follows:

(i) reviewed the Company's policies and practices on corporate governance and made recommendations;

(ii) reviewed and monitored the training and continuous development of Directors and senior management of the Group;

(iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developed, reviewed and monitored the code of conduct and compliance manual applicable to employees of the Group and the Directors; and

(v) reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report.

Workforce Diversity Policy

The Company has adopted a workforce diversity policy. The Company considers workforce diversity as an important element in maintaining sustainable growth and operational success and driving high performance across the Group.

The Company is committed to fostering an inclusive, diverse, and supportive workplace where all employees, regardless of gender, age, family status, race ethnicity, religion, sexual orientation, disability or other characteristics protected by applicable laws, are valued, respected, and treated fairly with equal opportunities. The Company does not tolerate any form of bias, discrimination, harassment and violence in the workplace and in any work-related circumstances.

Accountability and Audit

The Board acknowledges its responsibility for the preparation of the Company's consolidated financial statements for the year ended 31 March 2025 which give a true and fair view in accordance with the statutory requirements and accounting standards and other financial disclosure requirements under the GEM Listing Rules. The financial results of the Group are announced in a timely manner in accordance with the statutory and/or regulatory requirements.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The statement by the external auditor about their reporting responsibilities is set out in the independent auditor's report on pages 66 to 70 of this annual report.

External Auditor's Remuneration

The Company engaged OOP CPA & Co. as the external auditor for the audit of the Group's consolidated financial statements for the year ended 31 March 2025. The fee in respect of audit services provided by OOP CPA & Co. for the year ended 31 March 2025 amounted to HK$515,000. No non-audit services was provided by the external auditor during the year ended 31 March 2025.

The Company did not pay any fee to CWK CPA Limited for the year ended 31 March 2025.

The Audit Committee has expressed its view to the Board that the level of fees paid/payable by the Company to the Company's external auditor for annual audit services is reasonable. There has been no disagreement between the auditor and the management of the Company during the year ended 31 March 2025.

Remuneration Payable to Senior Management

The remuneration payable to the four members of senior management during the year ended 31 March 2025 fell within the band of HK$1,000,000 to HK$1,500,000. The remuneration payable to the four members of senior management during the year ended 31 March 2024 fell within the band of Nil to HK$1,000,000.

Risk Management and Internal Control Systems

The Board is responsible for monitoring the risk management and internal control systems of the Company and reviewing their effectiveness. These risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Assisted by the Risk Management Committee, the Board evaluates and determines the nature and extent of significant risks it is willing to take in achieving the Company's strategic objectives. The Board also oversees the management in the design, implementation and monitoring of the risk management and internal control systems. Procedures have been designed and implemented to safeguard the Company's assets against unauthorised use or disposal, ensure maintenance of proper accounting records for provision of reliable financial information for internal use or for publication and ensure the Company's compliance with applicable laws, rules and regulations. The Board also ensures the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions.

To ensure the effectiveness of the risk management and internal control systems, the Board requests the management to facilitate each of the departments of the Company to identify major risk events in the area it operates and assess the possibility of occurrence and potential impacts of these risk events to the Company. Each department also prepares solutions and mitigation measures to deal with the possible risk events to the management. Based on the information from the management, the Board conducted an annual review on the effectiveness of the Company's risk management and internal control systems for the year ended 31 March 2025.

The Group appointed internal control advisor for the year ended 31 March 2025. The management is of the view that our internal control system has not changed and it remains effective in all aspects. The Board reviewed the effectiveness of the risk management and internal control systems for the year ended 31 March 2025 in the Board meetings, and is of the opinion that the Group's risk management and internal control systems are effective and adequate and that nothing has come to its attention to cause the Board to believe the Group's risk management and internal control systems are inadequate.

The Company does not have an internal audit function as the Board presently considers that the size, nature and complexity of the Group's business does not require such function.

With respect of the procedures and internal controls of the handling and dissemination of inside information, the Company is fully aware of its obligation under Part XIVA of the SFO and the GEM Listing Rules. The Board has adopted a policy which contains the guidelines of the Directors, officers and relevant employees of the Company to ensure that the inside information of the Company is to be disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations.

Disclosure of Inside Information

The Group has adopted and implemented its own disclosure policy aiming to provide a general guide to the Directors and senior management of the Company in the handling of confidential information and/or monitoring of information disclosure pursuant to the applicable laws and regulations in compliance with the GEM Listing Rules and the SFO. The disclosure policy provides the procedures and internal controls for the handling and dissemination of inside information by publication of the announcement to the websites of the Stock Exchange and the Company on a timely basis to enable the public, shareholders, institutional investors, potential investors and other stakeholders of the Company to access the latest information of the Group, unless such information falls within the safe harbours under the SFO. Briefing and training on the implementation of the disclosure policy have been provided to Directors, officers and senior management of the Group. In addition, the relevant policy has been uploaded onto the intranet of the Company for easy access by all employees.

Communication with Shareholders and Investors

The Company regards high quality reporting as an essential element in building successful relationships with its Shareholders. The Company always endeavours to provide relevant information to existing and potential investors to enhance transparency and communications with Shareholders and the investing public. Regular and publicly available disclosures about important issues, including performance, fundamental business strategy, governance and management of risk are made through various channels:

- the Company's annual general meeting and extraordinary general meetings;
- interim and annual results announcements published on the respective websites of the Company and the Stock Exchange;
- interim and annual reports of the Company delivered to all Shareholders;
- timely update of the respective websites of the Stock Exchange and the Company;
- circulars and other corporate communications to Shareholders; and
- announcements regarding major corporate actions and business initiatives.

The Company maintains a website at www.asecg.com where the Company's announcements, circulars, notices of general meetings, financial reports, business developments, press releases and other information are posted.

The Company has reviewed its communication policy and its implementation and considered the same to be effective during the year ended 31 March 2025 given the above measures.

Shareholders' Rights

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the mandatory disclosure requirements:

Convening extraordinary general meeting and putting forward proposals at Shareholders' meetings

Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary at 27/F, Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any Shareholders who wish to put forward proposals at Shareholders' meeting shall request for convening a general meeting in accordance with the above procedure.

Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary by mail, facsimile or email:

Address	:	27/F, Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong
Facsimile number	:	2815 5399
Email	:	info@aechk.com

Shareholders may also make enquiries with the Board at the general meetings of the Company or through the online information request form on the website of the Company at www.asecg.com.

Constitutional Documents

The second amended and restated memorandum and articles of association of the Company is available on the website of the Stock Exchange and the website of the Company. There was no change in the Company's constitutional documents during the year ended 31 March 2025.

Independent Auditor's Report

奧柏國際

Independent Auditor's Report
to the Shareholders of Allied Sustainability and Environmental Consultants Group Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Allied Sustainability and Environmental Consultants Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 145, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows 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 disclosure requirements of 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 consolidated financial statements* section of our report. We are independent of the Group 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.

Key audit matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter (continued)

Revenue recognition

Key audit matter	How our audit addressed the key audit matter
We identified the recognition of contract revenue from provision of consultancy services as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole and there are significant judgements exercised by the management of the Group in determining the budgeted costs of each contract and the progress towards complete satisfaction of the performance obligation and the amount of revenue from the provision of consultancy services recognised. As disclosed in note 5 to the consolidated financial statements, the revenue from provision of consultancy services amounted to HK$47,583,000 for the year ended 31 March 2025. As set out in note 5 to the consolidated financial statements, the Group recognised revenue from provision of consultancy services by reference to the progress of satisfying the performance obligation at the reporting date.	Our procedures in relation to the recognition of contract revenue from provision of consultancy services included: • Understanding the design and implementation relating to recognition of contract revenue and contract costs, and budget estimation; • Performing retrospective review over the estimated budget costs of projects, on a sample basis, by comparing the estimations of costs to complete contracts by comparing the costs incurred for contracts completed in the current year to assess the reliability of management's budgeting process; • Discussing with the project managers and the management of the Group to understand the status of the projects, identifying any variations, provision on loss making contracts and obtaining explanations for fluctuations in margins as to their reasonableness; • Inspecting the contract agreements with customers, on a sample basis, to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of work and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue; • Checking the allocation of staff costs to contracts, being the major component of contract costs, on a sample basis, by reference to the timesheet recording system and human resources records; • Performing comparisons between the percentage of completion and the percentage of progress billings on selected contracts for any significant differences; and • Inspecting the progress billings to invoices issued.

Information other than the consolidated financial statements and auditor's report thereon

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Kwok Si Ki.

OOP CPA & Co.
Certified Public Accountants

Kwok Si Ki
Practising Certificate Number: P08411

Hong Kong, 20 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	5	**47,583**	52,017
Cost of services provided		**(29,742)**	(28,234)
Gross profit		**17,841**	23,783
Other income, gains and losses, net	6	**1,360**	193
Administrative expenses		**(26,149)**	(22,347)
Finance costs	7	**(913)**	(563)
Share of results of joint ventures		**(12)**	(14)
Net provision for impairment on trade receivables and contract assets	37(a)	**(5)**	(308)
Provision for impairment on other receivables	37(a)	**(1,659)**	(60)
(Loss)/profit before income tax	8	**(9,537)**	684
Income tax expense	11	**(14)**	(166)
(Loss)/profit for the year		**(9,551)**	518
(Loss)/profit for the year attributable to:			
Owners of the Company		**(9,578)**	561
Non-controlling interests		**27**	(43)
		(9,551)	518
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations		**(95)**	(241)
Items that will not be reclassified to profit or loss:			
– Change in fair value of equity investments designated at fair value through other comprehensive income		**–**	(50)
– Release of revaluation reserve upon disposal of equity investments designated at fair value through other comprehensive income		**448**	–
Other comprehensive income for the year, net of income tax		**353**	(291)
Total comprehensive income for the year		**(9,198)**	227
Total comprehensive income for the year attributable to:			
Owners of the Company		**(9,225)**	270
Non-controlling interests		**27**	(43)
		(9,198)	227
(Loss)/earnings per share attributable to owners of the Company			
– Basic (loss)/earnings per share (HK cents)	12	**(1.34)**	0.08
– Diluted (loss)/earnings per share (HK cents)	12	**(1.34)**	0.08

Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	13	**876**	988
Intangible assets	14	**523**	186
Right-of-use assets	15	**7,461**	4,615
Interest in associates	16	**114**	114
Interest in joint ventures	17	**–**	12
Financial assets at fair value through other comprehensive income	18	**–**	52
Deposits and prepayment	21	**1,658**	1,545
Deferred tax assets	27	**767**	767
		11,399	8,279
Current assets			
Contract assets	19	**54,696**	54,282
Trade receivables	20	**12,049**	12,850
Prepayments, deposits and other receivables	21	**7,617**	8,484
Cash and cash equivalents	22	**11,903**	14,225
		86,265	89,841
Current liabilities			
Trade payables	23	**3,488**	3,205
Other payables and accruals	24	**2,501**	2,386
Bank loans	25	**19,043**	16,512
Contract liabilities	19	**520**	705
Lease liabilities	26	**2,467**	3,231
Tax payable		**64**	162
		28,083	26,201
Net current assets		**58,182**	63,640
Total assets less current liabilities		**69,581**	71,919
Non-current liability			
Lease liabilities	26	**5,054**	1,495
Net assets		**64,527**	70,424

Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Equity			
Share capital	28	**14,750**	14,030
Reserves	29	**49,771**	56,375
Total equity attributable to owners of the Company		**64,521**	70,405
Non-controlling interests		**6**	19
Total equity		**64,527**	70,424

The consolidated financial statements on pages 71 to 145 were approved and authorised for issue by the Board of Directors on 20 June 2025 and are signed on its behalf by:

KWOK May Han Grace
Executive Director

WU Dennis Pak Kit
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company									
	Share capital HK$'000 (Note 28)	Other reserves* HK$'000 (Note 29)	Revaluation reserve* HK$'000 (Note 29)	Translation reserve* HK$'000 (Note 29)	Shares held under share award scheme* HK$'000 (Note 29)	Share award reserve* HK$'000 (Note 29)	Accumulated losses* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2023	14,030	68,470	(398)	(122)	(3,626)	381	(9,144)	69,591	22	69,613
Profit/(loss) for the year	–	–	–	–	–	–	561	561	(43)	518
Other comprehensive income for the year:										
Exchange differences arising on translation of foreign operations	–	–	–	(241)	–	–	–	(241)	–	(241)
Change in fair value of equity investments designated at fair value through other comprehensive income	–	–	(50)	–	–	–	–	(50)	–	(50)
Total comprehensive income for the year	–	–	(50)	(241)	–	–	561	270	(43)	227
Capital injection in a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	40	40
Issuance of shares to share award grantee (Note 29)	–	(467)	–	–	467	–	–	–	–	–
Equity-settled share-based payments (Note 32)	–	–	–	–	–	544	–	544	–	544
Ordinary shares to be issued upon vesting of share award (Note 32)	–	522	–	–	–	(522)	–	–	–	–
At 31 March 2024	14,030	68,525	(448)	(363)	(3,159)	403	(8,583)	70,405	19	70,424

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company										
	Share capital HK$'000 (Note 28)	Other reserves* HK$'000 (Note 29)	Revaluation reserve* HK$'000 (Note 29)	Translation reserve* HK$'000 (Note 29)	Shares held under share award scheme* HK$'000 (Note 29)	Share award reserve* HK$'000 (Note 29)	Treasury share* HK$'000	Accumulated losses* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024	14,030	68,525	(448)	(363)	(3,159)	403	–	(8,583)	70,405	19	70,424
(Loss)/profit for the year	–	–	–	–	–	–	–	(9,578)	(9,578)	27	(9,551)
Other comprehensive income for the year:											
Exchange differences arising on translation of foreign operations	–	–	–	(95)	–	–	–	–	(95)	–	(95)
Release of revaluation reserve upon disposal of equity investments designated at fair value through other comprehensive income	–	–	448	–	–	–	–	–	448	–	448
Total comprehensive income for the year	–	–	448	(95)	–	–	–	(9,578)	(9,225)	27	(9,198)
Deregistration of a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	(40)	(40)
Issuance of shares to share award grantee (Note 29)	–	(848)	–	–	848	–	–	–	–	–	–
Equity-settled share-based payments (Note 32)	–	–	–	–	–	311	–	–	311	–	311
Ordinary shares to be issued upon vesting of share award (Note 32)	–	824	–	–	–	(824)	–	–	–	–	–
Release of reserve upon issuance of all share award to grantee	–	(2,421)	–	–	2,311	110	–	–	–	–	–
Share repurchase	–	–	–	–	–	–	(497)	–	(497)	–	(497)
Issuance of shares by placing	720	2,807	–	–	–	–	–	–	3,527	–	3,527
At 31 March 2025	14,750	68,887	–	(458)	–	–	(497)	(18,161)	64,521	6	64,527

* These accounts comprise the consolidated reserves of approximately HK$49,771,000 (2024: HK$56,375,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flows from operating activities		
(Loss)/profit before income tax	**(9,537)**	684
Adjustments for:		
Finance costs	**913**	563
Interest income	**(22)**	(121)
Gain on disposal of property, plant and equipment	**(33)**	–
Depreciation of property, plant and equipment	**575**	478
Depreciation of right-of-use assets	**3,923**	3,775
Amortisation of intangible assets	**63**	132
Equity-settled share-based payment expenses	**311**	544
Provision for/(reversal of) long service payment provision	**84**	(41)
Fair value loss on financial assets at fair value through profit or loss	**–**	137
Provision for impairment on trade receivables, net	**84**	300
Provision for impairment on other receivables	**1,659**	60
(Reversal of)/provision for impairment on contract assets, net	**(79)**	8
Write off of other receivables	**–**	577
Write off of other payables	**–**	(91)
Share of results of joint ventures	**12**	14
Operating cash flow before movements in working capital	**(2,047)**	7,019
Increase in contract assets	**(335)**	(2,147)
Decrease/(increase) in trade receivables	**717**	(1,989)
Increase in prepayments, deposits and other receivables	**(1,601)**	(488)
Increase in trade payables	**283**	23
Increase/(decrease) in other payables and accruals	**46**	(2,499)
Decrease in contract liabilities	**(185)**	(353)
Cash used in operations	**(3,122)**	(434)
Interest received	**22**	58
Hong Kong Profits Tax (paid)/refunded	**(112)**	70
Net cash used in operating activities	**(3,212)**	(306)
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	**(420)**	(765)
Proceeds from disposal of property, plant and equipment	**33**	–
Payments for acquisition of right of use assets	**(6)**	–
Payments for acquisition of intangible assets	**–**	(213)
Capital injection in a joint venture	**–**	(15)
Repayment from a joint venture	**12**	46
Repayment from an associate	**39**	–
Advance to related parties	**(84)**	(2)
Net cash used in investing activities	**(426)**	(949)

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flows from financing activities		
Proceeds from new bank loans	**20,600**	11,100
Repayment of bank loans	**(18,069)**	(3,130)
Proceeds from issuance of shares under placing	**3,527**	–
Share repurchase	**(497)**	–
Repayment of lease liabilities – Principal	**(3,968)**	(3,741)
Repayment of lease liabilities – Interest	**(128)**	(191)
Interest paid	**(785)**	(372)
Advance to a director	**–**	(781)
Repayment from/(to) a director	**779**	(99)
Repayment to a non-controlling shareholder of a subsidiary	**(15)**	–
Net cash from financing activities	**1,444**	2,786
Net (decrease)/increase in cash and cash equivalents	**(2,194)**	1,531
Cash and cash equivalents at beginning of the year	**14,225**	12,940
Effect of foreign exchange rate changes	**(128)**	(246)
Cash and cash equivalents, representing cash and bank balances, at end of the year	**11,903**	14,225

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. General Information

Allied Sustainability and Environmental Consultants Group Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Company's subsidiaries were principally engaged in the provision of consultancy services relating to green building certification consultancy, sustainability and environmental consultancy, acoustics, noise and vibration control and audio-visual design consultancy and environmental, social and governance ("ESG") reporting consultancy in Hong Kong, Macau and the People's Republic of China (the "PRC").

In the opinion of the directors of the Company, the ultimate holding company is Gold Investments Limited, a company incorporated in the British Virgin Islands (the "BVI"). Ms. Kwok May Han Grace ("Ms. Kwok") and Mr. Wu Dennis Pak Kit ("Mr. Wu"), Executive Directors of the Company, being the controlling shareholders of Gold Investments Limited, are the ultimate controlling parties of the Company.

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policy information set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

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.

Judgements made by management in the application of HKFRSs that have significant effect on these consolidated financial statements and major sources of estimation uncertainty are discussed in Note 4.

3.2 Material accounting policy information

3.2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.2 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence, which is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's and the joint venture's accounting policies to those of the Group. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.2 Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or joint ventures but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.3 Property, plant and equipment and depreciation

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purpose. Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its estimated residual value over its estimated useful life as follow:

– Furniture, fixtures and office equipment	3 to 5 years
– Leasehold improvement	shorter of lease term and 3 years
– Motor vehicles	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Estimated residual values, estimated useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.4 Intangible assets

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment loss. Amortisation for intangible assets with finite useful lives is provided on straight-line method over their estimated useful lives of five years.

Amortisation of computer software is amortised on the straight-line basis over 5 years.

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.

3.2.5 Lease

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.5 Lease (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.5 Lease (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.6 *Impairment of property, plant and equipment, rights-of-use assets and intangible assets*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value 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 assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.7 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables and contract assets arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating and recognising interest income and interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group’s ordinary course of business are presented under other income, gains and losses, net.

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.7 *Financial instruments (continued)*

Financial assets (continued)

Classification and measurement of financial assets (continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI on initial recognition if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a financial guarantee contract of designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income
Financial assets are recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Equity instruments designated as at FVTOCI
Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the fair value reserve under revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income, gains and losses, net in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.7 *Financial instruments (continued)*

Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an equity investments designated at FVTOCI, the cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.7 *Financial instruments (continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables, bank loans and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised costs. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

3.2.8 *Impairment of financial assets*

The Group performs impairment assessment under expected credit loss ("ECL") model subject to impairment assessment under HKFRS 9 on financial assets (including trade receivables, contract assets, deposits and other receivables and cash and cash equivalents). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.8 Impairment of financial assets (continued)

For all other instruments, the Group measures the loss allowance equal to 12m 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 increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor; or

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.8 Impairment of financial assets (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the issuer or the borrower;

– a breach of contract, such as a default or past due event;

– the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.8 *Impairment of financial assets (continued)*

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

– Nature of financial instruments (i.e. the Group's trade receivables together with contract assets and deposits and other receivables are each assessed as a separate group);

– Past-due status;

– Nature, size and industry of debtors; and

– External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

3.2.9 *Cash and cash equivalents*

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.10 Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.10 Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

3.2.11 Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.11 Revenue from contracts with customers (continued)

Revenue from provision of consultancy services

Revenue is recognised progressively based on input method, which the contract costs incurred to date as a percentage of total forecast costs to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

The Group presents a contract liability or a contract asset in its consolidated statement of financial position when either party to the contract has performed. The Group performs by transferring goods or services to the customer, and the customer performs by paying consideration to the Group.

Any unconditional rights to consideration are presented separately as "Trade receivables".

Contract liabilities are obligations to transfer goods or services to a customer for which the Group has received consideration, or for which an amount of consideration is due from the customer.

Contract assets are rights to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditional on something other than the passage of time.

3.2.12 Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.12 Employee benefits (continued)

Share award scheme

The Group operates a share award scheme for the purposes of providing the selected participants with an opportunity to acquire a proprietary interest in the Company, to encourage and retain such individuals to work with the Group and provide additional incentive for them to achieve performance goals with a view to achieve the objectives of increasing the value of the Group and aligning the interests of the selected participants directly to the shareholders of the Company through ownership of shares.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Shares held under share award scheme

The shares held under share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held under share award scheme" and deducted from total equity.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.12 *Employee benefits (continued)*

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

There were no forfeited contributions utilised by the Group to reduce existing level of contributions for each of the years.

3.2.13 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

3.2.14 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

3.2.15 *Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "Translation reserve".

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.16 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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;

or

(b) the party is an entity where 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 of a parent, subsidiary or fellow subsidiary of the other entity);

(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); and

(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 a parent of the Company.

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.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (continued)

3.2 Material accounting policy information (continued)

3.2.17 Segment reporting

Operating segments, and the amounts of each segment item reported in these consolidated financial statements, are identified from the financial information provided regularly to the executive director of the Company, being the chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. Significant Accounting Estimates and Judgements

In the adoption of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

Key sources of estimation uncertainty

(i) Contract revenue from provision of consultancy services

Revenue recognition from provision of consultancy services is dependent on the estimation of the progress of the satisfaction of performance obligation of a service contract over time. Based on the Group's past experience and the nature of the contract activities undertaken by the Group, there are significant judgements exercised by the management of the Group in determining the budgeted costs of each contract and the progress towards complete satisfaction of the performance obligation and the amount of revenue from the provision of consultancy services recognised.

4. Significant Accounting Estimates and Judgements (continued)

Key sources of estimation uncertainty (continued)

(ii) Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on the Group's historical settlement experience as groupings of various debtors that have similar loss patterns.

The provision matrix is based on the provision rates, taking into forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL for the Group's trade receivables and contract assets are disclosed in Note 37(a).

5. Revenue and Segment Information

(a) Revenue from contracts with customers

(i) Disaggregation of revenue from contracts with customers

Revenue represents income arising from the Group's principal activities which are provision of consultancy services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Under the contracts with customers, each consultancy service contract relates to facts and circumstances that are specific to each customer.

Revenue is recognised over time and is disaggregated by nature of consultancy services and primary geographical market and set out in (b).

(ii) Performance obligations for contract with customers

Information about the Group's performance obligations is summarised below:

Revenue is recognised progressively based on input method, which the contract costs incurred to date as a percentage of total forecast costs to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

5. Revenue and Segment Information (continued)

(a) Revenue from contracts with customers (continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 March 2025 and 2024.

	2025 **HK$'000**	2024 HK$'000
Within one year	**22,319**	18,938
Over one year	**66,047**	53,808
	88,366	72,746

(b) Segment information

For management purposes, the Group is organised into business units based on their services and has four reportable operating segments as follows:

(a) Green building certification consultancy segment involves consultancy on the application of green building certification for new buildings, existing buildings and interiors of buildings;

(b) Sustainability and environmental consultancy segment involves consultancy on sustainability and environmental impact assessment for compliance with statutory requirements in relation to environmental impact and pollution control;

(c) Acoustic, noise and vibration control and audio-visual design consultancy segment involves designs for architectural acoustic, mechanical vibration, noise control and audio-visual systems; and

(d) ESG reporting and consultancy segment involves ESG reporting and consultancy.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profits, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that share of results of joint ventures, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, intangible assets, right-of-use assets, interest in associates, interest in joint ventures, financial assets at FVTOCI, deferred tax assets, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank loans, lease liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

5. Revenue and Segment Information (continued)

	Green building certification consultancy		Sustainability and environmental consultancy		Acoustics, noise and vibration control and audio-visual design consultancy		ESG reporting and consultancy		Total	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Segment revenue:										
Revenue – over time										
Hong Kong	**29,323**	31,484	**8,341**	10,363	**3,409**	4,307	**5,560**	3,843	**46,633**	49,997
The PRC	**510**	994	**–**	–	**20**	45	**58**	39	**588**	1,078
Macau	**362**	939	**–**	–	**–**	3	**–**	–	**362**	942
	30,195	33,417	**8,341**	10,363	**3,429**	4,355	**5,618**	3,882	**47,583**	52,017
Segment results	**12,819**	17,952	**3,830**	5,103	**(532)**	123	**1,719**	263	**17,836**	23,441
Reconciliation										
Unallocated income									**1,360**	941
Unallocated expenses									**(26,149)**	(23,061)
Share of results of joint ventures									**(12)**	(14)
Provision of impairment on other receivables									**(1,659)**	(60)
Finance costs									**(913)**	(563)
(Loss)/profit before income tax									**(9,537)**	684
Segment assets	**46,597**	46,949	**8,694**	8,720	**8,939**	9,874	**2,879**	2,131	**67,109**	67,674
Reconciliation										
Property, plant and equipment									**876**	988
Intangible assets									**523**	186
Right-of-use assets									**7,461**	4,615
Interest in associates									**114**	114
Interest in a joint venture									**–**	12
Financial assets at FVTOCI									**–**	52
Deferred tax assets									**767**	767
Cash and cash equivalents									**11,903**	14,225
Unallocated head office and corporate assets									**8,911**	9,487
Total unallocated assets									**30,555**	30,446
Total assets									**97,664**	98,120

5. Revenue and Segment Information (continued)

	Green building certification consultancy		Sustainability and environmental consultancy		Acoustics, noise and vibration control and audio-visual design consultancy		ESG reporting and consultancy		Total	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Segment liabilities	**2,514**	1,123	**773**	2,333	**220**	388	**501**	66	**4,008**	3,910
Reconciliation										
Other payables and accruals									**2,501**	2,386
Bank loans									**19,043**	16,512
Lease liabilities									**7,521**	4,726
Tax payable									**64**	162
Total unallocated liabilities									**29,129**	23,786
Total liabilities									**33,137**	27,696
Other segment information										
Provision for/(reversal of) impairment on trade receivables, net	**28**	116	**54**	(131)	**(13)**	231	**15**	84	**84**	300
(Reversal of)/provision for impairment on contract assets, net	**(107)**	128	**(11)**	(262)	**34**	(32)	**5**	174	**(79)**	8
Bad debts written off	**–**	–	**–**	–	**–**	34	**–**	–	**–**	34
Unallocated:										
– Depreciation and amortisation									**4,561**	4,385
– Capital expenditure										
– Additions to property, plant and equipment									**430**	765
– Additions to intangible asset and right-of-use assets									**7,134**	2,020

Geographical information

The principal place of the Group's operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile.

The Group's revenue from external customers is classified based on the geographical locations of the customers and the details are disclosed above.

As at 31 March 2025, except for non-current assets of approximately HK$1,103,000 (2024: approximately HK$1,569,000) located in Malaysia, all the Group's remaining non-current assets were located in Hong Kong.

5. Revenue and Segment Information (continued)

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2025 HK$'000	2024 HK$'000
Customer A	6,608	N/A*
Customer B	N/A*	6,189
Customer C	N/A*	5,529

* The corresponding customer did not contribute more than 10% of the total revenue of the Group for the year.

6. Other Income, Gains and Losses, Net

	2025 HK$'000	2024 HK$'000
Interest income	22	121
Fair value loss on financial assets at FVTPL	–	(137)
Gain on disposal of property, plant and equipment	33	–
Government subsidies (Note (i))	1,138	558
Bad debts written off	–	(34)
Written off of other receivables	–	(577)
Written off of other payables	–	91
Others	167	171
	1,360	193

Note:

(i) The government subsidies recognised for the year was mainly the dedicated fund on Branding, Upgrading and Domestic Sale under Free Trade Agreement and Investment Promotion and Protection Agreements Programme (2024: Graduates Subsidy Programme as promulgated by the Environmental Protection Department of the Government of the Hong Kong Special Administrative Region).

7. Finance Costs

	2025 HK$'000	2024 HK$'000
Interest on bank loans	785	372
Interest on lease liabilities	128	191
	913	563

8. (Loss)/Profit before Income Tax

The Group's (loss)/profit before income tax is arrived at after charging/(crediting):

	2025 HK$'000	2024 HK$'000
Amortisation of intangible assets* (Note 14)	63	132
Depreciation of property, plant and equipment* (Note 13)	575	478
Depreciation of right-of-use assets* (Note 15)	3,923	3,775
Auditor's remuneration		
– Audit services	515	548
Employee benefits expense*** (including directors' emoluments (Note 9)):		
– Salaries, allowances and benefits in kind	31,943	30,789
– Discretionary bonuses	2,025	484
– Retirement benefit scheme contributions (defined contribution scheme)	1,324	1,269
– Provision for/(reversal of) long service payment	84	(41)
– Equity-settled share-based payment expenses (Note 32)	311	544
	35,687	33,045
Provision for impairment on trade receivables, net** (Note 37(a))	84	300
Provision for impairment on other receivables (Note 37(a))	1,659	60
(Reversal of)/provision for impairment on contract assets, net** (Note 37(a))	(79)	8
Net foreign exchange loss	78	114

* Included in "administrative expenses" in profit or loss.

** Included in "net provision for impairment on trade receivables and contract assets" in profit or loss.

*** Total employee benefits expense of approximately HK$24,455,000 (2024: approximately HK$22,873,000) and HK$11,232,000 (2024: approximately HK$10,172,000), has been charged to cost of services provided and administrative expenses, respectively, for the year ended 31 March 2025.

9. Directors' Emoluments

Directors' emoluments paid or payable disclosed pursuant to the Listing Rules and section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement benefit scheme contributions HK$'000	Equity-settled share-based payment expenses HK$'000	Total HK$'000
For the year ended 31 March 2025						
Executive Directors						
Ms. Kwok (Note (i))	**372**	**1,384**	**221**	**18**	**145**	**2,140**
Mr. Wu	**372**	**1,319**	**210**	**18**	**140**	**2,059**
Independent Non-executive Directors						
Mr. Szeto Chi Hang Clive	**156**	**–**	**–**	**–**	**–**	**156**
Mr. Li Wing Sum Steven	**156**	**–**	**–**	**–**	**–**	**156**
Ms. Wong Yee Lin Elaine	**156**	**–**	**–**	**–**	**–**	**156**
Professor Lam Kin Che (Resigned on 30 April 2025)	**156**	**–**	**–**	**–**	**–**	**156**
	1,368	**2,703**	**431**	**36**	**285**	**4,823**
For the year ended 31 March 2024						
Executive Directors						
Ms. Kwok (Note (i))	372	1,152	33	18	269	1,844
Mr. Wu	372	1,100	32	18	252	1,774
Independent Non-executive Directors						
Mr. Szeto Chi Hang Clive	156	–	–	–	–	156
Mr. Li Wing Sum Steven	156	–	–	–	–	156
Ms. Wong Yee Lin Elaine	156	–	–	–	–	156
Professor Lam Kin Che	156	–	–	–	–	156
	1,368	2,252	65	36	521	4,242

Note:

(i) Ms. Kwok is the chairman of the Company.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

Fees, salaries, allowances and benefits in kind paid to or for the Executive Directors of the Company are generally emoluments paid or receivable in respect of the Executive Directors' services in connection with the management of the affairs of the Company and the Group. The Independent Non-executive Directors' emoluments shown above were for their services as directors of the Company.

10. Five Highest Paid Employees Emoluments

Two (2024: two) of the five highest paid individuals were directors of the Company for the year ended 31 March 2025. Details of their emoluments are set out in Note 9. Details of the emolument of the remaining three (2024: three) non-director highest paid employees for the year are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, allowances and benefits in kind	**2,936**	2,790
Discretionary bonuses	**351**	55
Retirement benefit scheme contributions	**54**	54
Equity-settled share-based payment expenses	**23**	19
	3,364	2,918

The emolument of the three (2024: three) non-director highest paid employees for the year were within the following bands:

	2025 **Number of** **individuals**	2024 Number of individuals
Emolument bands		
Nil–HK$1,000,000	**–**	3
HK$1,000,001–HK$1,500,000	**3**	–
	3	3

During the years ended 31 March 2025 and 2024, no remuneration was paid by the Group to any of the non-director highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

11. Income Tax Expense

	2025 HK$'000	2024 HK$'000
Current tax		
Hong Kong Profits Tax	–	102
PRC Corporate Income Tax ("CIT")	4	16
Under-/(over-)provision in respect of prior year		
Hong Kong Profits Tax	14	–
PRC CIT	(4)	(21)
Deferred tax (Note 27)	–	69
Income tax expense	14	166

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI (2024: Nil).

There is no tax effect relating to other comprehensive income for the year ended 31 March 2025 (2024: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% during the year and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% during the year.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% of the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated profits above HK$2,000,000, taking into account the tax concession granted by the HKSAR Government during the year.

PRC CIT has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits arising in the PRC for the year unless otherwise specified.

According to the announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises, the CIT rate applicable to small-scale enterprises with law profitability that meet certain conditions including the assessable profits not more than RMB3,000,000, shall be reduced to 20%. One (2024: One) of the Company's subsidiaries has been designated as small-scale enterprises, pursuant to which, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of the subsidiary are effectively taxable at 5% (i.e. 20% on 25% of the 1st Assessable Profits); and (ii) the remaining assessable profits not over RMB3,000,000 (the "Remaining Assessable Profits") are effectively taxable at 5% (i.e. 20% on 25% of the Remaining Assessable Profits).

11. Income Tax Expense (continued)

A reconciliation between (loss)/profit before income tax and income tax expense at the applicable tax rates is as follows:

	2025 HK$'000	2024 HK$'000
(Loss)/profit before income tax	(9,537)	684
Notional tax at the rates applicable to (loss)/profit in the relevant tax jurisdictions	(973)	582
Income not taxable	(155)	(567)
Expenses not deductible for tax	182	388
Temporary difference not recognised	(15)	3
Effect of CIT on PRC service income	1	2
Utilisation of tax loss previously not recognised	–	(204)
Tax loss not recognised	979	147
Tax reduction (Note)	(15)	(164)
Under-/(over-)provision in respect of prior year	10	(21)
Income tax expense	14	166

Note: Tax reduction represents the preferential tax rates granted under the two-tiered profits tax rates regime of the Hong Kong Profits Tax and income tax relief for small low-profit enterprises of PRC CIT, and tax concession granted by the HKSAR Government mentioned above.

12. (Loss)/Earnings per Share Attributable to Owners of the Company

Basic (loss)/earnings per share

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2025 HK$'000	2024 HK$'000
(Loss)/profit for the year attributable to owners of the Company used in calculation basic (loss)/earnings per share	(9,578)	561

	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Issued ordinary shares at the beginning of the year	700,193,333	694,196,667
Net effect of shares issued	7,241,297	2,347,150
Net effect of shares placed	6,509,589	–
Weighted average number of ordinary shares for the purpose of the basic (loss)/earnings per share	713,944,219	696,543,817

12. (Loss)/Earnings per Share Attributable to Owners of the Company (continued)

Diluted (loss)/earnings per share

The calculation of the diluted (loss)/earnings per share attributable to owners of the Company is based on (loss)/profit for the year attributable to owners of the Company and the adjusted weighted average number of ordinary shares outstanding of which are adjusted to assume exercise or conversion of all dilutive potential ordinary shares.

	2025 **HK$'000**	2024 HK$'000
(Loss)/profit for the year attributable to owners of the Company used in calculating diluted (loss)/earnings per share	**(9,578)**	561

	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of the basic (loss)/earnings per share	**713,944,219**	696,543,817
Adjustments for calculation of diluted (loss)/earnings per share:		
Share award scheme	**–**	4,572,106
Adjusted weighted average number of ordinary shares for the purpose of the diluted (loss)/earnings per share	**713,944,219**	701,115,923

As at 31 March 2025, the Company has no outstanding share award and the shares issued by placing and the effect of share award before early vesting are anti-dilutive.

For the outstanding share award as at 31 March 2024, the number of shares that would have been issued assuming the exercise of the share award less the number of shares that could have been issued at fair value (determined as the weighted average amount per employee to be recognised over the remainder of the vesting period for employee services to be rendered per share) for the same total proceeds is the number of shares issued for no consideration.

13. Property, Plant and Equipment

	Furniture, fixtures and office equipment HK$'000	Leasehold improvement HK$'000	Motor vehicle HK$'000	Total HK$'000
COST				
At 1 April 2023	2,602	1,405	256	4,263
Additions	401	364	–	765
At 31 March 2024	3,003	1,769	256	5,028
Additions	169	–	261	430
Disposal	–	–	(256)	(256)
Exchange realignment	22	24	–	46
At 31 March 2025	3,194	1,793	261	5,248
ACCUMULATED DEPRECIATION				
At 1 April 2023	1,910	1,396	256	3,562
Provided for the year	425	53	–	478
At 31 March 2024	2,335	1,449	256	4,040
Provided for the year	381	129	65	575
Written back on disposal	–	–	(256)	(256)
Exchange realignment	6	7	–	13
At 31 March 2025	2,722	1,585	65	4,372
NET CARRYING VALUE				
At 31 March 2025	472	208	196	876
At 31 March 2024	668	320	–	988

14. Intangible Assets

	Computer software HK$'000
Cost	
At 1 April 2023, 31 March 2024	913
Addition	400
At 31 March 2025	1,313
Accumulated amortisation	
At 1 April 2023	595
Charge for the year	132
At 31 March 2024	727
Charge for the year	63
At 31 March 2025	790
Net carrying amount	
At 31 March 2025	523
At 31 March 2024	186

15. Right-of-use Assets

	Leased properties HK$'000	Office equipment HK$'000	Total HK$'000
At 31 March 2024			
Carrying amount	4,533	82	4,615
At 31 March 2025			
Carrying amount	7,419	42	7,461
For the year ended 31 March 2024			
Depreciation charge	3,736	39	3,775
For the year ended 31 March 2025			
Depreciation charge	3,884	39	3,923

	2025 HK$'000	2024 HK$'000
Total cash outflow for leases	**4,096**	3,932
Additions to right-of-use assets	**6,734**	1,807

For both years, the Group has lease contracts for various properties and office equipment used for its operations. Lease contracts are entered into for fixed term of 1 to 5 years (2024: 1 to 5 years). There are no lease contracts that include variable lease payments.

16. Interest in Associates

	2025 HK$'000	2024 HK$'000
Cost of investment in associates, unlisted	**124**	124
Share of accumulated losses of associates	**(10)**	(10)
	114	114

The particulars of the associates of the Group as at 31 March 2025 and 2024 were as follows:

Name of associates	Place of incorporation and kind of legal entity	Particulars of issued and fully paid share capital	Percentage of ownership interest held by the Company as at 31 March 2025	2024	Principal activities and place of operation
AEC TH Company Limited	Thailand, private limited liability company	Thai Baht 1,000,000	**46%**	46%	Provision of consultancy services in Thailand
China Enterprise Green Financial PR Limited ("China Enterprise") (formerly known as New Economy Communications Limited)	Hong Kong, private limited liability company	HK$24,500 (Note)	**40%**	40%	Provision of sustainability communications, ESG-related financial public relationship and business media services in Hong Kong

Note: As at 31 March 2025, AEC Group Limited ("AEC BVI") had 40% (2024: 40%) equity interest in and significant influence over China Enterprise. The interest in China Enterprise is accounted for as interest in associates. On 13 March 2025, all shareholders agreed the deregistration of China Enterprise and the deregistration has not yet completed as at 31 March 2025. As at 31 March 2025, no outstanding commitment to inject capital to China Enterprise is held by the Group (2024: HK$500,000).

These associates have not yet commenced business during the years ended 31 March 2025 and 2024. The financial information of associates of the Group for the years ended 31 March 2025 and 2024, is set out below:

	2025 HK$'000	2024 HK$'000
The Group's share of loss and total comprehensive income for the year	**–**	–

During the years ended 31 March 2025 and 2024, the Group has discontinued recognition of its share of losses of China Enterprise. The amounts of unrecognised shares of the associate, extracted from the relevant financial information of the associate, both for year and cumulatively, are as follows:

	2025 HK$'000	2024 HK$'000
Unrecognised shares of loss of the associate for the year	**–**	4
Recovery of unrecognised shares of loss of the associate for the year	**(36)**	–
Accumulated unrecognised shares of loss of the associate	**–**	36

17. Interest in Joint Ventures

	2025 HK$'000	2024 HK$'000
Cost of investment in joint ventures, unlisted	37	37
Share of accumulated losses of joint ventures	(37)	(25)
	–	12

The particulars of the joint ventures of the Group as at 31 March 2025 and 2024 were as follows:

Name of joint ventures	Place of incorporation and kind of legal entity	Particulars of issued and fully paid share capital	Percentage of ownership interest held by the Company as at 31 March 2025	2024	Principal activities and place of operation
AECNCD Environmental Services Limited ("AECNCD")	Hong Kong, private limited liability company	HK$40,000 (Note (i))	50%	50%	Provision of green properties development services in Hong Kong
Bamboo Technology Limited ("Bamboo Technology")	Hong Kong, private limited liability company	HK$10,000 (Note (ii))	50%	50%	Development of a Bamboo-based Modular integrated Construction in Hong Kong
AEC Farseer Limited ("AEC Farseer")	Hong Kong, private limited liability company	HK$30,000 (Note (iii))	50%	50%	Development of Carbon, ESG and sustainability AI & ChatGPT Big Data Analytic Platform in Hong Kong

Notes:

(i) AECNCD was incorporated on 25 January 2021 as a limited liability company in Hong Kong. AECNCD is owned by AEC BVI, the wholly-owned subsidiary of the Company, and an independent third party, which is a listed company in Hong Kong, as to 50% and 50%, respectively. The relevant activities of AECNCD require the unanimous consent of all parties. Accordingly, AECNCD is classified as a joint venture of the Group.

(ii) AEC BVI and Bamboo International own 50% of equity interests in Bamboo Technology, respectively and the investment in Bamboo Technology becomes a joint venture. The cost of investment and accumulated share of loss in Bamboo Technology were HK$3,000 and HK$3,000, respectively, therefore the carrying amount of investment in Bamboo Technology transferred to cost of joint venture shall be nil. The investment cost of HK$2,000 represents the share transferred from an executive director of the Company.

During the year ended 31 March 2025, the share of loss of investment in Bamboo Technology exceed the cost of investment. The amounts of unrecognised shares of Bamboo Technology, extracted from the relevant financial information of Bamboo Technology, both for year and cumulatively, are as follows:

	2025 HK$'000	2024 HK$'000
Unrecognised shares of loss of Bamboo Technology for the year	4	7
Accumulated unrecognised shares of loss of Bamboo Technology	13	9

17. Interest in Joint Ventures (continued)

Notes: (continued)

(iii) AEC Farseer was incorporated on 30 March 2024 as a limited liability company in Hong Kong. AEC Farseer is owned by AEC International Limited, the wholly-owned subsidiary of the Company, and an independent third party at 50% and 50%, respectively. The relevant activities of AEC Farseer require the unanimous consent of all parties. Accordingly, AEC Farseer is classified as a joint venture of the Group.

During the year ended 31 March 2025, the share of loss of investment in AEC Farseer exceed the cost of investment. The amounts of unrecognised shares of AEC Farseer, extracted from the relevant financial information of AEC Farseer, both for year and cumulatively, are as follows:

	2025 **HK$'000**	2024 HK$'000
Unrecognised shares of loss of AEC Farseer for the year	**1**	–
Accumulated unrecognised shares of loss of AEC Farseer	**1**	–

The financial information of AECNCD and AEC Farseer, immaterial joint ventures of the Group for the years ended 31 March 2025 and 2024, is set out below:

	2025 **HK$'000**	2024 HK$'000
The Group's share of loss and total comprehensive expense for the year	**12**	14

18. Financial Assets at FVTOCI

	2025 **HK$'000**	2024 HK$'000
Financial assets at FVTOCI		
– Unlisted equity securities in Hong Kong	**–**	52

In March 2021, the Group entered into a share acquisition agreement with Sky Wealth Financial Group (Investment) Limited ("Sky Wealth"), an independent third party, pursuant to which the Group agreed to make investment of HK$500,000 in Sky Wealth and accounted for a deemed acquisition. Sky Wealth is an investment holding company and its subsidiary is a licensed corporation in Hong Kong. Upon the completion of this capital injection into Sky Wealth on 10 May 2021, the Group holds 8.3% equity interest in Sky Wealth.

The Group designated the equity securities at FVTOCI (non-recycling), as the investment is held for long-term strategic purposes.

On 28 March 2025, the Board resolved to dispose the shares in Sky Wealth with a consideration of $500,000.

For details of the fair value measurement are set out in Note 36.

During the year, no dividends (2024: Nil) were declared by the equity securities and received by the Group.

19. Contract Assets and Contract Liabilities

	2025 HK$'000	2024 HK$'000
Contract assets	**56,732**	56,397
Less: Allowance for credit losses (Note 37(a))	**(2,036)**	(2,115)
Contract assets, net of loss allowance	**54,696**	54,282
Contract liabilities	**(520)**	(705)
	54,176	53,577

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contracts of the Group include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The contract assets are transferred to receivables when the rights become unconditional and the Group has billed to the customers. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

Movement in the contract assets balance during the year are as follows:

	2025 HK$'000	2024 HK$'000
Transfers from contract assets recognised at the beginning of the year to trade receivables	**(21,065)**	(18,653)

Movement in the contract liabilities balance during the year are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**705**	1,058
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**(705)**	(1,058)
Increase of receipts in advance from customers	**520**	705
At the end of the year	**520**	705

Details of impairment assessment of contract assets are set out in Note 37(a).

20. Trade Receivables

	2025 HK$'000	2024 HK$'000
Trade receivables	**13,782**	14,499
Less: Allowance for credit losses (Note 37(a))	**(1,733)**	(1,649)
	12,049	12,850

Trade receivables represent receivables for contract works. Trade receivables are due within 0 to 30 days (2024: 0 to 30 days) from the date of billing. The Group maintains active and regular control over its outstanding receivables to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

The ageing analysis of the trade receivables, net of allowance for credit losses, based on invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	**5,579**	5,943
Over 1 month but less than 3 months	**3,521**	3,119
Over 3 months but less than 12 months	**2,117**	3,227
Over 12 months	**832**	561
	12,049	12,850

The ageing analysis of the trade receivables, net of allowance for credit losses, based on due date is as follows:

	2025 HK$'000	2024 HK$'000
Current	**2,852**	1,861
Less than 1 month past due	**3,077**	4,847
1 to 3 months past due	**3,242**	2,534
4 to 6 months past due	**1,474**	1,893
Over 6 months past due	**1,404**	1,715
	12,049	12,850

Details of impairment assessment of trade receivables are set out in Note 37(a).

21. Prepayments, Deposits and Other Receivables

	2025 HK$'000	2024 HK$'000
Prepayments	**2,172**	1,033
Deposits and other receivables (Note (iv))	**3,734**	3,160
Convertible note receivable (Note (iv))	**1,570**	1,570
Receivable from unlisted equity interest (Note (v))	**3,000**	3,000
Amounts due from related companies (Notes (i) and (ii))	**361**	277
Amounts due from associates (Note (i))	**–**	101
Amounts due from joint ventures (Note (i))	**148**	160
Amounts due from non-controlling shareholders of subsidiaries (Note (i))	**7**	7
Amounts due from directors (Note (i))	**2**	781
	10,994	10,089
Less: Allowance for credit losses (Note 37(a))	**(1,719)**	(60)
	9,275	10,029
Less: Non-current deposits and prepayment (Note (iii))	**(1,658)**	(1,545)
Current portion	**7,617**	8,484

Notes:

(i) The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. The directors of the Company expected the amounts due will be settled within one year from the end of the reporting period.

(ii) Pursuant to Section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G), the details of amounts due from related parties are disclosed as follows:

	Maximum outstanding during the year ended 31 March		Balance as at 31 March	
Name of related parties	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Green Ant Finance Limited (Note (a))	**7**	7	**–**	7
GBA Carbon Neutrality Association Limited (Note (b))	**39**	75	**23**	39
AEC Capital International Limited (Note (b))	**246**	215	**246**	215
AEC Capital Limited (Note (a))	**69**	1	**69**	1
Gold Impact Investments Limited (Note (a))	**15**	15	**–**	15
Institute of ESG Certified Professional Limited (Note (b))	**12**	–	**12**	–
New Capital Services Limited (Note (a))	**11**	–	**11**	–
			361	277

21. Prepayments, Deposits and Other Receivables (continued)

Notes: (continued)

(ii) (continued)

(a) Ms. Kwok and Mr. Wu, Executive Directors of the Company, are the controlling shareholders and beneficial owners of these related companies. Mr. Wu is also the director of these related companies.

(b) Ms. Kwok and Mr. Wu, Executive Directors of the Company, are the controlling shareholders and beneficial owners of these related companies. Ms. Kwok and Mr. Wu are also the directors of these related companies.

(iii) The non-current deposits and prepayment mainly represent the refundable rental deposits and deposit in SMAC Computing Company Limited.

(iv) On 10 March 2022, the Group entered into a convertible note agreement with Intensel Limited ("Intensel"), a private company incorporated in Hong Kong. Pursuant to the convertible note agreement, the Group agreed to subscribe a convertible note issued by Intensel with an agreed principal amount of United States dollars ("US$") 200,000. The convertible note was mature on 30 November 2023. Intensel is principally engaged in provision of accurate and deep asset physical climate and financial value-at-risk analysis.

The interest on the loan shall accrue daily at a rate of 6% per annum and shall be calculated on the basis of 365-day year until the loan is paid in full.

Pursuant to the convertible note agreement, the convertible note would be (i) automatically converted into conversion shares of Intensel if Intensel is able to raise addition equity financing of US$1,200,000. The conversion price will be determined based on the agreed formula stated in the convertible note agreement between the Group and Intensel; or (ii) converted into preference shares of Intensel, at the discretionary of the Group, on the maturity date, if Intensel is not able to raise addition equity financing of US$1,200,000, up to the maturity date.

As at maturity date, Intensel is unable to raise addition equity financing amounted to US$1,200,000 and the Group is not probable to convert the note into preference shares.

As at 31 March 2025 and 2024, the principal amount of US$200,000 and the corresponding interest receivable, were classified as other receivables as the convertible note had been matured.

During the year ended 31 March 2025, impairment loss amounted to HK$519,000 (2024: Nil) was made for the convertible note receivable and the corresponding interest receivable, included in "deposits and other receivables".

(v) On 21 November 2019, the Group acquired 6.9% equity interest in ProSage Sustainability Development Limited ("ProSage"), a private company incorporated in Hong Kong, with an agreed consideration of HK$3,000,000. The consideration was settled by cash. ProSage is principally engaged in the provision of ESG related e-learning solutions and consultancy services.

As part of the investment, if the actual total net profit of ProSage for the periods from 22 November 2018 to 31 December 2021, is less than an aggregate amount of HK$9,000,000, ProSage will compensate the Group for the shortfall in cash or in ProSage's ordinary shares at the discretion of the Group (the "Profit Guarantee"). The compensation will be determined by the difference between the Profit Guarantee and the actual profit of ProSage based on the agreed formula stated in the agreements between the Group and ProSage. The major shareholder of ProSage provided the guarantee on the settlement of the compensation to the Group.

The Profit Guarantee requirement has not been achieved and the Group has obtained the written letter of collecting the principal consideration of HK$3,000,000 from ProSage. As at 31 March 2025 and 2024, the principal amount is reclassified as other receivable.

During the year ended 31 March 2025, impairment loss amounted to HK$1,140,000 (2024: HK$60,000) was made for the receivable from unlisted equity interest.

Details of impairment assessment of deposits and other receivables are set out in Note 37(a).

22. Cash and Cash Equivalents

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash on hand. Cash at banks earns interest at floating rates based on daily bank deposit rates.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Bank loans HK$'000 (Note 25)	Lease liabilities HK$'000 (Note 26)	Amounts due to directors, included in other payables and accruals HK$'000 (Note 24)	Amount due to a non-controlling shareholder of a subsidiary, included in other payables and accruals HK$'000 (Note 24)	Amount due to an associate, included in other payables and accruals HK$'000 (Note 24)	Total HK$'000
At 1 April 2023	8,542	6,666	99	15	114	15,436
Changes from financing cash flows:						
Proceeds from new bank loans	11,100	–	–	–	–	11,100
Repayment of bank loans	(3,130)	–	–	–	–	(3,130)
Interest paid	(372)	–	–	–	–	(372)
Principal element of lease rental paid	–	(3,741)	–	–	–	(3,741)
Interest element of lease rental paid	–	(191)	–	–	–	(191)
Repayment to a director	–	–	(99)	–	–	(99)
Total changes from financing cash flows	7,598	(3,932)	(99)	–	–	3,567
Other changes:						
Interest expenses (Note 7)	372	191	–	–	–	563
Addition of lease	–	1,807	–	–	–	1,807
Exchange realignment	–	(6)	–	–	–	(6)
Total other changes	372	1,992	–	–	–	2,364
At 31 March 2024 and 1 April 2024	**16,512**	**4,726**	**–**	**15**	**114**	**21,367**
Changes from financing cash flows:						
Proceeds from new bank loans	**20,600**	**–**	**–**	**–**	**–**	**20,600**
Repayment of bank loans	**(18,069)**	**–**	**–**	**–**	**–**	**(18,069)**
Interest paid	**(785)**	**–**	**–**	**–**	**–**	**(785)**
Principal element of lease rental paid	**–**	**(3,968)**	**–**	**–**	**–**	**(3,968)**
Interest element of lease rental paid	**–**	**(128)**	**–**	**–**	**–**	**(128)**
Repayment to a non-controlling shareholder of a subsidiary	**–**	**–**	**–**	**(15)**	**–**	**(15)**
Total changes from financing cash flows	**1,746**	**(4,096)**	**–**	**(15)**	**–**	**(2,365)**
Other changes:						
Interest expenses (Note 7)	**785**	**128**	**–**	**–**	**–**	**913**
Addition of lease	**–**	**6,728**	**–**	**–**	**–**	**6,728**
Exchange realignment	**–**	**35**	**–**	**–**	**–**	**35**
Total other changes	**785**	**6,891**	**–**	**–**	**–**	**7,676**
At 31 March 2025	**19,043**	**7,521**	**–**	**–**	**114**	**26,678**

23. Trade Payables

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	2,532	2,393
Over 1 month but within 6 months	354	246
Over 6 months	602	566
	3,488	3,205

The average credit period of trade payables is 30 days (2024: 30 days).

24. Other Payables and Accruals

	2025 HK$'000	2024 HK$'000
Accruals	1,674	1,514
Other payables	90	55
Advances received (Note (i))	428	577
Provision for long service payment	195	111
Amount due to a non-controlling shareholder of a subsidiary (Note (ii))	–	15
Amounts due to an associate (Note (ii))	114	114
	2,501	2,386

Notes:

(i) Advances received represented the refundable deposits received from independent third parties for potential consultancy services.

(ii) The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand.

25. Bank Loans

At 31 March 2025 and 2024, the secured bank loans with a demand clause, based on the scheduled repayment terms set out in the loan agreements without taking into account the effect of any demand clause, were repayable as follows:

	2025 HK$'000	2024 HK$'000
Within 1 year	**12,111**	9,574
Over 1 year but within 2 years	**1,026**	1,009
Over 2 years but within 5 years	**3,269**	3,257
Over 5 years	**2,637**	2,672
	19,043	16,512

At 31 March 2025, bank loans of the Group of HK$7,043,000 (2024: HK$7,912,000) are supported by the SME Financing Guarantee Scheme executed by the Government of HKSAR, which HKMC Insurance Limited provided full guarantee, and bank loans of the Group of HK$12,000,000 (2024: HK$8,600,000) are supported by the SME Financing Guarantee Scheme executed by the Government of HKSAR, which HKMC Insurance Limited provided 80% guarantee. The bank loans are also secured by personal guarantees provided by the two Executive Directors of the Company.

As at 31 March 2025, the Group has banking facilities, in aggregate, amounting to HK$21,000,000 (2024: HK$21,000,000), of which the facilities were utilised to the extent of HK$19,043,000 (2024: HK$16,512,000).

26. Lease Liabilities

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**2,467**	3,231
Within a period of more than one year but not exceeding two years	**2,201**	1,341
Within a period of more than two years but not exceeding five years	**2,853**	154
	7,521	4,726
Less: Amount due for settlement with 12 months shown under current liabilities	**(2,467)**	(3,231)
Amount due for settlement after 12 months shown under non-current liabilities	**5,054**	1,495

The weighted average incremental borrowing rates applied to lease liabilities is 4.06% (2024: 3.26%).

27. Deferred Tax

The movements of deferred tax assets during the year are as follows:

	Depreciation allowance in excess of related depreciation HK$'000	ECL on trade receivables and contract assets HK$'000	Total HK$'000
At 1 April 2023	86	750	836
Credited/(charged) to profit or loss (Note 11)	61	(130)	(69)
At 31 March 2024, 1 April 2024 and 31 March 2025	147	620	767

As at 31 March 2025, all unused tax losses of the Group have no expiry dates under the current tax legislation. The Group has unused taxable losses arising in Hong Kong of approximately HK$6,138,000 (2024: approximately HK$1,201,000). The unused tax losses are subject to the approval by the Hong Kong Inland Revenue Department. As at 31 March 2025, deferred tax assets in respect of unused tax losses of approximately HK$6,138,000 (2024: approximately HK$1,201,000) have not been recognised due to unpredictability of future profit streams. The Group has no other material deferred tax not provided in the consolidated financial statements as there were no other material temporary differences at the end of the reporting period.

28. Share Capital

	Number of ordinary shares of HK$0.02 '000	Nominal value HK$'000
Authorised:		
At 31 March 2024, 1 April 2024 and 31 March 2025	2,500,000	50,000
Issued and fully paid:		
At 31 March 2024 and 1 April 2024	701,510	14,030
Shares issued upon placing (Note)	36,000	720
At 31 March 2025	737,510	14,750

Note: On 24 January 2025, the Company entered a placing agreement with a placing agent. Pursuant to the placing agreement, the Company has conditionally agreed to place a maximum of 36,000,000 shares through placing agent to not less than six placees at the placing price of HK$0.1 per share. The placing of 36,000,000 shares was completed on 13 February 2025. The net proceeds after deducting commission and other relevant costs and expenses, amounted to approximately HK$3,527,000. Accordingly, the Company's share capital increased by approximately HK$720,000 and the remaining balance of the net proceeds of approximately HK$2,807,000 was credited to the share premium account included in "other reserves".

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

29. Reserves

Other reserves

Share premium

Other reserve comprises the share premium account of the Company, which includes the premium arising from the issue of new shares pursuant to the share offering net of listing expenses and capitalisation issue.

Capital reserve

Capital reserve represents the excess of the consideration for issuance of shares of AEC BVI over their nominal value, net of the excess of the nominal value of shares of AEC BVI over the nominal value of shares of Allied Environmental Consultants Limited ("AEC Hong Kong") exchanged as part of the reorganisation arrangements undergone by the Company for the listing of the Company's shares on GEM.

29. Reserves (continued)

Other reserves (continued)

Shares to be issued

Other reserves also comprise the shares which should be vested to the participants under the Scheme (as defined in Note 32). Substantive conditions including maintain as a director or an employee were satisfied before the vesting date and hence the amount was transferred from "share award reserve" to shares to be issued under "other reserves" as at the vesting date. As at 31 March 2025 and 2024, no shares have not yet been issued to the grantee under the Scheme.

	Share premium HK$'000	**Capital reserve** HK$'000	**Shares to be issued** HK$'000	**Total other reserves** HK$'000
At 1 April 2023	46,606	21,848	16	68,470
Ordinary shares issued in relation to vested share award	71	–	(538)	(467)
Ordinary shares to be issued upon vesting of share award (Note 32)	–	–	522	522
At 31 March 2024 and 1 April 2024	**46,677**	**21,848**	**–**	**68,525**
Ordinary shares issued in relation to vested share award	**(24)**	**–**	**(824)**	**(848)**
Ordinary shares to be issued upon vesting of share award (Note 32)	**–**	**–**	**824**	**824**
Release of reserve upon issuance of all shares awards to grantee	**(2,421)**	**–**	**–**	**(2,421)**
Issuance of shares by placing	**2,807**	**–**	**–**	**2,807**
At 31 March 2025	**47,039**	**21,848**	**–**	**68,887**

29. Reserves (continued)

Revaluation reserve

The Group designated the listed equity securities at FVTOCI (non-recycling), as the investment is held for long-term strategic purposes. The revaluation reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI (non-recycling) held at 31 March 2024.

On 28 March 2025, the Board resolved to dispose the financial assets at FVTOCI (non-recycling) and the revaluation reserve was released. As at 31 March 2025, there is no revaluation reserve.

Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Company's functional currency.

Shares held under share award scheme

The shares held under share award scheme represents the aggregate price paid for acquisition of 9,316,667 shares of the Company for the purpose of the Scheme in the open market as at 31 March 2024.

The Company adopted the Scheme on 8 February 2017. Pursuant to the rules of the Scheme, the Company has set up a trust, of which BOCI-Prudential Trustee Limited (the "Trustee") acted as the independent trustee. The Company's shares were purchased by the Trustee in the open market and be held in trust for the selected participants until such shares are issued under the Scheme.

On 5 March 2024, the Board resolved that the remaining award shares were early vested to relevant awardees in late June 2024 and the trust deed with trustee was terminated. As at 31 March 2025, there is no shares held under share award scheme.

Share award reserve

Share award reserve represents the value of directors and employee services in respect of shares granted under the Scheme as set out in Note 32. During the years ended 31 March 2025 and 2024, no shares award were granted to the participants.

30. Interests in Subsidiaries

Particulars of the principal subsidiaries of the Company directly and indirectly held, are set out below. The class of shares held is ordinary unless otherwise stated.

Name of subsidiaries	Place of incorporation and kind of legal entity	Particulars of issued and paid up capital	Percentage of ownership interest held by the Company as at 31 March 2025	2024	Principal activities and place of operation
Directly held					
AEC BVI	The BVI, private limited liabilities company	US$54,756	**100%**	100%	Investment holding
Indirectly held					
AEC Hong Kong	Hong Kong, private limited liabilities company	HK$2,040	**100%**	100%	Provision of consultancy services in Hong Kong
Qianhai Allied Environmental Consultants Shenzhen Company Limited (前海沛然環保顧問深圳有限公司) (Note (i))	The PRC, wholly foreign owned enterprises	RMB1,000,000	**100%**	100%	Provision of consultancy services in the PRC
ALVex Design Consultants Limited (Formerly known as Light Plus Design Limited)	Hong Kong, private limited liabilities company	HK$10,000	**100%**	100%	Provision of consultancy services in Hong Kong
Ocean International ESG Fund Limited	The Cayman Islands, private limited liabilities company	US$10,000	**100%**	100%	Investment holding
Sustainability Partners Limited ("SPL")	Hong Kong, private limited liabilities company	HK$500,000	**70%**	70%	Provision of information services through ESG portal in Hong Kong
Allied Environmental Consultants (Malaysia) Sdn, Bhd.	Malaysia, private limited liabilities company	Malaysian Ringgit 200,000	**100%**	100%	Provision of consultancy services in Malaysia
Allied Environmental Consultants Vietnam Company Limited (Note (ii))	Vietnam, private limited liabilities company	US$10,000	**100%**	100%	Provision of consultancy services in Vietnam

30. Interests in Subsidiaries (continued)

Notes:

(i) The English name of this subsidiary established in the PRC represents management's best effort at translating the Chinses name of such subsidiary as no English name has been registered.

(ii) The wholly-owned subsidiary is newly established during the year ended 31 March 2024.

31. Dividend

The Board of directors has resolved not to declare the payment of a dividend in respect of the year (2024: Nil).

32. Share Award Scheme

The share award scheme of the Company (the "Scheme") was adopted on 8 February 2017 (the "Adoption Date"). The purpose of the share award scheme is to complement its human resources policy for enhancing staff welfares to ensure talents can be retained and their productivity and potentials can be elevated.

Subject to the terms of the Scheme and the Listing Rules, the board may at any time make an offer to any eligible person whom it may in its absolute discretion select to accept the grant of an award over such a number of shares as it may determine (the "Participants"). Under the Scheme, the Participants are required to be continuously employed by the Group during the vesting period. Existing shares of the Company will be purchased by the Trustee of the share award scheme from the open market out of cash contributed by the Group and be held in trust for the relevant Participants until such shares are vested with the relevant Participants in accordance with the provisions of the share award scheme. The shares of the Company held by the Trustee until issuance are recognised as "shares held under share award scheme".

No shares shall be purchased pursuant to the share award scheme, nor any amounts paid to the Trustee for the purpose of making such a purchase, if as a result of such purchase, the number of shares administered under the share award scheme shall exceed 2% of the issued capital of the Company at the Adoption Date. The maximum number of shares which may be granted to a Participant at any one time or in aggregate may not exceed 1% of the issued capital of the Company at the Adoption Date.

Subject to any early termination as may be determined by the board of directors, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

32. Share Award Scheme (continued)

Particulars and movements of the shares award under the Scheme

For the year ended 31 March 2025

Type of grantee	Date of grant	Fair value per share award HK$	Outstanding number of shares award: Balance at 1 April 2024 '000 (Note (a))	Vested during the year '000	Balance at 31 March 2025 '000
Executive Directors					
Ms. Kwok	31 August 2021	0.094	1,000	(1,000)	–
	30 December 2022 (note (c))	0.086	3,200	(3,200)	–
Mr. Wu	31 August 2021	0.094	670	(670)	–
	30 December 2022 (note (c))	0.086	3,200	(3,200)	–
			8,070	(8,070)	–
Employees					
In aggregate	31 August 2021	0.094	954	(954)	–
			9,024	(9,024)	–

32. Share Award Scheme (continued)

Particulars and movements of the shares award under the Scheme (continued)

For the year ended 31 March 2024

Type of grantee	Date of grant	Fair value per share award HK$	Outstanding number of shares award: Balance at 1 April 2023 '000	Vested during the year '000	Balance at 31 March 2024 '000 (Note (a))
Executive Directors					
Ms. Kwok	31 August 2021	0.094	2,000	(1,000)	1,000
	30 December 2022	0.086	4,800	(1,600)	3,200
Mr. Wu	31 August 2021	0.094	1,340	(670)	670
	30 December 2022	0.086	4,800	(1,600)	3,200
			12,940	(4,870)	8,070
Employees					
In aggregate	31 August 2021	0.094	1,907	(953)	954
			14,847	(5,823)	9,024

Notes:

(a) The outstanding number of shares award as at 31 March 2024 have the following vesting dates:

Vesting date	2024 '000
31 August 2024	2,624
30 December 2024	3,200
30 December 2025	3,200
	9,024

(b) The weighted average remaining contractual life of share award outstanding as at 31 March 2024 is 1.01 years.

(c) During the year ended 31 March 2025, the Board of Directors approved the early vesting of 1,600,000 share awards each granted to Ms. Kwok and Mr. Wu, respectively. These share awards were scheduled to vest on 30 December 2025.

32. Share Award Scheme (continued)

Particulars and movements of the shares award under the Scheme (continued)

During the years ended 31 March 2025 and 2024, no shares lapsed due to resignation of grantees.

The fair value of the shares award granted was calculated based on the market prices of the Company's shares at the respective grant dates. No dividend was considered in the calculation. The fair value of the shares award granted on 30 December 2022, 31 August 2021 and 18 December 2019 were calculated as HK$0.086, HK$0.094 and HK$0.150 per share at the respective grant date, respectively. During the year, the Group recognised a net expense relating to the share award scheme of approximately HK$311,000 (2024: HK$544,000) in the profit or loss (Note 8).

During the year, 9,023,334 (2024: 5,823,333) shares were vested under the Scheme and transferred out of share award reserve amounting to approximately HK$824,000 (2024: approximately HK$522,000). As at 31 March 2025, there are no shares to the grantee have not yet been issued under the Scheme.

33. Capital Commitments

At 31 March 2025, the Group had the following capital commitments not provided for in the consolidated financial statements:

	2025 **HK$'000**	2024 HK$'000
Contract for – in relation to the acquisition of equity instrument	**445**	2,440

34. Related Party Transactions

Other than transactions and balances disclosed elsewhere in these consolidated financial statements and compensation of key management personnel, the Group also had the following related party transaction during the year:

During the year, the Group entered into the following transaction with its related party:

Related party	**Nature**	**2025** **HK$'000**	2024 HK$'000
GBA Carbon Neutrality Association Limited	Membership fee	**45**	88

The compensation of key management personnel of the Group for the years ended 31 March 2025 and 2024 represented the directors' emoluments as disclosed in Note 9.

35. Financial Instruments by Category

The carrying amounts of the Group's financial assets and liabilities recognised as at 31 March 2025 and 2024 are categorised as follows.

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at FVTOCI	–	52
Financial assets at amortised cost		
– Trade receivables	12,049	12,850
– Deposits and other receivables	7,103	8,996
– Cash and cash equivalents	11,903	14,225
	31,055	36,123
Financial liabilities		
Financial liabilities at amortised cost		
– Trade payables	3,488	3,205
– Other payables	2,306	2,275
– Bank loans	19,043	16,512
– Lease liabilities	7,521	4,726
	32,358	26,718

36. Fair Value and Fair Value Hierarchy of Financial Instruments

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
At 31 March 2024				
Financial assets at FVTOCI				
– Unlisted equity securities	–	–	52	52
	–	–	52	52

Financial assets at FVTOCI – Unlisted equity securities

The fair value of the unlisted equity securities at FVTOCI, was determined by the directors of the Company, based on market approach using the net book value of the investee multiply to the market price-to-book ratio, and adjusted for the lack of marketability. The change in unobservable inputs would not have significant impact to the fair value measurement.

The movements during the year in the balance of Level 3 fair value measurement is as follows:

	HK$'000
At 1 April 2023	102
Change in fair value recognised in other comprehensive income	(50)
At 31 March 2024 and 1 April 2024	**52**
Disposal of financial assets at FVTOCI	**(52)**
At 31 March 2025	**–**

During the years ended 31 March 2025 and 2024, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities.

For level 3 fair value measurement, the Group will normally perform the valuations by the management of the Company.

37. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Group is also exposed to equity price risk arising from investments in equity securities. The risks associated with financial instruments and the policies on how to mitigate these risks are described below.

Management monitors closely the Group's exposures to financial risks to ensure that appropriate measures are implemented in a timely and effective manner.

(a) Credit risk and impairment assessment

Risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The Group does not hold any collateral over these receivable balances.

The Group's exposure to credit risk mainly arising from the following assets, which comprise contract assets, trade receivables, financial assets included in deposits and other receivables and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

There are no significant concentrations of credit risk within the Group as the customer base of the Group is widely diversified.

Impairment of financial assets

Trade receivables and contract assets arising from contracts with customers and deposits and other receivables are subject to the ECL model.

While bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial. Bank balances are placed in various authorised financial institutions and the directors of the Company consider the credit risk of these parties is low.

37. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk and impairment assessment (continued)

Impairment of financial assets (continued)

Trade receivables and contract assets

The Group applies HKFRS 9 and measures ECL based on a lifetime expected loss allowance for all trade receivables and contract assets.

The Group uses provision matrix to calculate ECL for trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to work completed but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The estimated ECL loss rates are estimated based on the Group's historical settlement experience of various groups of debtors that have similar loss patterns and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The Group has identified the gross domestic product in Hong Kong to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

In addition, the Group performs impairment assessment under ECL model on trade receivables with significant increase in credit risk individually. Trade receivables with significant increase in credit risk with gross carrying amounts of HK$75,000 as at 31 March 2025 were assessed individually.

On that basis, the loss allowance for trade receivables as at 31 March 2025 and 2024 was determined as follows:

	Expected loss rate	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Ageing based on the due date				
As at 31 March 2025				
Current	0.1%	2,855	(3)	2,852
Less than 1 month past due	0.5%	3,092	(15)	3,077
1 to 3 months past due	2%	3,308	(66)	3,242
4 to 6 months past due	4%	1,536	(62)	1,474
Over 6 months past due	10%–100%	2,916	(1,512)	1,404
		13,707	(1,658)	12,049
Trade receivables with significant increase in credit risk	100%	75	(75)	–
		13,782	(1,733)	12,049

37. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk and impairment assessment (continued)

Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

	Expected loss rate	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Ageing based on the due date				
As at 31 March 2024				
Current	0.1%	1,863	(2)	1,861
Less than 1 month past due	0.5%	4,871	(24)	4,847
1 to 3 months past due	2%	2,586	(52)	2,534
4 to 6 months past due	4%	1,972	(79)	1,893
Over 6 months past due	10%–100%	3,132	(1,417)	1,715
		14,424	(1,574)	12,850
Trade receivables with significant increase in credit risk	100%	75	(75)	–
		14,499	(1,649)	12,850

On that basis, the loss allowance for contract assets as at 31 March 2025 and 2024 was determined as follows:

	Expected loss rate	**Gross carrying amount** HK$'000	**Loss allowance** HK$'000	**Net carrying amount** HK$'000
As at 31 March 2025	**4%**	**56,732**	**(2,036)**	**54,696**
As at 31 March 2024	4%	56,397	(2,115)	54,282

37. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk and impairment assessment (continued)

Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

Movement of impairment loss allowances for trade receivables and contract assets are as follows:

	Trade receivables HK$'000	Contract assets HK$'000
At 1 April 2023	3,327	2,444
Increase in loss allowance recognised in profit or loss during the year	300	8
Written off during the year	(1,978)	(337)
At 31 March 2024 and 1 April 2024	**1,649**	**2,115**
Increase/(decrease) in loss allowance recognised in profit or loss during the year	**84**	**(79)**
At 31 March 2025	**1,733**	**2,036**

At 31 March 2024, trade receivables amounting to approximately HK$1,978,000 and contract assets amounting to approximately HK$337,000, which have been impaired previously were individually determined to be written off. These receivables have been long outstanding and the related services were suspended for long period. In the opinion of the directors of the Company, these trade receivables and contract assets were unable to be recovered from the customers.

Impairment losses on trade receivables and contract assets are included in net provision for impairment on trade receivables and contract assets under the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. As at 31 March 2024, except for deposits and other receivables amounting to approximately HK$577,000 were individually determined to be written off, the management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. As at 31 March 2025, the Group assessed that there is significant increase in credit risk of (i) convertible note receivable of HK$1,570,000 and the corresponding interest receivable of HK$159,000; and (ii) receivable from unlisted equity interest amounted to HK$3,000,000, and provided impairment based on lifetime ECL for these amounts.

For the years ended 31 March 2025 and 2024, the Group assessed the ECL for deposits are insignificant and thus no loss allowance is recognised. In respect of other receivables, impairment loss amounted to HK$1,659,000 (2024: HK$60,000) was made for the year ended 31 March 2025.

37. Financial Risk Management Objectives and Policies (continued)

(b) Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the aged repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Contractual undiscounted cash outflow					
	On demand	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total	Total carrying amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2025						
Trade payables	**3,488**	**–**	**–**	**–**	**3,488**	**3,488**
Financial liabilities included in other payables	**2,306**	**–**	**–**	**–**	**2,306**	**2,306**
Bank loans	**19,043**	**–**	**–**	**–**	**19,043**	**19,043**
Lease liabilities	**–**	**2,648**	**2,367**	**2,938**	**7,953**	**7,521**
	24,837	**2,648**	**2,367**	**2,938**	**32,790**	**32,358**
As at 31 March 2024						
Trade payables	3,205	–	–	–	3,205	3,205
Financial liabilities included in other payables	2,275	–	–	–	2,275	2,275
Bank loans	16,512	–	–	–	16,512	16,512
Lease liabilities	–	3,338	1,366	156	4,860	4,726
	21,992	3,338	1,366	156	26,852	26,718

The table below summarises the maturity analysis of bank loans with a demand clause based on agreed schedule repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in the above table.

The directors of the Company do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

37. Financial Risk Management Objectives and Policies (continued)

(b) Liquidity risk (continued)

	Contractual undiscounted cash outflow					
	Within 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total HK$'000	Total carrying amount HK$'000
As at 31 March 2025						
Bank loans	**12,826**	**1,220**	**3,660**	**2,740**	**20,446**	**19,043**
As at 31 March 2024						
Bank loans	10,317	1,244	3,733	2,798	18,092	16,512

(c) Interest rate risk

The Group's interest rate risk arises primarily from short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in below.

Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	2025		2024	
	Effective interest rate per annum %	**HK$'000**	Effective interest rate per annum %	HK$'000
Fixed rate borrowings:				
Lease liabilities	**4.06**	**7,521**	3.26	4,726
Variable rate borrowings/(deposits):				
Bank loans	**4.26**	**19,043**	4.67	16,512
Bank balances	**0.00–0.30**	**(11,903)**	0.00–3.50	(14,225)
Total net borrowings		**14,661**		7,013

As the Group does not have significant exposure to interest rate risk, the Group's financial performance and operating cash flows are substantially independent of changes in interest rate change.

37. Financial Risk Management Objectives and Policies (continued)

(d) Equity price risk

As at 31 March 2024, the Group is exposed to equity price changes arising from equity investment classified as financial assets at FVTOCI (see Note 18). The investment is a listed company.

Listed investments held in the financial assets at FVTOCI have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. Given that the volatility of the stock markets may not have a direct correlation with the Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the Group's portfolio of equity investments.

At 31 March 2024, it is estimated that an increase/decrease of 10% in the market value of the Group's equity investments classified as financial assets at FVTOCI, with all other variables held constant, would have increased/decreased the Group's other components of consolidated equity by approximately HK$5,000.

(e) Capital management

The Group defines "capital" as total equity attributable to owners of the Company.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group is not subject to any externally imposed capital requirements.

At 31 March 2025, the Group has interest-bearing bank loans amounting to HK$19,043,000 (2024: HK$16,512,000). The gearing ratio, representing the ratio of total borrowings to the total share capital and reserves of the Group was 29.5% (2024: 23.4%) at 31 March 2025.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

38. Financial Information of the Company

(a) Statement of financial position

	2025 HK$'000	2024 HK$'000
Non-current asset		
Investment in a subsidiary	78,648	78,648
Current assets		
Prepayments	216	210
Cash and cash equivalents	340	253
	556	463
Current liabilities		
Other payables and accruals	288	176
Amount due to subsidiaries	18,989	19,818
	19,277	19,994
Net current liabilities	(18,721)	(19,531)
Net assets	59,927	59,117
Capital and reserves		
Share capital	14,750	14,030
Reserves	45,177	45,087
Total equity	59,927	59,117

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 20 June 2025 and is signed on its behalf by:

KWOK May Han Grace
Executive Director

WU Dennis Pak Kit
Executive Director

38. Financial Information of the Company (continued)

(b) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity during the year are set out below:

	Share capital HK$'000 (Note 28)	Share premium** HK$'000	Other reserve* HK$'000 (Note 29)	Capital reserve*## HK$'000	Shares held under share award scheme* HK$'000 (Note 29)	Share award reserve* HK$'000 (Note 29)	Treasury share* HK$'000	Accumulated losses* HK$'000	Total equity HK$'000
At 1 April 2023	14,030	46,606	16	37,607	(3,626)	381	–	(33,652)	61,362
Loss and total comprehensive income for the year	–	–	–	–	–	–	–	(2,766)	(2,766)
Issuance of shares to share award grantee (Note 29)	–	71	(538)	–	467	–	–	–	–
Equity-settled share-based payments (Note 32)	–	–	–	–	–	521	–	–	521
Ordinary shares to be issued upon vesting of share award (Note 32)	–	–	522	–	–	(522)	–	–	–
At 31 March 2024 and 1 April 2024	**14,030**	**46,677**	**–**	**37,607**	**(3,159)**	**380**	**–**	**(36,418)**	**59,117**
Loss and total comprehensive income for the year	–	–	–	–	–	–	–	(2,554)	(2,554)
Issuance of shares to share award grantee (Note 29)	–	(24)	(824)	–	848	–	–	–	–
Equity-settled share-based payments (Note 32)	–	–	–	–	–	285	–	–	285
Ordinary shares to be issued upon vesting of share award (Note 32)	–	–	824	–	–	(824)	–	–	–
Release of reserve upon issuance of all share award to grantee	–	(2,421)	–	–	2,311	110	–	–	–
Share repurchase	–	–	–	–	–	–	(497)	–	(497)
Issuance of shares by placing	720	2,807	–	–	–	–	–	–	3,527
Contribution from a subsidiary	–	–	–	–	–	49	–	–	49
At 31 March 2025	**14,750**	**47,039**	**–**	**37,607**	**–**	**–**	**(497)**	**(38,972)**	**59,927**

* These accounts comprise the reserves of approximately HK$45,177,000 (2024: approximately HK$45,087,000) in the statement of financial position of the Company.

\# The share premium account of the Company includes the premium arising from the issue of new shares pursuant to the share offering net of listing expenses and capitalisation issue.

\## Capital reserve of the Company represents the difference between the net asset value of AEC BVI acquired pursuant to the reorganisation arrangements undergone by the Company for the listing of the Company's shares on GEM, and the nominal value of the shares issued by the Company in exchange therefor.

Financial Summary

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**47,583**	52,017	46,741	43,138	40,320
Gross profit	**17,841**	23,783	16,552	18,606	20,974
(Loss)/profit before income tax	**(9,537)**	684	(3,412)	(5,369)	4,640
(Loss)/profit for the year	**(9,551)**	518	(3,313)	(5,010)	3,459
Attributable to:					
Owners of the Company	**(9,578)**	561	(3,288)	(4,936)	3,545
Basic (loss)/earnings per share (HK cents)	**(1.34)**	0.08	(0.48)	(0.72)	0.55

Consolidated Statement of Financial Position

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Assets					
Non-current assets	**11,399**	8,279	14,173	8,849	11,306
Current assets	**86,265**	89,841	80,121	86,404	87,362
Total assets	**97,664**	98,120	94,294	95,253	98,668
Liabilities					
Non-current liabilities	**5,054**	1,495	3,838	218	1,354
Current liabilities	**28,083**	26,201	20,843	21,121	18,846
Total liabilities	**33,137**	27,696	24,681	21,339	20,200
Net current assets	**58,182**	63,640	59,278	65,283	68,516
Total assets less current liabilities	**69,581**	71,919	73,451	74,132	79,822
Total equity attributable to owners of the Company	**64,521**	70,405	69,591	73,867	78,392