

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



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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.





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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
Lam Ka Lai (Appointed on 17 October 2025)
Szeto Chi Hang Clive (Resigned on 17 October 2025)
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
Lam Ka Lai (Appointed on 17 October 2025)
Szeto Chi Hang Clive (Appointed on 30 April 2025
and resigned on 17 October 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
Lam Ka Lai (Appointed on 17 October 2025)
Szeto Chi Hang Clive (Appointed on 30 April 2025
and resigned on 17 October 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
Lam Ka Lai (Appointed on 17 October 2025)
Szeto Chi Hang Clive (Appointed on 30 April 2025
and resigned on 17 October 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 Ka Lai (Appointed on 17 October 2025)
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 Ka Lai (Appointed on 17 October 2025)
Lam Kin Che (Resigned on 30 April 2025)

Responsible Investment Committee

Wu Dennis Pak Kit (*Chairman*)
Kwok May Han Grace
Li Wing Sum Steven
Lam Ka Lai (Appointed on 17 October 2025)
Szeto Chi Hang Clive (Resigned on 17 October 2025)

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
20/F, The Chelsea, 69 Jervois Street
Sheung Wan, 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 increased from approximately HK\$47.6 million for the year ended 31 March 2025 to approximately HK\$49.7 million for the year ended 31 March 2026, representing an increase of 4.4%. The increase in the revenue was mainly driven by acceleration in the progress in the contracted service work of our ongoing projects.

The profit attributable to owners of the Company for the year ended 31 March 2026 was approximately HK\$1.1 million as compared to the loss attributable to owners of the Company of approximately HK\$9.6 million for the year ended 31 March 2025, mainly due to (i) the increase in revenue and gross profit margin; (ii) the growth in business and increase in revenue from operations in other markets outside Hong Kong, including the mainland of the People's Republic of China ("Mainland China" or the "PRC"), Macau and Southeast Asia; and (iii) the decrease in administrative expenses, resulting from the implementation of more effective cost control measures.

The board of Directors (the "Board") has resolved not to declare the payment of any final dividend for the year ended 31 March 2026.

Chairman's Statement

Dear Valued Shareholders,

Since its establishment in 1994, Allied Environmental Consultants Limited has entered its thirty-second year of services. Over more than three decades, Allied Sustainability and Environmental Consultants Group Limited (the "Company", together with its subsidiaries, the "Group") has grown together with Hong Kong and the region's sustainable development journey, progressively integrating climate, ESG, health, smart-city and digital innovation into its core businesses and expanding from a local pioneer into a regional sustainability partner. On behalf of the board of directors (the "Board"), I am pleased to present the audited consolidated results of the Group for the year ended 31 March 2026 (the "Year").

Navigating a complex macro environment and accelerating the net-zero transition

The Year was characterised by a challenging macroeconomic environment, rising geopolitical tensions and continued volatility in global financial markets, which weighed on business sentiment and investment decisions in Hong Kong and across the region. At the same time, the intensifying impacts of climate change – including more frequent extreme weather events and growing physical and transition risks – further underscored the urgency of accelerating the net-zero transition and strengthening resilience in cities and infrastructure.

Against this backdrop, COP30 in Belém, Brazil, shifted the global climate conversation from target-setting to implementation, transition planning, climate finance and nature-positive solutions. Governments, financial institutions and corporates are increasingly expected to transform high-level pledges into credible transition plans, concrete capital-allocation decisions and transparent disclosure of climate and nature-related risks.

Hong Kong continued to position itself as an international green technology and green finance centre, leveraging its role as a "super-connector" that channels global capital, innovation and expertise into decarbonisation opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), ASEAN and along the Belt and Road. The roll-out of strengthened climate-related disclosure requirements, together with the growth of green and transition finance markets, is creating both responsibilities and opportunities for market participants.

For the Group, this environment presented a mix of headwinds and tailwinds. While market sentiment remained cautious and project timelines in some sectors were extended, demand for high-quality advisory services on climate, ESG, green and healthy buildings, green finance, smart-city-related solutions and digital ESG tools continued to deepen, especially as regulators and investors raised expectations around disclosure, transition strategies and nature-positive outcomes.



Kwok May Han, Grace
Chairman and Executive Director

Chairman's Statement

Consolidating leadership in green and healthy buildings

During the Year, the Group further consolidated its leadership in green and healthy building consulting, continuing to serve as a trusted partner to property developers, landlords, government bodies and institutional clients. The Green and Healthy Building team remained active across a diverse portfolio of commercial, residential, hospitality and institutional projects, supporting both new developments and existing portfolios in pursuing advanced local and international certification standards.

The Group's long-standing expertise in WELL and other people-centric standards was highly recognised during the Year. AEC was named 2025 IWBI China Consultant of the Year in two categories – Outstanding Practice and WELL at Scale Strategic Partner – recognising its ability to embed health and well-being systematically across building portfolios rather than on a project-by-project basis. In parallel, the Group continued to support high-profile projects and portfolios in achieving top-tier ratings such as BEAM Plus, LEED, BREEAM, China GBL, WELL, Fitwel and other relevant schemes, reinforcing its reputation as one of the region's leading advisors on sustainable and wellness-focused buildings.

During the Year, the Group's Chairman and Executive Director, Ms. Grace Kwok, received several prestigious international honours, including the 2025 WELL Executive Award and the USGBC Kate Hurst Leadership Award, which recognise her contribution to regenerative sustainability, healthy buildings and climate advocacy. These personal accolades, together with repeated recognition under programmes such as the 2024 Hong Kong Awards for Environmental Excellence – Environmental Industry – Gold Award, Hong Kong Corporate Governance and ESG Excellence Awards and the Listed Co Excellence Awards 2025, serve as important third-party endorsements of the Group's professional capabilities, thought leadership and long-term commitment to building a healthier and more sustainable built environment.

Advancing ESG excellence, climate governance and nature-positive transition

The Year marked a new phase in market expectations. With effect from 1 January 2025, Hong Kong Exchanges and Clearing Limited ("HKEX") commenced implementation in phases of enhanced climate-related disclosure requirements aligned with IFRS S2 Climate-related Disclosures, making Hong Kong one of the earlier adopters of ISSB-aligned climate reporting in Asia. At the same time, international investors, lenders and rating agencies continued to refine their requirements on climate-risk management, transition plans and nature-related risk disclosure, guided by frameworks such as the Taskforce on Nature-related Financial Disclosures ("TNFD").

In response to this evolving landscape, the Group has proactively aligned its disclosures with leading international reporting frameworks. In addition to the GRI Standards and IFRS S2, the Group incorporates elements of the TNFD, the Ten Principles of the United Nations Global Compact ("UNGC"), the United Nations Sustainable Development Goals ("UNSDGs"), and the UK Transition Plan Taskforce ("TPT") Guidance, underscoring its commitment to transparent, forward-looking sustainability practices. Notably, the Group adopted the TNFD LEAP (Locate, Evaluate, Assess, Prepare) methodology this Year to identify and assess its nature-related dependencies, impacts, risks, and opportunities. The management of its climate- and nature-related factors is systematically disclosed across four core pillars: governance, strategy, risk management, and metrics and targets.

Striving to lead by example, the Group has established near-term decarbonization and net-zero targets validated by the Science Based Targets initiative ("SBTi"). These science-based targets, alongside a robust net-zero roadmap, reflect a long-term commitment to decarbonizing the Group's own operations and value chain while actively supporting clients on their respective transition journeys.



Chairman's Statement

Advancing ESG excellence, climate governance and nature positive transition (continued)

Capitalizing on its expertise, the Group continued to expand its ESG reporting and consultancy services, assisting listed issuers and corporates in strengthening governance structures, assessing climate and nature-related risks, defining credible transition roadmaps and preparing ESG reports that align with applicable listing rules and global best practice. The Group emphasised the integration of governance, strategy, risk management and metrics-and-targets, helping clients moving beyond compliance-only reporting towards value-creating ESG strategies.

The Group's efforts were recognised through multiple ESG-related accolades during the Year, including the Award of Excellence in ESG at the Hong Kong Corporate Governance and ESG Excellence Awards, and thematic honours such as the ESG Environmental Innovative Technology Award and Outstanding ESG Product and Service Award in industry-wide ESG award schemes. These awards affirm the Group's ability to combine robust governance, technical depth and innovative solutions into a coherent ESG value proposition for clients.

Scaling digital, smart-city and green IoT solutions

As ESG and climate requirements become more data-intensive and forward-looking, digital tools and smart technologies are increasingly central to how organisations and cities manage and disclose sustainability performance. The Group therefore continued to invest in and enhance its proprietary ESG online management 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. During the Year, the Group continuously optimises our one-stop online ESG management platform, "Sustainature", which simplifies ESG data processing, enables data analytics and management within a single interface, and generates ESG reports that comply with various reporting frameworks, helping enterprises track their progress towards sustainability targets and enhance ESG performance.

Sustainable development thrives on innovation and collaboration. As a leading environmental consultancy firm in Hong Kong, the Group actively integrates cutting-edge technologies to advance ESG and sustainability services. During the Year, we have deepened our AI and digital partnerships, spanning ESG chatbot development, advanced data analytics, carbon compliance software, and intelligent building energy management. By embedding these climate-tech innovations into smart city carbon neutrality planning and intelligent energy infrastructure, the Group delivers more accurate, tech-enabled sustainability solutions for our clients across Hong Kong, the Greater Bay Area, and beyond.

As a leading sustainability and environmental consulting firm, the Group leverages its deep professional expertise and tracking of emerging technologies to deliver environmental solutions that are both forward-thinking and highly practical. Our approach involves close collaboration with diverse stakeholders to design comprehensive action plans covering carbon reduction and resource circularity. In addition, we actively advance 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 open dialogue with stakeholders. By continuously enhancing service quality and innovative solutions, we strive to set industry benchmarks, catalyze positive environmental change, and inspire a collective movement towards a more resilient and sustainable planet.

Chairman's Statement

Exploring hydrogen opportunities and contributing to “new quality productive forces”

Globally, hydrogen has emerged as one of the key pillars of future low-carbon energy systems, particularly in hard-to-abate sectors such as heavy transport, ports and logistics, industrial processes and certain forms of power generation. The Hong Kong SAR Government and Mainland authorities have successively announced hydrogen pilot projects, standards and development roadmaps aimed at promoting the safe and orderly adoption of hydrogen fuel technologies in transport and related applications.

During the Year, the Group signed a strategic cooperation agreement with Co-build New Energy (Shenzhen) Group Limited to jointly expand opportunities in the hydrogen energy sector. This collaboration aims to leverage the complementary strengths of both parties and formulate a clear cross-border operational strategy: utilizing Hong Kong as a platform for overseas investment, operation, sales, and promotion of hydrogen vehicles and related businesses; and using Mainland China as a platform for the sales, development, and operation of hydrogen vehicle projects.

By pioneering these tech-driven and sustainability-focused initiatives, the Group is actively cultivating “new quality productive forces”, which is an economic growth model defined by high technology, high efficiency, and green development. This contribution to the region's green and digital transformation was further recognised through various industry awards during the Year. These honours highlight the Group's role in advancing green finance and environmental services, reinforcing our identity as both a thought leader and an implementation partner for a low-carbon future.

Deepening regional collaboration in the Middle East and Asia-Pacific

Fuelled by the Belt and Road Initiative and the growing demand for sustainable infrastructure, the Middle East and Asia-Pacific have become important frontiers for green and low-carbon development. Building on memoranda of understanding and strategic cooperation agreements signed in previous years with various partners in the United Arab Emirates, Malaysia, Vietnam, Indonesia, Singapore, South Korea and Hong Kong, the Group continued to deepen its engagement with overseas partners through consulting projects, training activities, knowledge-sharing platforms and joint events during the Year.

These collaborations aim to raise awareness of ESG and climate resilience, promote professionalisation in green building and sustainable design, and explore opportunities in low-carbon construction, green energy, sustainable data centres and climate-resilient infrastructure across the GBA and Belt and Road economies. The Group believes that its experience in Hong Kong – one of the world's most mature markets for green buildings, ESG reporting and green finance – provides a strong foundation to support clients and partners in emerging markets as they accelerate their own transition pathways.

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 pathway towards sustainable development for customers, business partners, communities, and employees. Leveraging its extensive experience in sustainability and environmental consultancy, we are actively advancing our strategic presence and business expansion in Mainland China. We have established a subsidiary, AEC ESG Consultancy Limited (上海沛然環保科技服務有限公司) (“Shanghai AEC”), to provide consultancy services in green, healthy and smart buildings, ESG strategies, carbon neutrality, sustainable industrial parks, green finance, and innovative technologies for clients in the Yangtze River Delta and across the country. Furthermore, the Group is actively diversifying into emerging sectors such as hydrogen power, renewable energy, and sustainable supply chain consultancy. We assist clients in achieving low-carbon transformation across all stages, from energy supply and operational management to supply chain logistics, effectively bridging the gap between strategic goals and practical implementation with systematic and actionable solutions.



Chairman's Statement

Prospects (continued)

As the country enters into the critical phase of the 15th Five-Year Plan, China is accelerating the green transformation of its economic and social development, further advancing the implementation of its “dual carbon” strategic goals. As an innovation leader in the industry, the Group actively aligns with national priorities and is deeply integrated into the regional and national green development networks. To capitalize on these opportunities, the Group is expanding its consulting services in the green finance sector, channeling more capital into climate-related projects. The Group is also actively developing emerging businesses, including hydrogen power, renewable energy, and sustainable supply chain management consultancy services. We aim to provide clients with comprehensive low-carbon transition solutions spanning from the energy supply side to the entire supply chain, helping them effectively bridge their carbon reduction targets with practical implementation. Furthermore, climate-related opportunities include enhancing resource efficiency. For instance, improving energy efficiency can effectively reduce operating costs. The Group plans to acquire renewable energy certificates (RECs) to increase the proportion of low-carbon energy used, thereby mitigating the risk of future fossil fuel price volatility.

Looking ahead, the Group will enhance tech-enabled innovation to accelerate the net-zero transition. On behalf of the Board and management, I wish to express my sincere gratitude to our dedicated team, partners, and clients for their steadfast support. The Group reaffirms its commitment to excellence and positive change, pioneering the synergy of technology and sustainability to build a resilient, tech-empowered future.

Appreciation

On behalf of the Board and the management team, I would like to express my sincere gratitude to all shareholders, business partners and clients for their unwavering support over the past financial year. My heartfelt appreciation also goes to all Directors and staff members for their professionalism, dedication and collective efforts in navigating a complex operating environment and delivering high-quality services to our clients. The Group will continue to uphold its mission of “Our Green Vision to Global Mission”, work hand in hand with stakeholders to drive the net-zero, nature-positive and smart-city transition, and contribute to building a greener, healthier, more liveable and digitally resilient future for the communities it serves.

Kwok May Han Grace

Chairman and Executive Director

18 June 2026

Management Discussion and Analysis

Industry Review

Since the adoption of the Paris Agreement in 2015, nearly 200 countries have committed to limiting the global average temperature increase to well below 2°C and pursuing efforts to limit it to 1.5°C. Subsequent COP conferences, including COP28 in the United Arab Emirates and COP30 in Brazil, have progressively shifted the focus from target-setting towards implementation, transition planning, climate finance and the integration of nature-based solutions into national and corporate policy frameworks.

According to international agencies and research institutions, global investment in clean-energy technologies, energy-efficiency improvements and low-carbon infrastructure is expected to continue growing, outpacing investment in fossil fuels and reshaping capital allocation across sectors. At the same time, climate-related physical risks, such as extreme heat, flooding and storms, are becoming more acute, requiring cities and infrastructure owners to strengthen adaptation and resilience measures in parallel with decarbonisation.

In the Asia-Pacific region, rapid urbanisation, ageing infrastructure and increasing exposure to climate hazards make climate resilience, green buildings and sustainable urban planning particularly important. Hong Kong, with its role as an international financial centre and connector between Mainland China and global markets, has continued to promote green and transition finance, support the development of sustainable and smart-city initiatives, and explore emerging areas such as hydrogen to advance its climate and environmental policy goals.

Regulatory and market expectations on ESG and climate disclosure intensified during the Year. Hong Kong Exchanges and Clearing Limited (“HKEX”) began phased implementation of enhanced climate-related disclosure requirements under the ESG framework aligned with IFRS S2 from 1 January 2025, bringing Hong Kong closer to global best practice in climate reporting and increasing the demand for robust governance, data and risk-management processes among listed issuers. Internationally, the International Sustainability Standards Board (“ISSB”), the Task Force on Climate-related Financial Disclosures (“TCFD”) and emerging nature related frameworks such as the Taskforce on Nature-related Financial Disclosures (“TNFD”) are progressively shaping a more consistent and investor-relevant sustainability disclosure landscape, which in turn drives demand for professional advisory services.

Within this context, the Group believes that its integrated service offering – encompassing green building certification consultancy, sustainability and environmental consultancy, acoustics, noise and vibration control and audio-visual design consultancy, ESG reporting and consultancy, and smart and green Internet of Things (“IoT”) solutions – positions it well to serve both existing and new clients seeking to meet regulatory requirements, manage climate and ESG risks and capture opportunities in the net-zero transition.

Business Review

The Group’s principal businesses remained focused on four core segments: (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. These core activities were supported by the Group’s proprietary ESG platform and smart and green IoT solutions. During the Year, the Group also took initial steps to explore business opportunities in hydrogen, complementing its existing climate and ESG capabilities. The four business segments contributed approximately 66.4%, 17.4%, 6.3% and 9.9% to the Group’s total revenue for the year ended 31 March 2026, respectively. For the year ended 31 March 2026, the Group derives majority of its revenue from green building certification consultancy and sustainability and environmental consultancy.

Management Discussion and Analysis

Business Review (continued)

Green Building Certification Consultancy

The green building certification consultancy segment continued to constitute an important part of the Group's business. The Group provides environmental design and one-stop certification application services to property developers, building owners, contractors, architects and government departments, helping clients achieve internationally and locally recognised green and healthy building standards. Major rating systems covered include BEAM Plus, LEED, BREEAM, China Green Building Label ("China GBL"), EDGE, WELL, Fitwel and other relevant local and international schemes. As at 31 March 2026, the Group had 315 (as at 31 March 2025: 311) engagements with clients which mainly comprised property developers, contractors, architects, designers and government departments.

During the Year, the Group supported clients in optimising building performance across multiple dimensions, including energy efficiency, carbon reduction, water conservation, indoor environmental quality, health and well-being, and resilience to climate-related and health-related risks. Key achievements include: (i) Casa Sierra became Hong Kong's first building project to receive the Elderly-friendly Building Certificate. (ii) One Central Macau continues to set a benchmark for sustainable development in the region, distinguished as Macau's first mall to achieve WELL Platinum pre-certification and to pursue BEAM Plus Interior Platinum accreditation. The One Central Macau Revamp project has been recognised with multiple accolades at the PropertyGuru Asia Property Awards, including the Best Green Commercial Development Award (Hong Kong & Macau), the ESG Developer Award (Hong Kong & Macau) in both the "Sustainable Design" and "Sustainable Construction" categories, as well as the prestigious Best Green Commercial Development (Asia) distinction. (iii) Swire Properties Limited's Taikoo Place portfolio, comprising 10 office buildings, has successfully achieved both LEED Operations and Maintenance certification and the WELL Building Standard, each at the Platinum level. This achievement recognizes Swire's strong commitment to sustainability, prioritizing both environmental performance and occupant well-being in its placemaking initiatives. (iv) Kai Shing Management Services Limited – International Commerce Centre has been awarded the Grand Award under the Existing Buildings Category of the Facilities Management in Green Building Award 2026, organized by the Hong Kong Green Building Council. This prestigious recognition acknowledges the Kai Shing team's continuous commitment to sustainability, as well as its collaborative efforts with AEC professionals and other sustainability partners at ICC to drive enhanced sustainable performance. The award not only affirms the team's past achievements but also strengthens its confidence and motivation to pursue further improvements towards a net-zero future.

The recognition conferred by industry awards and honours during the Year, including the 2025 IWBI China Consultant of the Year – Outstanding Practice and WELL at Scale Strategic Partner awards, as well as individual leadership awards for the Group's Chairman and Executive Director, further reinforced the Group's brand and competitiveness in this segment.

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

Sustainability and Environmental Consultancy

The sustainability and environmental consultancy segment provides integrated planning and design solutions that support urban regeneration, infrastructure development and environmental compliance. Its services include environmental impact assessments, air-quality impact assessments, noise impact assessments, air-ventilation assessments, water-quality and waste-management studies, carbon and energy audits, and built-environment research. As at 31 March 2026, the Group had 149 projects (as at 31 March 2025: 140) on hand which were mainly from property developers, contractors, architects, designers and government departments.

During the Year, the Group has completed or is conducting several environmental impact assessments in accordance with the Environmental Impact Assessment Ordinance, including: (i) Planning Application (environmental) – Proposed SCAA Sports Link at South China Athletic Association (Completed in 2026); Repair, Proposed Expansion of Lingnan University Campus, Tuen Mun (In Progress); and University of Hong Kong's Proposed Global Innovation Centre at Pokfulam (In Progress). (ii) EIAO (environmental) – Repair, Maintenance and Revamping of Western Market at Sheung Wan (Completed in 2025)

Management Discussion and Analysis

Business Review (continued)

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

The acoustics, noise and vibration control and audio-visual design consultancy segment continued to support architects, engineers and developers in enhancing the functional and experiential quality of buildings. Key services include architectural and building acoustics, mechanical and airborne noise control, sound-reinforcement and public-address systems, theatre planning and stage-equipment design, and façade and feature-lighting design. As at 31 March 2026, the Group had 89 (as at 31 March 2025: 87) projects on hand which were mainly from property developers, architects and designers.

During the Year, the Group provided consultancy services for a variety of projects across commercial, cultural, educational and institutional sectors, helping clients to manage environmental noise constraints, meet regulatory requirements and create comfortable and engaging spaces for building users. Key achievements include: (i) Acoustic Design for Cheung Kong Center II involves a sophisticated strategy of vibration isolation, sound absorption, and sound insulation to ensure that the external urban noise does not penetrate the façade and acoustic comfort is maintained in the interior. This ensures that the building functions as a sanctuary of clarity, where complex business operations can be conducted without the interference of environmental distractions. (ii) AEC is commissioned to conduct a survey to provide a clearer picture of the city's soundscape according to the classification in the NCO and enabling authorities to monitor changes over time and to assess the noise criteria currently in use. The background noise survey measures residential areas across the different acoustic environments of Hong Kong from rural to urban area in all 18 districts. A GIS-based online system is also developed to provide an easy access to the measured data and comparison to different area type and districts.

ESG Reporting and Consultancy; Smart and Green IoT

As a leader in sustainability and environmental consulting, the Group's ESG reporting and consultancy segment remained a key strategic growth area during the Year. We provide a comprehensive range of services including ESG strategy formulation, governance framework design, materiality assessment, stakeholder engagement, climate risk and opportunity analysis, decarbonisation roadmap development, and ESG report preparation aligned with local listing rules and international frameworks such as GRI and ISSB. The phased implementation of HKEX's enhanced climate related disclosure requirements continued to drive demand, particularly among listed companies, financial institutions and large corporates. We support clients in improving data quality, enhancing climate governance and preparing more decision useful disclosures. In parallel, through our ESG Academy, we have partnered with the Chamber of Hong Kong Listed Companies (CHKLC) to develop the ESG Certified Professional (ESGCP) examination. During the Year, we conducted dedicated training courses for the ESGCP examination, offering three sessions with a total of 18 training hours. These courses welcomed participants from a wide range of industries as well as students with an interest in ESG, helping them understand HKEX rules and regulations while raising the professional standards of ESG talent for listed companies.

During the Year, we continued to enhance our one-stop online ESG management platform, Sustainature. It simplifies ESG data processing, enables data analytics and management on a single platform, and generates ESG reports that comply with both HKEX and GRI standards, helping enterprises to track their progress towards carbon neutrality goals and improve ESG performance. The platform has been further upgraded to support evolving regulatory requirements and facilitate more granular tracking of emissions and other key performance indicators across facilities and operations. In line with sustainability reporting, we also offer value-added services such as stakeholder engagement, materiality assessment, target setting, GRESB consulting and sustainable strategy development. In response to HKEX's enhanced disclosure requirements, we undertook an increasing number of ESG and climate-related advisory mandates during the Year. Selected assignments included supporting listed issuers in those sectors such as property, financial services, infrastructure and TMT on materiality assessments, climate risk and opportunity analyses, transition plan development, and the preparation of ESG reports aligned with GRI and HKEX standards. In addition, we have applied the Sustainature platform and our smart and green IoT solutions to a number of projects, providing clients with more updated reference information on emissions and resource efficiency performance. Our mission is to direct clients toward a sustainable future on a solution basis that outperforms regulatory standards. In light of more stringent disclosure requirements, we aspire to advise clients on up-to-date industrial trends and assist them in building long-term capacity for sustainable development.

Management Discussion and Analysis

Business Review (continued)

ESG Reporting and Consultancy; Smart and Green IoT (continued)

We are proud to have received several distinguished awards during the Year, demonstrating our sustained expertise and dedication to producing outstanding ESG reports. The Group was honoured with the Outstanding Award of ESG 2025, in recognition of the exceptional quality of AEC's 2025/26 ESG report. These accomplishments reaffirm our leadership in ESG and sustainability consulting.

As at 31 March 2026, the Group had 69 projects (as at 31 March 2025: 78) on hand across various industries.

Hydrogen Strategic Developments and Emerging Opportunities

In response to the global transition toward clean energy, the Group has strategically aligned its operations with broader decarbonisation frameworks, including China's "Dual Carbon" goals and the Hong Kong Government's Strategy of Hydrogen Development. Within this supportive policy context, the Group has actively built a solid foundation in the hydrogen sector over the past years. We previously forged strategic partnerships with EnerWaste Asia Pacific and CIMC to advance innovative waste-to-hydrogen technologies. Additionally, our regular participation in key industry forums – such as the International Hydrogen Development Symposium 2026 and the EMSD Green Hydrogen Certification Scheme Seminar – ensures we remain at the forefront of evolving safety and certification standards.

Building upon this established expertise, the Group recently took strategic steps to expand our presence into the Greater Bay Area (GBA) and Greater China. In January 2026, we entered into a strategic cooperation with Co-Build New Energy (Shenzhen) Group Limited. This partnership leverages Hong Kong's role as an international professional-services hub alongside Mainland China's manufacturing and project-execution strengths. Areas of collaboration include preliminary assessments, technical research on renewable energy, and the marketing of hydrogen-powered technologies. The Group views hydrogen, combined with green finance and digital ESG solutions, as an increasingly vital component of the broader net-zero transition ecosystem.

Under the strategic cooperation with Co-Build New Energy (Shenzhen) Group Limited, the Group has adopted a dual-platform operational strategy. Hong Kong serves as the primary platform for overseas investments and the promotion of hydrogen-related businesses, while Mainland China drives domestic development, sales, and project operations. Initial focus areas target practical market applications, particularly the sales and distribution of hydrogen-powered vehicles, drones, equipment, and associated ancillary facilities.

To effectively implement these new business plans, the Group established a subsidiary in the People's Republic of China – AEC Co-Build Hydrogen Technology (Zhengzhou) Limited (共建沛然氢能科技(鄭州)有限公司) – in March 2026. Moving forward, the management will continuously monitor policy developments and market dynamics in emerging low-carbon technologies, prudently exploring project opportunities that align with the Group's strategic expertise and risk appetite.

Prospects

Looking ahead, the Group will amplify tech-enabled innovation to lead the net-zero transition. 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.

Management Discussion and Analysis

Financial Review

Revenue

The total revenue of the Group increased from approximately HK\$47.6 million for the year ended 31 March 2025 to approximately HK\$49.7 million for the year ended 31 March 2026, representing an increase of approximately 4.4%. As at 31 March 2026, the Group had 622 projects on hand, the aggregate contract sum of which amounted to approximately HK\$243 million.

The revenue of green building certification consultancy increased by approximately 9.2% from approximately HK\$30.2 million for the year ended 31 March 2025 to approximately HK\$33.0 million for the year ended 31 March 2026, which was resulted from acceleration in the progress in the contracted service work of our ongoing projects attained in this segment.

The revenue of sustainability and environmental consultancy increased by approximately 3.7% from approximately HK\$8.3 million for the year ended 31 March 2025 to approximately HK\$8.6 million for the year ended 31 March 2026 which was mainly due to acceleration in the progress in the contracted service work of our ongoing projects attained in this segment.

The revenue of acoustics, noise and vibration control and audio-visual design consultancy decreased by approximately 8.2% from approximately HK\$3.4 million for the year ended 31 March 2025 to approximately HK\$3.1 million for the year ended 31 March 2026 which was mainly due to slowdown in the progress in the contracted service work of our ongoing projects attained in this segment.

The revenue of ESG reporting and consultancy decreased by approximately 12.8% from approximately HK\$5.6 million for the year ended 31 March 2025 to approximately HK\$4.9 million for the year ended 31 March 2026, which was due to the decrease in new projects awarded to the Group.

The table below sets forth the breakdown of the revenue by segment for each of the years ended 31 March 2026 and 2025:

	2026		2025	
	HK\$'000	%	HK\$'000	%
Green building certification consultancy	32,966	66.4	30,195	63.5
Sustainability and environmental consultancy	8,649	17.4	8,341	17.5
Acoustics, noise and vibration control and audio-visual design consultancy	3,147	6.3	3,429	7.2
ESG reporting and consultancy	4,898	9.9	5,618	11.8
Total	49,660	100.0	47,583	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 decreased by approximately 7.9% from approximately HK\$29.7 million for the year ended 31 March 2025 to approximately HK\$27.4 million for the year ended 31 March 2026.

The Group's gross profit increased by approximately 24.8% from approximately HK\$17.8 million for the year ended 31 March 2025 to approximately HK\$22.3 million for the year ended 31 March 2026, which was primarily due to the increase in revenue and increase in gross profit margin and the growth in business and increase in revenue from operations in other markets outside Hong Kong, including Mainland China, Macau and Southeast Asia for the year ended 31 March 2026.

Management Discussion and Analysis

Financial Review (continued)

Other Income, Gains and Losses, net

The Group's other income, gains and losses, net increased by approximately 23.2% from approximately HK\$1.4 million for the year ended 31 March 2025 to approximately HK\$1.7 million for the year ended 31 March 2026 which was mainly resulted from increase in recharge fee income from related companies and increase in fair value gain on financial assets at FVTPL, net off by the decrease in government subsidies.

Administrative Expenses

The Group's administrative expenses decreased by approximately 16.3% from approximately HK\$26.1 million for the year ended 31 March 2025 to approximately HK\$21.9 million for the year ended 31 March 2026 mainly because there is a decrease in administrative staff cost and implementation of more effective cost control measures.

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

The profit attributable to the owners of the Company was approximately HK\$1.1 million for the year ended 31 March 2026 as compared to the loss attributable to the owners of the Company of approximately HK\$9.6 million for the corresponding period in 2025 which was mainly attributed to the (i) the increase in revenue and gross profit margin, (ii) the growth in business and increase in revenue from operations in other markets outside Hong Kong, including Mainland China, Macau and Southeast Asia, and (iii) the decrease in administrative expenses, resulting from the implementation of more effective cost control measures for the year ended 31 March 2026.

Net Cash Generated from/(used in) Operating Activities

The Group's net cash generated from operating activities for the year ended 31 March 2026 was approximately HK\$1.4 million, whereas there was net cash used in operating activities of approximately HK\$3.2 million for the year ended 31 March 2025. There is an increase in net cash generated from operating activities for the year ended 31 March 2026 as compared to that for the year ended 31 March 2025, which was mainly due to improvement in collection period of trade receivables for the year ended 31 March 2026.

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 2026, the Group had approximately HK\$7.6 million in cash and bank balances (31 March 2025: approximately HK\$11.9 million), representing a decrease of approximately HK\$4.3 million as compared to that as at 31 March 2025. The decrease was mainly due to absence of proceeds from issuance of shares under placing for the year ended 31 March 2026.

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 2026, 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 2026 (2025: Nil).

Management Discussion and Analysis

Financial Review (continued)

Employees and Remuneration Policies

As at 31 March 2026, the Group had a total of 76 employees (2025: 80). 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 29.2% as at 31 March 2026 (2025: 29.5%).

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 2026.

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 2026. 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 2026, 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.

Management Discussion and Analysis

Strategic Alliances with Business Partners

The Group maintains an extensive regional footprint with a diversified project portfolio spanning Hong Kong, Mainland China, the Asia-Pacific region and the Middle East, and remains committed to delivering high-quality environmental and sustainability consulting services to its clients. To further expand its strategic presence in Mainland China, the Group recently established an indirect wholly-owned subsidiary, AEC ESG Consultancy Limited (“Shanghai AEC”), headquartered in Shanghai, with the goal of extending its reach across the Yangtze River Delta region and nationwide. Shanghai AEC is dedicated to providing consulting services in green, healthy and smart buildings, ESG strategy, carbon neutrality, sustainable industrial parks, green finance and innovative technologies. Specifically, the future development of these services encompasses the following: (i) providing one-stop services for green, healthy and smart buildings, covering design, certification, operations and retrofitting; (ii) strengthening ESG and dual-carbon solutions to facilitate sustainable transitions for corporate entities and industrial parks; (iii) advancing green finance and disclosure frameworks to create added value for real estate developers and clients in other industries; and (iv) establishing cross-regional and cross-disciplinary collaboration networks to support the achievement of China’s carbon peaking and carbon neutrality goals.

During the Year, the Group and its industry partners navigated a challenging environment with resilience, actively collaborating with various organizations, continuously improving service quality and innovative solutions, and further advancing sustainability practices – extending its impact from the local market to Mainland China, the Asia-Pacific region, the Middle East, and beyond.

From 23 to 26 June 2025, the Group successfully visited Indonesia and Malaysia with the Hong Kong infrastructure and construction delegation to promote the city’s competitive advantage in professional service in the infrastructure and construction sectors, creating new opportunities for regional cooperation. During the visit, the Group has signed 5 Memorandums of Understanding (MoUs) with local companies covering green building, ESG training, ISO standards, sustainability, green technology, and green finance. These agreements not only mark a significant strategic deployment for the Group in the Southeast Asian market but also lay a solid foundation for deepening bilateral cooperation and resource sharing.

On 11 September 2025, the Group established a joint venture with HServe to jointly develop and implement a generative AI-driven platform for the Southeast Asian and Middle Eastern markets. The platform covers building and property management, ESG solutions, blue-collar training, real-time carbon monitoring, and smart customer service. At the same date, the Group signed an MoU with Akila to jointly develop and promote digital twin-centric ESG and decarbonization solutions serving real estate and industrial clients. The collaboration includes joint innovation workshops and bilateral training programs.

On 22 September 2025, the Group officially signed the “Greater Bay Area Building Carbon Credit Strategic Cooperation MoU” with Greenland Financial Technology in Shanghai. The two parties will jointly promote cross-border building carbon credit trading cooperation to accelerate the green transition and co-build a low-carbon future in the Greater Bay Area.

On 30 September 2025, the Group officially signed an MoU with the School of Energy and Environment (SEE) at the City University of Hong Kong. Both parties will join hands to promote technology research and development as well as talent training in the fields of carbon neutrality, climate change, environmental protection, and sustainability, supporting the school’s 2025/26 “Industry Readiness Programme”. On the same date, the Group officially signed an MoU with the Capacity-building Alliance of Sustainable Investment (CASI) to establish a strategic partnership and jointly advance professional capacity building in the sustainable finance sector. Through close collaboration between the Group’s training institution and CASI Academy, we will provide financial practitioners with cutting-edge professional knowledge and practical tools to facilitate low-carbon transition and jointly build a future-oriented regional financial talent ecosystem.

Management Discussion and Analysis

Strategic Alliances with Business Partners (continued)

On 26 January 2026, the Group signed a strategic cooperation agreement with Co-build New Energy (Shenzhen) Group Co. Ltd. to jointly explore opportunities in the hydrogen energy sector. This collaboration aims to leverage the complementary strengths of both parties and formulate a clear cross-border operational strategy: utilizing Hong Kong as a platform for overseas investment, operation, sales, and promotion of hydrogen vehicles and related businesses; and using Mainland China as a platform for the sales, development, and operation of hydrogen vehicle projects.

On 29 January 2026, the Group signed a joint venture agreement with the Malaysia-based climate technology company Carbon Next Sdn Bhd, officially launching a strategic partnership to provide carbon accounting, carbon tax management, and ESG reporting solutions through its Software-as-a-Service (SaaS) platform. Carbon Next will provide powerful AI-enabled platform support, while the Group will drive industry awareness through ESG workshops and knowledge-sharing events.

On 9 February 2026, the Group signed an MoU with Rhodetec GmbH. Both parties will jointly promote advanced shade film and shading solutions that enhance building energy efficiency and indoor environmental quality. The collaboration leverages the Group's professional advantages to drive market expansion across Hong Kong, ASEAN, the Middle East, and Australia, while advocating for the application of these solutions to support green building certifications such as LEED and WELL.

On 16 March 2026, the Group signed a joint venture agreement with Houseboat for the distribution and commercialization of Houseboat's inorganic coating materials in Hong Kong, Mainland China, Dubai, Australia, and the ASEAN region. Both parties will share the economic interests of the joint venture, and the scope of cooperation also encompasses long-term technology application rights, resource sharing, and operational support.

On 18 March 2026, the Group officially signed an MoU with AltoTech Global during the GreenBiz HK forum in Bangkok. The Group, in collaboration with BEAM Society Limited (BEAM HK), embarked on a dual-track mission: on the one hand, applying world-class Smart and Green Building standards to development projects in Thailand; on the other hand, introducing AltoTech's proprietary AI and Digital Twins Energy Optimization solutions to the Hong Kong market.

On 27 March 2026, the Group signed an MoU with Green Enviro Limited during The Macao International Environmental Cooperation Forum & Exhibition (MIECF) 2026 to deepen collaboration over the next year on the promotion and application of carbon dioxide capture and adsorption technology coatings. The partnership covers market expansion, business development, and professional knowledge exchange, working together to develop innovative low-carbon environmental solutions that support regional green transition and sustainable development.

Corporate Guarantee and Pledge of Assets

As at 31 March 2026 and 2025, 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.

Management Discussion and Analysis

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2026 (2025: 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. All shareholders agreed to the de-registration of China Enterprises Green Financial PR Limited on 13 March 2025, and the same has been de-registered on 19 September 2025. As at 31 March 2026, the Group did not have outstanding capital commitment for this project (2025: Nil).

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. All shareholders agreed to the de-registration of Marine Sustainature Limited on 28 March 2025, and the same has been de-registered on 3 October 2025. As at 31 March 2026, the Group did not have outstanding capital commitment for this project (2025: Nil).

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 2026, the outstanding capital commitment by the Group amounted to HK\$445,000 (2025: 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 by the Group as at 31 March 2026 (2025: Nil).

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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	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	and environmental consultancy business		
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	

Management Discussion and Analysis

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.

Management Discussion and Analysis

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	

Management Discussion and Analysis

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	–	–	–	–

Management Discussion and Analysis

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	

Management Discussion and Analysis

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.

Management Discussion and Analysis

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)
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 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.
Total	12,500	7,800		7,800	

Management Discussion and Analysis

Use of Proceeds from the Listing (continued)

As at 31 March 2026, the Net Proceeds have been applied and fully utilized as follows:

Proposed use of net proceeds as at 31 March 2021	Unused net proceeds as at 31 March 2021	Unused net proceeds up to 16 March 2022	Revised use of net proceeds on 16 March 2022 (Note 1)	Revised allocation of unused net proceeds	Actual use of net proceeds up to 31 March 2025	Unused net proceeds up to 31 March 2025	Actual use of net proceeds up to 31 March 2026	Unused net proceeds up to 31 March 2026
				upon change on use of net proceeds on 16 March 2022				
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000	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)	–	3,300 (Note 2)	–
			Invest in diversified portfolio of investments products proposed by responsible investment committee.	2,800	1,770 (Note 3)	1,030	2,800 (Note 3 &4)	–
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 5)	–	1,700 (Note 5)	–
Total	7,800	7,800		7,800	6,770	1,030	7,800	–

Notes:

- 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.
- The net proceeds had been injected into a subsidiary of the Company incorporated in the PRC for its establishment, operation and business development.
- The net proceeds were used for the subscription of the convertible notes issued by Intensel Limited and the deposit for the acquisition of approximately 5% equity interest in SMAC Computing Company Limited.
- 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. Part of the net proceeds was subscribed for 5,200,000 ordinary shares in Chong Fai Jewellery Group Holdings Company Limited, a company listed on GEM of the Stock Exchange (stock code: 8537) at the consideration of HK\$0.144 per share, totalling approximately HK\$749,000. The Company has fully utilized the remaining unused net proceeds in the sum of approximately HK\$281,000 for capital injection into an indirect wholly-owned subsidiary of the Company, AEC ESG Consultancy Limited (上海沛然環保科技服務有限公司) during the year ended 31 March 2026.
- The net proceeds had been used as payment of staff costs and other operation overheads of the Group.

Management Discussion and Analysis

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 2026, 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

Ms. Kwok May Han Grace, the chairman and an executive Director, has been elected as a director of World Green Building Council for a term of 2 years from 1 July 2025 to 30 June 2027.

Mr. Li Wing Sum Steven has resigned as an independent non-executive director of (i) Wang On Properties Limited (stock code: 1243) with effect from 19 August 2025 and (ii) Amasse Capital Holdings Limited (stock code: 8168) with effect from 6 February 2026.

Ms. Lam Ka Lai has been appointed as an independent non-executive Director, and a member of each of the audit committee, the remuneration committee, the nomination committee, the environmental, social and governance committee, the risk management committee and the responsible investment committee of the Company with effect from 17 October 2025. Ms. Lam has become a fellow member of The Hong Kong Chartered Governance Institute since April 2026.

Mr. Szeto Chi Hang Clive has resigned as an independent non-executive Director, and a member of each of the audit committee, the remuneration committee, the nomination committee and the responsible investment committee of the Company with effect from 17 October 2025 due to his other business commitments.

Professor Lam Kin Che has resigned as an independent non-executive Director, and 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 since he has served the Board for close to nine years and considered that it is time to step down.

Directors' Report

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2026.

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 2026, 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, Mainland China and Southeast Asia. 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 10 to 30 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 2026.

Results and Appropriations

The financial performance of the Group for the year ended 31 March 2026 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 70 to 144 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.

Directors' Report

Non-competition Undertaking by Controlling Shareholders (continued)

During the year ended 31 March 2026, 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 2026, 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 2026, 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 2026, there was no dispute between the Group and its customers and suppliers.

Directors' Report

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 2026 is as follows:

	Percentage of the Group's total	
	Revenue	Subcontracting cost
The largest customer	10.5%	N/A
Five largest customers in aggregate	35.6%	N/A
The largest supplier	N/A	27.8%
Five largest suppliers in aggregate	N/A	66.2%

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 2026 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 2026, the Company's reserve available for distribution to equity shareholders of the Company amounted to approximately HK\$6.3 million (2025: approximately HK\$8.1 million).

Share Capital

Details of the movements in share capital of the Company during the year ended 31 March 2026 are set out in note 28 to the consolidated financial statements of this annual report.

Placing of New Shares under General Mandate

On 21 April 2026, 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 146,638,000 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 3.0% of the aggregate placing price of the Placing Shares being placed. The Placing Price represented a discount of approximately 2.0% to the closing price of HK\$0.102 per Share as quoted on the Stock Exchange on the date of the Placing Agreement.

As additional time is required for the Placing Agent to arrange investors to subscribe for the Placing Shares, the Company and the Placing Agent, after arm's length negotiation, entered into a supplemental agreement to the Placing Agreement on 12 May 2026 and a second supplemental agreement to the Placing Agreement (as amended by the supplemental agreement) on 2 June 2026, whereby the parties agreed to extend the long stop date to 23 June 2026 (or such later date as the Company and the Placing Agent may agree). The Placing Agreement has not yet completed as at the date of this annual report.

Directors' Report

Capital Expenditure

The Group purchased property, plant and equipment amounting to approximately HK\$84,000 for the year ended 31 March 2026 which comprised acquisition of furniture, fixtures and office equipment and motor vehicle.

Directors

The Directors during the year ended 31 March 2026 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

Ms. Lam Ka Lai (appointed on 17 October 2025)

Mr. Szeto Chi Hang Clive (resigned on 17 October 2025)

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 2026.

Equity-linked Agreements

Details of the equity-linked agreements entered into during the year ended 31 March 2026 or subsisting as at 31 March 2026 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 2026. As at 31 March 2026, there was no outstanding option under the Share Option Scheme. As at 1 April 2025 and 31 March 2026, the number of options available for grant was 60,000,000.

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.

Directors' Report

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 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.

Directors' Report

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.

Directors' Report

Equity-linked Agreements (continued)

Share Award Scheme (continued)

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.

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 2026, no issued shares were held by the trustee.

During the year ended 31 March 2026, no restricted share was granted, vested or lapsed to selected participants pursuant to the Share Award Scheme.

Directors' Report

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 2026 divided by the weighted average number of Shares in issue for the year ended 31 March 2026 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 2026, 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%
Ms. Lam Ka Lai	Beneficial owner	120,000 (long position)	0.016%

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' Report

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 2026, 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 2026 or at any time during the year ended 31 March 2026.

Directors' Report

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 2026, 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 2026, 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 2026 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 2026.

Directors' Report

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 2026 and as of the date of this annual report.

As at 31 March 2026, the total number of issued Shares was 733,190,000 Shares (excluding treasury shares). To the best knowledge of the Directors and based on publicly available information, (i) Ms. Kwok May Han Grace and Mr. Wu Dennis Pak Kit, hold (whether through their corporate vehicle or held personally) an aggregate of 384,370,800 Shares, representing approximately 52.42% of the entire issued share capital of the Company (excluding treasury shares), (ii) Ms. Lam Ka Lai, an independent non-executive Director, held 120,000 Shares, representing approximately 0.016% of the entire issued share capital of the Company (excluding treasury shares). The remaining 348,699,200 Shares were held by the public, representing approximately 47.56% of the entire issued share capital of the Company.

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 2026, 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 2026.

Bank Borrowings

Particulars of bank borrowings of the Group as at 31 March 2026 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 Ms. Lam Ka Lai are independent.

Directors' Report

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 2026.

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 2026, 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

None of the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2026 and thereafter up to the date of this annual report.

Treasury Shares

As at 31 March 2026 and 2025, the Company held a total of 4,320,000 treasury shares, which were repurchased in September 2024 at an aggregate cost of approximately HK\$497,000. The Company intends to use these treasury shares for potential future fundraising exercises and will continue to seek investors for their sale.

Corporate Governance Code

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

During the year ended 31 March 2026 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 49 to 64 of this annual report.

Directors' 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 2026 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 2026 amounted to HK\$14,100 (31 March 2025: HK\$26,700).

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 144 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 2026, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. Li Wing Sum Steven, Ms. Wong Yee Lin Elaine, Mr. Szeto Chi Hang Clive (up to 17 October 2025) and Ms. Lam Ka Lai (from 17 October 2025 onwards). Upon the resignation of Mr. Szeto Chi Hang Clive on 17 October 2025, Ms. Lam Ka Lai 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 2026, the Audit Committee held four meetings to consider and review the Group's annual report and interim report. The Group's audited consolidated financial statements for the year ended 31 March 2026 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 have been made.



Directors' Report

Independent Auditor

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 2026 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.

By order of the Board

Allied Sustainability and Environmental Consultants Group Limited

Kwok May Han Grace

Chairman and Executive Director

Hong Kong, 18 June 2026

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 follows:

Executive Directors

Ms. Kwok May Han Grace (郭美珩), aged 52, 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 an acoustics, environmental and sustainability consultant. She was appointed as a director of Allied Environmental Consultants Limited on 10 June 2004. She has accredited as a member of the Green Building Faculty since 2012. She also holds various professional qualifications, including LEED Accredited Professional recognized by the Green Building Certification Institute in November 2007, BEAM Professional since July 2010 (including being 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 training certificate from the China Green Building Council in March 2015 and a certificate from GRI for the G4 sustainability reporting exam 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 to the Board of Directors of World Green Building Council (WGBC) and 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. Another prominent role of hers is in cultural heritage to achieve sustainable development. The Government of Hong Kong announced in March 2023 the appointment of 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 51, 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 the 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 to June 2017. During the period of 1 July 2017 to 30 June 2020, he was appointed as the Executive Director in the principal 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 training certificate from the 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).

Biographical Details of Directors and Senior Management

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's degree in 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 69, 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. Mr. Li served as independent non-executive director of Wang On Properties Limited (Stock code: 1243) from 17 March 2016 to 19 August 2025 and Amasse Capital Holdings Limited (Stock code: 8168) from 1 July 2021 to 6 February 2026 respectively.

Ms. Wong Yee Lin Elaine (王綺蓮) ("Ms. Wong"), aged 71, was appointed as an Independent Non-executive Director of the Company on 23 September 2016.

Ms. Wong is a seasoned 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.

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.

Biographical Details of Directors and Senior Management

Independent Non-executive Directors (continued)

Ms. Lam Ka Lai (林嘉麗) (“Ms. Lam”), aged 42, was appointed as an Independent Non-executive Director of the Company on 17 October 2025.

Ms. Lam has been a senior auditor of BDO Limited during the period between 2011 and 2013. After that, she has been the operation partner of Global Vision CPA Limited since December 2015 and the director of Affluence Account Services Limited since May 2017. Ms. Lam has been a fellow member of The Hong Kong Chartered Governance Institute since April 2026.

Ms. Lam graduated from Edinburgh Napier University in 2008 with a Bachelor of Arts (Hons) in Accounting degree and The Hong Kong Polytechnic University in 2021 with a Master of Corporate Governance degree.

Ms. Lam obtained the legal advice required under Rule 5.02D of the GEM Listing Rules on 16 October 2025 and has confirmed she understood her obligations as a director of a listed issuer.

Senior Management

Mr. Lai Ka Yeung Andy (黎家揚) (“Mr. Lai”), aged 40, 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 40, 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 40, 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.

Biographical Details of Directors and Senior Management

Senior Management (continued)

Ir. Cheung Siu Ming (張兆明) (“Ir. Cheung”), aged 38, serves as our Associate Director, bringing extensive expertise in building sustainability and environmental assessment. Since joining the Group in April 2012, he has been instrumental in spearheading cross-disciplinary initiatives, including corporate ESG strategy, decarbonization roadmaps, net-zero and carbon neutrality design, and life cycle carbon assessment. Ir. Cheung leads comprehensive green building design projects for both new and existing developments, with a portfolio spanning Hong Kong, Malaysia, and Indonesia. His expertise covers international standards such as HK BEAM Plus, LEED, WELL, EDGE, GreenRE, and GBI. Furthermore, he provides vital consultancy on environmental assessments to satisfy land lease and planning requirements, and advises on technical solutions for noise impact and mitigation. Ir. Cheung is a Chartered Professional Engineer (CPEng) with Engineers Australia, a Member of the Hong Kong Institution of Engineers (MHKIE), registered energy assessor (REA), and a Certified Professional in Noise Modelling with the Hong Kong Institute of Qualified Environmental Professionals (MHKIQEP, CNM). He holds a Bachelor’s degree in Electronic and Information Engineering and a Master’s degree in Environmental Management and Engineering 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 46, has been a practising solicitor of The High Court of Hong Kong since 2005. Mr. Siu has over 20 years of practical experiences in corporate finance and regulatory compliance. He established the law firm, Raymond Siu & Lawyers, in 2017, and is the founder and the senior partner of the firm. 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 2026 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 2026 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 2025 and up to the date of this annual report.

Board of Directors

As at 31 March 2026, the Board comprised five Directors, including two executive Directors and three Independent Non-executive Directors. All executive Directors were directors throughout the year ended 31 March 2026. Professor Lam Kin Che and Mr. Szeto Chi Hang Clive resigned as an independent non-executive Director on 30 April 2025 and 17 October 2025 respectively. Ms. Lam Ka Lai was appointed as an Independent Non-executive Director of the Company on 17 October 2025. Details of their composition by category are as follows:

Name	Position	Date of appointment/ re-designation
Ms. Kwok May Han Grace	Executive Director	11 November 2015
	Chairman of the Board	11 November 2016
Mr. Wu Dennis Pak Kit	Executive Director	1 July 2020
	Chief Executive Officer	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
Ms. Lam Ka Lai	Independent Non-executive Director	17 October 2025
Mr. Szeto Chi Hang Clive	Independent Non-executive Director	4 June 2019 (resigned on 17 October 2025)
Professor Lam Kin Che	Independent Non-executive Director	23 September 2016 (resigned on 30 April 2025)

The Board comprises members experienced in acoustics, environmental and sustainability standards, finance, accounting, taxation and financial management, and human resources management. The Board considers that such combination of skills and experiences enable the Group to provide comprehensive services to its clients in its core business while maintaining a sound financial reporting systems and a competent staff team.

Corporate Governance Report

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 2026, six 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 (<i>Chairman</i>)	1/1	6/6
Mr. Wu Dennis Pak Kit (<i>Chief Executive Officer</i>)	1/1	6/6
Mr. Li Wing Sum Steven	1/1	6/6
Ms. Wong Yee Lin Elaine	1/1	6/6
Ms. Lam Ka Lai (Appointed on 17 October 2025)	0/0	3/3
Mr. Szeto Chi Hang Clive (Resigned on 17 October 2025)	1/1	3/3
Professor Lam Kin Che (Resigned on 30 April 2025)	0/0	0/0

Corporate Governance Report

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 2025, 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 for a term of three years commencing from 23 September 2022 and he 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; (iii) a letter of appointment with Mr. Szeto Chi Hang Clive for a term of three years commencing from 4 June 2025 and he has resigned with effect from 17 October 2025; (iv) a letter of appointment with Ms. Wong Yee Lin Elaine for a term of three years commencing from 23 September 2025; and (v) a letter of appointment with Ms. Lam Ka Lai for a term of three years commencing from 17 October 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 2026, 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 statutes, 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	✓	✓
Ms. Lam Ka Lai	✓	✓
Mr. Szeto Chi Hang Clive (Resigned on 17 October 2025)	✗	✗
Professor Lam Kin Che (Resigned on 30 April 2025)	✗	✗

Independent Non-executive Directors

During the year ended 31 March 2026, the Company had no less than three Independent Non-executive Directors in compliance with Rule 5.05(1) of the GEM Listing Rules. Among the three Independent Non-executive Directors as at 31 March 2026, 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 three 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 Ms. Lam Ka Lai are independent.

Corporate Governance Report

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 2026. 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.

Corporate Governance Report

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 2026 is as follows:

Mr. Li Wing Sum Steven (*Chairman*)

Ms. Wong Yee Lin Elaine

Ms. Lam Ka Lai (Appointed on 17 October 2025)

Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025 and resigned on 17 October 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.

Four Audit Committee meetings were held during the year ended 31 March 2026. During the year ended 31 March 2026, the Audit Committee has:

- (i) reviewed the audited annual results for the year ended 31 March 2025;
- (ii) reviewed the unaudited interim results for the six months ended 30 September 2025;
- (iii) reviewed the necessity to establish an internal audit function; and
- (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.

Corporate Governance Report

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 2026. 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
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	4/4
Ms. Wong Yee Lin Elaine (<i>Independent Non-executive Director</i>)	4/4
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	2/2
Mr. Szeto Chi Hang Clive (<i>Independent Non-executive Director</i>) (Appointed on 30 April 2025 and resigned on 17 October 2025)	2/2
Professor Lam Kin Che (<i>Independent Non-executive Director</i>) (Resigned on 30 April 2025)	0/0

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 2026 is as follows:

Ms. Wong Yee Lin Elaine (*Chairman*)

Mr. Li Wing Sum Steven

Ms. Kwok May Han Grace

Mr. Wu Dennis Pak Kit

Ms. Lam Ka Lai (Appointed on 17 October 2025)

Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025 and resigned on 17 October 2025)

Professor Lam Kin Che (Resigned on 30 April 2025)

Corporate Governance Report

Board Committees (continued)

Remuneration Committee (continued)

Two Remuneration Committee meetings were held during the year ended 31 March 2026. 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 2026. 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 2026. 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 (<i>Independent Non-executive Director</i>)	2/2
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	2/2
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	0/0
Ms. Kwok May Han Grace (<i>Executive Director</i>)	2/2
Mr. Wu Dennis Pak Kit (<i>Executive Director</i>)	2/2
Mr. Szeto Chi Hang Clive (<i>Independent Non-executive Director</i>) (Appointed on 30 April 2025 and resigned on 17 October 2025)	2/2
Professor Lam Kin Che (<i>Independent Non-executive Director</i>) (Resigned on 30 April 2025)	0/0

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 2026 is as follows:

Ms. Kwok May Han Grace (*Chairman*)
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Mr. Wu Dennis Pak Kit
Ms. Lam Ka Lai (Appointed on 17 October 2025)
Mr. Szeto Chi Hang Clive (Appointed on 30 April 2025 and resigned on 17 October 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Corporate Governance Report

Board Committees (continued)

Nomination Committee (continued)

Two Nomination Committee meetings were held during the year ended 31 March 2026. 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 2026. It also reviewed the Company's policies concerning board diversity and considered the appointment of new independent non-executive Director during the year ended 31 March 2026. 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 (<i>Executive Director</i>)	2/2
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	2/2
Ms. Wong Yee Lin Elaine (<i>Independent Non-executive Director</i>)	2/2
Mr. Wu Dennis Pak Kit (<i>Executive Director</i>)	2/2
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	0/0
Mr. Szeto Chi Hang Clive (<i>Independent Non-executive Director</i>) (Appointed on 30 April 2025 and resigned on 17 October 2025)	2/2
Professor Lam Kin Che (<i>Independent Non-executive Director</i>) (Resigned on 30 April 2025)	0/0

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) 2 Directors and 2 senior management are male and (ii) 3 Directors and 2 senior management are female.

Corporate Governance Report

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 2026 is as follows:

Ms. Kwok May Han Grace (*Chairman*)
Mr. Wu Dennis Pak Kit
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Ms. Lam Ka Lai (Appointed on 17 October 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Corporate Governance Report

Board Committees (continued)

ESG Committee (continued)

One ESG Committee meeting was held during the year ended 31 March 2026. 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 (<i>Executive Director</i>)	1/1
Mr. Wu Dennis Pak Kit (<i>Executive Director</i>)	1/1
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	1/1
Ms. Wong Yee Lin Elaine (<i>Independent Non-executive Director</i>)	1/1
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	0/0
Professor Lam Kin Che (<i>Independent Non-executive Director</i>) (Resigned on 30 April 2025)	0/0

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 2026 is as follows:

Ms. Kwok May Han Grace (*Chairman*)
Mr. Wu Dennis Pak Kit
Mr. Li Wing Sum Steven
Ms. Wong Yee Lin Elaine
Ms. Lam Ka Lai (Appointed on 17 October 2025)
Professor Lam Kin Che (Resigned on 30 April 2025)

Corporate Governance Report

Board Committees (continued)

Risk Management Committee (continued)

One Risk Management Committee meeting was held during the year ended 31 March 2026. 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 2026. 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 2026. 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 (<i>Executive Director</i>)	1/1
Mr. Wu Dennis Pak Kit (<i>Executive Director</i>)	1/1
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	1/1
Ms. Wong Yee Lin Elaine (<i>Independent Non-executive Director</i>)	1/1
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	0/0
Professor Lam Kin Che (<i>Independent Non-executive Director</i>) (Resigned on 30 April 2025)	0/0

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.

Corporate Governance Report

Board Committees (continued)

Responsible Investment Committee (continued)

The composition of the Responsible Investment Committee during the year ended 31 March 2026 is as follows:

Mr. Wu Dennis Pak Kit (*Chairman*)
Ms. Kwok May Han Grace
Mr. Li Wing Sum Steven
Ms. Lam Ka Lai (Appointed on 17 October 2025)
Mr. Szeto Chi Hang Clive (Resigned on 17 October 2025)

One Responsible Investment Committee meeting was held during the year ended 31 March 2026. 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 (<i>Executive Director</i>)	1/1
Ms. Kwok May Han Grace (<i>Executive Director</i>)	1/1
Mr. Li Wing Sum Steven (<i>Independent Non-executive Director</i>)	1/1
Ms. Lam Ka Lai (<i>Independent Non-executive Director</i>) (Appointed on 17 October 2025)	0/0
Mr. Szeto Chi Hang Clive (<i>Independent Non-executive Director</i>) (Resigned on 17 October 2025)	1/1

Corporate Governance Function

The Board is responsible for overseeing the corporate governance of the Group. During the year ended 31 March 2026, 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.

The Board is now in the course of conducting an internal evaluation of the Board's performance and the Company will disclose the results in due course.

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 2026 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 65 to 69 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 2026. The fee in respect of audit services provided by OOP CPA & Co. for the year ended 31 March 2026 amounted to HK\$450,000. No non-audit services was provided by the external auditor during the year ended 31 March 2026.

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 2026.

Remuneration Payable to Senior Management

During the year ended 31 March 2026, the remuneration payable to (i) 2 members of senior management fell within the band of HK\$1,000,000 to HK\$1,500,000 and (ii) 2 members of senior management fell within the band of Nil to HK\$1,000,000 respectively. The remuneration payable to the 4 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.

Corporate Governance Report

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 2026.

The Group appointed internal control advisor for the year ended 31 March 2026. 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 2026 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.

Anti-corruption Policy

The Group strictly complies with relevant local laws and regulations relating to anti-corruption, including the Prevention of Bribery Ordinance.

The Group regards honesty, integrity and fair play as its core values that must be upheld by all Directors and staff at all times. All staff of the Group are required to adhere to high standards of business and professional and ethical conduct. The Group prohibits all staff from offering, promising, giving or authorising, directly or indirectly, any bribe or kickback or for the benefit of any person in order to obtain any improper business or other advantage for the Group, for themselves, or for anyone else; or soliciting, accepting or receiving any bribe or kickback from any person in return for providing any improper business or other advantage.

Corporate Governance Report

Anti-corruption Policy (continued)

During the year ended 31 March 2026, the Group was not aware of any breach of laws and regulations in relation to bribery, corruption, extortion, fraud and money laundering and there was no concluded legal cases regarding corrupt practices brought against the Company or its employees.

Anti-Fraud and Whistle-blowing Policy

The Company has adopted an anti-fraud and whistle-blowing policy which enables employees to raise serious concerns about any misconduct, malpractice or irregularity relating to internal controls and other matters confidentially, without fear of reprisal or victimization.

Under the anti-fraud and whistle-blowing policy, audit committee is responsible for reviewing the effectiveness of the actions taken in response to disclosures made under the policy by employees. Other stakeholders, such as customers and suppliers, can also raise concerns about any improprieties or potential improprieties of the Group.

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 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, inside information and business initiatives.

Corporate Governance Report

Communication with Shareholders and Investors (continued)

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 in light of the above measures, considered the same to be effective during the year ended 31 March 2026.

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 2026.

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 70 to 144, which comprise the consolidated statement of financial position as at 31 March 2026, 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 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 ("HKSA") 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.

Independent Auditor's Report

Key audit matter (continued)

Revenue recognition

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\$49,660,000 for the year ended 31 March 2026. 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.

How our audit addressed the key audit matter

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.

Independent Auditor's Report

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 HKFRS Accounting Standards as 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.

Independent Auditor's Report

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

As part of an audit in accordance with HKSAAs, 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.



Independent Auditor's Report

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, 18 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	5	49,660	47,583
Cost of services provided		(27,397)	(29,742)
Gross profit		22,263	17,841
Other income, gains and losses, net	6	1,676	1,360
Administrative expenses		(21,878)	(26,149)
Finance costs	7	(900)	(913)
Share of results of joint ventures		(5)	(12)
Net provision for impairment on trade receivables and contract assets	37(a)	(363)	(5)
Net provision for impairment on other receivables	37(a)	(100)	(1,659)
Profit/(loss) before income tax	8	693	(9,537)
Income tax expense	11	(18)	(14)
Profit/(loss) for the year		675	(9,551)
Profit/(loss) for the year attributable to:			
Owners of the Company		1,104	(9,578)
Non-controlling interests		(429)	27
		675	(9,551)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		49	(95)
<i>Items that will not be reclassified to profit or loss:</i>			
– 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		49	353
Total comprehensive income for the year		724	(9,198)
Total comprehensive income for the year attributable to:			
Owners of the Company		1,153	(9,225)
Non-controlling interests		(429)	27
		724	(9,198)
Earnings/(loss) per share attributable to owners of the Company			
– Basic earnings/(loss) per share (HK cents)	12	0.15	(1.34)
– Diluted earnings/(loss) per share (HK cents)	12	0.15	(1.34)

Consolidated Statement of Financial Position

As at 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	13	503	876
Intangible assets	14	551	523
Right-of-use assets	15	6,209	7,461
Interest in associates	16	114	114
Interest in joint ventures	17	45	–
Deposits and prepayment	21	1,299	1,658
Deferred tax assets	27	749	767
		9,470	11,399
Current assets			
Contract assets	19	58,336	54,696
Trade receivables	20	10,473	12,049
Prepayments, deposits and other receivables	21	8,414	7,617
Financial assets at fair value through profit or loss (“FVTPL”)	18	1,128	–
Cash and cash equivalents	22	7,575	11,903
		85,926	86,265
Current liabilities			
Trade payables	23	1,485	3,488
Other payables and accruals	24	2,471	2,501
Bank loans	25	19,043	19,043
Contract liabilities	19	617	520
Lease liabilities	26	2,535	2,467
Tax payable		51	64
		26,202	28,083
Net current assets		59,724	58,182
Total assets less current liabilities		69,194	69,581
Non-current liability			
Lease liabilities	26	3,956	5,054
Net assets		65,238	64,527

Consolidated Statement of Financial Position

As at 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Equity			
Share capital	28	14,750	14,750
Reserves	29	50,924	49,771
Total equity attributable to owners of the Company		65,674	64,521
Non-controlling interests		(436)	6
Total equity		65,238	64,527

The consolidated financial statements on pages 70 to 144 were approved and authorised for issue by the Board of Directors on 18 June 2026 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 2026

	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 shares* HK\$'000 (Note 29)	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 (Note 29)	-	-	-	-	-	-	(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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company						Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000 (Note 28)	Other reserves* HK\$'000 (Note 29)	Translation reserve* HK\$'000 (Note 29)	Treasury shares* HK\$'000 (Note 29)	Accumulated losses* HK\$'000	Total HK\$'000		
At 1 April 2025	14,750	68,887	(458)	(497)	(18,161)	64,521	6	64,527
Profit/(loss) for the year	-	-	-	-	1,104	1,104	(429)	675
Other comprehensive income for the year:								
Exchange differences arising on translation of foreign operations	-	-	49	-	-	49	-	49
Total comprehensive income for the year	-	-	49	-	1,104	1,153	(429)	724
Deregistration of a non-wholly owned subsidiary	-	-	-	-	-	-	(11)	(11)
Acquisition of a non-wholly owned subsidiary	-	-	-	-	-	-	(2)	(2)
At 31 March 2026	14,750	68,887	(409)	(497)	(17,057)	65,674	(436)	65,238

* These accounts comprise the consolidated reserves of approximately HK\$50,924,000 (2025: HK\$49,771,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Cash flows from operating activities		
Profit/(loss) before income tax	693	(9,537)
Adjustments for:		
Finance costs	900	913
Interest income	(11)	(22)
Gain on disposal of property, plant and equipment	–	(33)
Depreciation of property, plant and equipment	497	575
Depreciation of right-of-use assets	3,439	3,923
Amortisation of intangible assets	122	63
Equity-settled share-based payment expenses	–	311
Provision for long service payment provision	104	84
Fair value gain on financial assets at fair value through profit or loss	(379)	–
Provision for impairment on trade receivables, net	59	84
Provision for impairment on other receivables, net	100	1,659
Provision for/(reversal of) impairment on contract assets, net	304	(79)
Share of results of joint ventures	5	12
Operating cash flow before movements in working capital	5,833	(2,047)
Increase in contract assets	(3,944)	(335)
Decrease in trade receivables	1,517	717
Decrease/(increase) in prepayments, deposits and other receivables	263	(1,601)
(Decrease)/increase in trade payables	(2,003)	283
(Decrease)/increase in other payables and accruals	(351)	46
Increase/(decrease) in contract liabilities	97	(185)
Cash from/(used in) operations	1,412	(3,122)
Interest received	11	22
Hong Kong Profits Tax paid	(13)	(112)
Net cash from/(used in) operating activities	1,410	(3,212)
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(84)	(420)
Proceeds from disposal of property, plant and equipment	–	33
Payments for acquisition of right of use assets	(6)	(6)
Payments for acquisition of financial assets at fair value through profit or loss	(749)	–
Advance to a joint venture	(7)	–
Repayment from a joint venture	29	12
Repayment from an associate	–	39
Advance to related parties	(1,036)	(84)
Net cash used in investing activities	(1,853)	(426)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Cash flows from financing activities		
Proceeds from new bank loans	23,600	20,600
Repayment of bank loans	(23,600)	(18,069)
Proceeds from issuance of shares under placing	–	3,527
Share repurchase	–	(497)
Repayment of lease liabilities – Principal	(3,211)	(3,968)
Repayment of lease liabilities – Interest	(200)	(128)
Interest paid	(700)	(785)
Advance from a director	235	–
Repayment from a director	–	779
Repayment to an associate	(18)	–
Repayment to a non-controlling shareholder of a subsidiary	–	(15)
Net cash (used in)/from financing activities	(3,894)	1,444
Net decrease in cash and cash equivalents	(4,337)	(2,194)
Cash and cash equivalents at beginning of the year	11,903	14,225
Effect of foreign exchange rate changes	9	(128)
Cash and cash equivalents, representing cash and bank balances, at end of the year	7,575	11,903

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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, the People’s Republic of China (the “PRC”) and Southeast Asia.

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 HKFRS Accounting Standards

Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standard 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

2. Application of New and Amendments to HKFRS Accounting Standards (continued) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards 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 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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 2026.

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

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards 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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 HKFRS Accounting Standards as 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 HKFRS Accounting Standards 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 provided for and a liability is 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 assets includes:

- the amounts of the initial measurement of the lease liabilities;
- 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 incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

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;

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

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

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 concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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)

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.

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, except for a derivative that is a 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses, net" line item.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 past events and current conditions at the reporting date as well as the forecast of future economic 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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".

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 increase in credit risk 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 2026 and 2025.

	2026 HK\$'000	2025 HK\$'000
Within one year	17,500	22,319
Over one year	44,074	66,047
	61,574	88,366

(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:

- Green building certification consultancy segment involves consultancy on the application of green building certification for new buildings, existing buildings and interiors of buildings;
- 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;
- 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
- 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 FVTPL, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Segment revenue:										
<i>Revenue – over time</i>										
Hong Kong	30,408	29,323	8,649	8,341	3,147	3,409	4,898	5,560	47,102	46,633
The PRC	1,718	510	–	–	–	20	–	58	1,718	588
Macau	583	362	–	–	–	–	–	–	583	362
Southeast Asia	257	–	–	–	–	–	–	–	257	–
	32,966	30,195	8,649	8,341	3,147	3,429	4,898	5,618	49,660	47,583
Segment results	16,753	12,819	3,607	3,830	(227)	(532)	1,767	1,719	21,900	17,836
<i>Reconciliation</i>										
Unallocated income									1,676	1,360
Unallocated expenses									(21,878)	(26,149)
Share of results of joint ventures									(5)	(12)
Provision of impairment on other receivables, net									(100)	(1,659)
Finance costs									(900)	(913)
Profit/(loss) before income tax									693	(9,537)
Segment assets	48,665	46,597	10,741	8,694	7,728	8,939	1,980	2,879	69,114	67,109
<i>Reconciliation</i>										
Property, plant and equipment									503	876
Intangible assets									551	523
Right-of-use assets									6,209	7,461
Interest in associates									114	114
Interest in joint ventures									45	–
Financial assets at FVTPL									1,128	–
Deferred tax assets									749	767
Cash and cash equivalents									7,575	11,903
Unallocated head office and corporate assets									9,408	8,911
Total unallocated assets									26,282	30,555
Total assets									95,396	97,664

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Segment liabilities	945	2,514	802	773	221	220	134	501	2,102	4,008
<i>Reconciliation</i>										
Other payables and accruals									2,471	2,501
Bank loans									19,043	19,043
Lease liabilities									6,491	7,521
Tax payable									51	64
Total unallocated liabilities									28,056	29,129
Total liabilities									30,158	33,137
<i>Other segment information</i>										
(Reversal of)/provision for impairment on trade receivables, net	(147)	28	197	54	17	(13)	(8)	15	59	84
Provision for/(reversal of) impairment on contract assets, net	150	(107)	34	(11)	116	34	4	5	304	(79)
Unallocated:										
– Depreciation and amortisation									4,058	4,561
– Capital expenditure										
– Additions to property, plant and equipment									84	430
– Additions to intangible asset and right-of-use assets									2,094	7,134

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 2026, except for non-current assets of approximately HK\$1,901,000 (2025: approximately HK\$1,103,000) and approximately HK\$51,000 (2025: Nil) located in Malaysia and the PRC, respectively, all the Group's remaining non-current assets were located in Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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:

	2026 HK\$'000	2025 HK\$'000
Customer A	5,144	N/A*
Customer B	N/A*	6,608

* 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

	2026 HK\$'000	2025 HK\$'000
Interest income	11	22
Dividend income (Note 18)	26	–
Fair value gain on financial assets at FVTPL	379	–
Gain on disposal of property, plant and equipment	–	33
Government subsidies (Note (i))	33	1,138
Recharge fee income from related companies (Note 34)	1,060	–
Others	167	167
	1,676	1,360

Note:

- (i) The government subsidies recognised for the year was mainly the SME Export Marketing Fund (2025: the dedicated fund on Branding, Upgrading and Domestic Sale under Free Trade Agreement and Investment Promotion and Protection Agreements Programme).

7. Finance Costs

	2026 HK\$'000	2025 HK\$'000
Interest on bank loans	700	785
Interest on lease liabilities	200	128
	900	913

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. Profit/(Loss) before Income Tax

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

	2026 HK\$'000	2025 HK\$'000
Amortisation of intangible assets* (Note 14)	122	63
Depreciation of property, plant and equipment* (Note 13)	497	575
Depreciation of right-of-use assets* (Note 15)	3,439	3,923
Auditor's remuneration		
– Audit services	450	515
Employee benefits expense*** (including directors' emoluments (Note 9)):		
– Salaries, allowances and benefits in kind	30,050	31,943
– Discretionary bonuses	–	2,025
– Retirement benefit scheme contributions (defined contribution scheme)	1,509	1,324
– Provision for long service payment	104	84
– Equity-settled share-based payment expenses (Note 32)	–	311
	31,663	35,687
Provision for impairment on trade receivables, net** (Note 37(a))	59	84
Provision for impairment on other receivables (Note 37(a))	100	1,659
Provision for/(reversal of) impairment on contract assets, net** (Note 37(a))	304	(79)
Write off of trade receivable (Note 37(a))	977	–
Net foreign exchange (gain)/loss	(18)	78

* 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\$22,677,000 (2025: approximately HK\$24,455,000) and HK\$8,986,000 (2025: approximately HK\$11,232,000), has been charged to cost of services provided and administrative expenses, respectively, for the year ended 31 March 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 2026						
Executive Directors						
Ms. Kwok (Note (i))	372	1,390	-	18	-	1,780
Mr. Wu	372	1,324	-	18	-	1,714
Independent Non-executive Directors						
Mr. Li Wing Sum Steven	156	-	-	-	-	156
Ms. Wong Yee Lin Elaine	156	-	-	-	-	156
Ms. Lam Ka Lai (Appointed on 17 October 2025)	71	-	-	-	-	71
Mr. Szeto Chi Hang Clive (Resigned on 17 October 2025)	85	-	-	-	-	85
Professor Lam Kin Che (Resigned on 30 April 2025)	13	-	-	-	-	13
	1,225	2,714	-	36	-	3,975
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

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 (2025: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2025: 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

10. Five Highest Paid Employees Emoluments

Two (2025: two) of the five highest paid individuals were directors of the Company for the year ended 31 March 2026. Details of their emoluments are set out in Note 9. Details of the emolument of the remaining three (2025: three) non-director highest paid employees for the year are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries, allowances and benefits in kind	2,970	2,936
Discretionary bonuses	–	351
Retirement benefit scheme contributions	54	54
Equity-settled share-based payment expenses	–	23
	3,024	3,364

The emolument of the three (2025: three) non-director highest paid employees for the year were within the following bands:

	2026 Number of individuals	2025 Number of individuals
Emolument bands		
Nil–HK\$1,000,000	1	–
HK\$1,000,001–HK\$1,500,000	2	3
	3	3

During the years ended 31 March 2026 and 2025, 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

11. Income Tax Expense

	2026 HK\$'000	2025 HK\$'000
Current tax		
PRC Corporate Income Tax ("CIT")	–	4
Under-/ (over-)provision in respect of prior year		
Hong Kong Profits Tax	–	14
PRC CIT	–	(4)
Deferred tax (Note 27)	18	–
Income tax expense	18	14

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 (2025: Nil).

There is no tax effect relating to other comprehensive income for the year ended 31 March 2026 (2025: 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% 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%.

No provision was made for Hong Kong Profits Tax as the Group did not generate any assessable profits arising in Hong Kong during the year (2025: Nil).

PRC CIT has been provided at the rate of 25% on the estimated assessable profits arising in the PRC for the year ended 31 March 2025.

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%. Two (2025: One) of the Company's subsidiaries have been designated as small-scale enterprises, pursuant to which, the first RMB3,000,000 of assessable profits (the "1st Assessable Profits") of the subsidiaries are effectively taxable at 5% (i.e. 20% on 25% of the 1st Assessable Profits).

No provision was made for PRC CIT as the Company's subsidiaries operating in PRC did not generate any assessable profits arising in PRC during the year ended 31 March 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

11. Income Tax Expense (continued)

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

	2026 HK\$'000	2025 HK\$'000
Profit/(loss) before income tax	693	(9,537)
Notional tax at the rates applicable to profit/(loss) in the relevant tax jurisdictions	180	(973)
Income not taxable	(8)	(155)
Expenses not deductible for tax	107	182
Temporary deductible/(taxable) difference not recognised	132	(15)
Effect of CIT on PRC service income	–	1
Utilisation of tax loss previously not recognised	(513)	–
Tax loss not recognised	168	979
Tax reduction (Note)	(39)	(15)
Under-provision in respect of prior year	–	10
Others	(9)	–
Income tax expense	18	14

Note: Tax reduction represents the preferential tax rates granted under the income tax relief for small low-profit enterprises of PRC CIT mentioned above.

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

Basic earnings/(loss) per share

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

	2026 HK\$'000	2025 HK\$'000
Profit/(loss) for the year attributable to owners of the Company used in calculation basic earnings/(loss) per share	1,104	(9,578)
	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Issued ordinary shares at the beginning of the year	733,190,000	700,193,333
Net effect of shares issued	–	7,241,297
Net effect of shares placed	–	6,509,589
Weighted average number of ordinary shares for the purpose of the basic earnings/(loss) per share	733,190,000	713,944,219

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

Diluted earnings/(loss) per share

The calculation of the diluted earnings/(loss) per share attributable to owners of the Company is based on profit/(loss) 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.

	2026 HK\$'000	2025 HK\$'000
Profit/(loss) for the year attributable to owners of the Company used in calculating diluted earnings/(loss) per share	1,104	(9,578)
	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings/(loss) per share	733,190,000	713,944,219

For the years ended 31 March 2026 and 2025, the weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share have been excluded 4,320,000 treasury shares held by the Company.

As at 31 March 2026 and 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 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
Additions	84	–	–	84
Exchange realignment	52	42	–	94
At 31 March 2026	3,330	1,835	261	5,426
ACCUMULATED DEPRECIATION				
At 1 April 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
Provided for the year	293	139	65	497
Exchange realignment	29	25	–	54
At 31 March 2026	3,044	1,749	130	4,923
NET CARRYING VALUE				
At 31 March 2026	286	86	131	503
At 31 March 2025	472	208	196	876

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

14. Intangible Assets

	Club membership HK\$'000	Computer software HK\$'000	Total HK\$'000
Cost			
At 1 April 2024	–	913	913
Addition	–	400	400
At 31 March 2025	–	1,313	1,313
Transfer	150	–	150
At 31 March 2026	150	1,313	1,463
Accumulated amortisation			
At 1 April 2024	–	727	727
Charge for the year	–	63	63
At 31 March 2025	–	790	790
Charge for the year	–	122	122
At 31 March 2026	–	912	912
Net carrying amount			
At 31 March 2026	150	401	551
At 31 March 2025	–	523	523

Note: As at 31 March 2026, the club membership held by the Group represents the membership with indefinite useful life and it is subject to annual impairment testing. As at 31 March 2026, no impairment was provided.

15. Right-of-use Assets

	Leased properties HK\$'000	Office equipment HK\$'000	Total HK\$'000
At 31 March 2025			
Carrying amount	7,419	42	7,461
At 31 March 2026			
Carrying amount	6,206	3	6,209
For the year ended 31 March 2025			
Depreciation charge	3,884	39	3,923
For the year ended 31 March 2026			
Depreciation charge	3,400	39	3,439
		2026	2025
		HK\$'000	HK\$'000
Total cash outflow for leases		3,411	4,096
Additions to right-of-use assets		2,094	6,734

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 (2025: 1 to 5 years). There are no lease contracts that include variable lease payments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

16. Interest in Associates

	2026 HK\$'000	2025 HK\$'000
Cost of investment in associates, unlisted	114	124
Share of accumulated losses of associates	–	(10)
	114	114

The particulars of the associates of the Group as at 31 March 2026 and 2025 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		Principal activities and place of operation
			2026	2025	
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	0% (Note)	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% equity interest in and significant influence over China Enterprise. The interest in China Enterprise is accounted for as interest in associates. No outstanding commitment to inject capital to China Enterprise is held by the Group. On 13 March 2025, all shareholders agreed the deregistration of China Enterprise and China Enterprise has been de-registered on 19 September 2025.

These associates have not yet commenced business during the years ended 31 March 2026 and 2025. The financial information of associates of the Group for the years ended 31 March 2026 and 2025, is set out below:

	2026 HK\$'000	2025 HK\$'000
The Group’s share of loss and total comprehensive income for the year	–	–

During the year ended 31 March 2025, 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
Unrecognised shares of loss of the associate for the year	–
Recovery of unrecognised shares of loss of the associate for the year	(36)
Accumulated unrecognised shares of loss of the associate	–

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

17. Interest in Joint Ventures

	2026 HK\$'000	2025 HK\$'000
Cost of investment in joint ventures, unlisted	87	37
Share of accumulated losses of joint ventures	(42)	(37)
	45	–

The particulars of the joint ventures of the Group as at 31 March 2026 and 2025 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		Principal activities and place of operation
			2026	2025	
AECNCD Environmental Services Limited ("AECNCD")	Hong Kong, private limited liability company	HK\$40,000 (Note (ii))	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
AEC afterNATURE Limited ("AEC afterNATURE")	Hong Kong, private limited liability company	HK\$100,000 (Note (iv))	50%	–	Provision of coastal adoption and ecological design services 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. On 7 August 2025, all shareholders agreed the deregistration of AECNCD and the same has been de-registered on 5 June 2026.
- (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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

17. Interest in Joint Ventures

Notes: (continued)

During the year ended 31 March 2026, 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:

	2026 HK\$'000	2025 HK\$'000
Unrecognised shares of loss of Bamboo Technology for the year	5	4
Accumulated unrecognised shares of loss of Bamboo Technology	18	13

- (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 2026, 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:

	2026 HK\$'000	2025 HK\$'000
Unrecognised shares of loss of AEC Farseer for the year	5	1
Accumulated unrecognised shares of loss of AEC Farseer	6	1

- (iv) AEC afterNATURE was incorporated on 12 May 2025 as a limited liability company in Hong Kong. AEC afterNATURE is owned by AEC BVI, the wholly-owned subsidiary of the Company, and an independent third party at 50% and 50%, respectively. The relevant activities of AEC afterNATURE require the unanimous consent of all parties. Accordingly, AEC afterNATURE is classified as a joint venture of the Group.

The financial information of AECNCD and AEC afterNATURE, immaterial joint ventures of the Group for the years ended 31 March 2026 and 2025, is set out below:

	2026 HK\$'000	2025 HK\$'000
The Group's share of loss and total comprehensive expense for the year	5	12

18. Financial Assets at Fair value through profit or loss

	2026 HK\$'000	2025 HK\$'000
Financial assets at FVTPL		
– Listed equity securities in Hong Kong	1,128	–

In August 2025, the Group subscribed 5,200,000 ordinary shares in Chong Fai Jewellery Group Holdings Company Limited, a company listed on GEM of the Stock Exchange (stock code: 8537) at the consideration of approximately HK\$749,000, representing HK\$0.144 per share.

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For the year ended 31 March 2026

18. Financial Assets at Fair value through profit or loss (continued)

The Group designated the equity securities at FVTPL, unless an irrevocable FVOCI election is made at initial recognition. No such election was made by the management.

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

During the year ended 31 March 2026, special dividends of HK\$26,000 representing HK\$0.005 per ordinary share, were declared by the equity securities and received by the Group (2025: Nil).

19. Contract Assets and Contract Liabilities

	2026 HK\$'000	2025 HK\$'000
Contract assets	60,676	56,732
Less: Allowance for credit losses (Note 37(a))	(2,340)	(2,036)
Contract assets, net of loss allowance	58,336	54,696
Contract liabilities	(617)	(520)
	57,719	54,176

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:

	2026 HK\$'000	2025 HK\$'000
Transfers from contract assets recognised at the beginning of the year to trade receivables	(22,176)	(21,065)

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

	2026 HK\$'000	2025 HK\$'000
At the beginning of the year	520	705
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(445)	(705)
Increase of receipts in advance from customers	542	520
At the end of the year	617	520

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

20. Trade Receivables

	2026 HK\$'000	2025 HK\$'000
Trade receivables	11,291	13,782
Less: Allowance for credit losses (Note 37(a))	(818)	(1,733)
	10,473	12,049

Trade receivables represent receivables for contract works. Trade receivables are due within 0 to 30 days (2025: 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:

	2026 HK\$'000	2025 HK\$'000
Within 1 month	4,222	5,579
Over 1 month but less than 3 months	2,746	3,521
Over 3 months but less than 12 months	2,294	2,117
Over 12 months	1,211	832
	10,473	12,049

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

	2026 HK\$'000	2025 HK\$'000
Current	2,010	2,852
Less than 1 month past due	2,798	3,077
1 to 3 months past due	2,391	3,242
4 to 6 months past due	963	1,474
Over 6 months past due	2,311	1,404
	10,473	12,049

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

21. Prepayments, Deposits and Other Receivables

	2026 HK\$'000	2025 HK\$'000
Prepayments	1,322	2,172
Deposits and other receivables (Note (iv))	4,085	3,734
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))	1,397	361
Amounts due from joint ventures (Note (i))	126	148
Amounts due from non-controlling shareholders of subsidiaries (Note (i))	–	7
Amount due from ultimate holding company (Note (i))	27	–
Amount due from a director (Note (i))	5	2
	11,532	10,994
Less: Allowance for credit losses (Note 37(a))	(1,819)	(1,719)
	9,713	9,275
Less: Non-current deposits and prepayment (Note (iii))	(1,299)	(1,658)
Current portion	8,414	7,617

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:

Name of related parties	Maximum outstanding during the year ended 31 March		Balance as at 31 March	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
GBA Carbon Neutrality Association Limited (Note (b))	23	39	–	23
AEC Capital International Limited (Note (b))	269	246	269	246
AEC Capital Limited (Note (a))	793	69	793	69
Gold Impact Investments Limited (Note (a))	19	15	19	–
Institute of ESG Certified Professional Limited (Note (b))	12	12	12	12
New Capital Services Limited (Note (a))	304	11	304	11
			1,397	361

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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. Intensel is obligated to repay the principal and interest to the convertible note holder.

As at 31 March 2026 and 2025, 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 2026, reversal of impairment loss amounted to HK\$100,000 (2025: impairment loss of HK\$519,000) 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 2026 and 2025, the principal amount is reclassified as other receivable.

During the year ended 31 March 2026, impairment loss amounted to HK\$200,000 (2025: HK\$1,140,000) 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).

Notes to the Consolidated Financial Statements

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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)	Amount due to a director, 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 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 and 1 April 2025	19,043	7,521	-	-	114	26,678
Changes from financing cash flows:						
Proceeds from new bank loans	23,600	-	-	-	-	23,600
Repayment of bank loans	(23,600)	-	-	-	-	(23,600)
Interest paid	(700)	-	-	-	-	(700)
Principal element of lease rental paid	-	(3,211)	-	-	-	(3,211)
Interest element of lease rental paid	-	(200)	-	-	-	(200)
Advance from a director	-	-	235	-	-	235
Repayment to an associate	-	-	-	-	(18)	(18)
Total changes from financing cash flows	(700)	(3,411)	235	-	(18)	(3,894)
Other changes:						
Interest expenses (Note 7)	700	200	-	-	-	900
Addition of lease	-	2,088	-	-	-	2,088
Exchange realignment	-	93	-	-	-	93
Total other changes	700	2,381	-	-	-	3,081
At 31 March 2026	19,043	6,491	235	-	96	25,865

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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:

	2026 HK\$'000	2025 HK\$'000
Within 1 month	976	2,532
Over 1 month but within 6 months	303	354
Over 6 months	206	602
	1,485	3,488

The average credit period of trade payables is 30 days (2025: 30 days).

24. Other Payables and Accruals

	2026 HK\$'000	2025 HK\$'000
Accruals	1,278	1,674
Other payables	76	90
Advances received (Note (i))	437	428
Provision for long service payment	299	195
Amount due to a director (Note (ii))	235	–
Amounts due to an associate (Note (ii))	96	114
Amount due to a joint venture (Note (ii))	50	–
	2,471	2,501

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. The directors of the Company expected the amounts due will be settled within one year from the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

25. Bank Loans

At 31 March 2026 and 2025, 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:

	2026 HK\$'000	2025 HK\$'000
Within 1 year	12,112	12,111
Over 1 year but within 2 years	1,032	1,026
Over 2 years but within 5 years	3,275	3,269
Over 5 years	2,624	2,637
	19,043	19,043

At 31 March 2026, bank loans of the Group of HK\$7,043,000 (2025: HK\$7,043,000) 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 (2025: HK\$12,000,000) 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 2026, the Group has banking facilities, in aggregate, amounting to HK\$21,000,000 (2025: HK\$21,000,000), of which the facilities were utilised to the extent of HK\$19,043,000 (2025: HK\$19,043,000).

26. Lease Liabilities

	2026 HK\$'000	2025 HK\$'000
Lease liabilities payable:		
Within one year	2,535	2,467
Within a period of more than one year but not exceeding two years	2,568	2,201
Within a period of more than two years but not exceeding five years	1,388	2,853
	6,491	7,521
Less: Amount due for settlement with 12 months shown under current liabilities	(2,535)	(2,467)
Amount due for settlement after 12 months shown under non-current liabilities	3,956	5,054

The weighted average incremental borrowing rates applied to lease liabilities is 4.18% (2025: 4.06%).

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For the year ended 31 March 2026

27. Deferred Tax

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

	Depreciation expense in excess of related depreciation allowance	ECL on trade receivables and contract assets	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024, 31 March 2025 and 1 April 2025	147	620	767
Charged to profit or loss (Note 11)	–	(18)	(18)
31 March 2026	147	602	749

As at 31 March 2026, all unused tax losses of the Group have no expiry dates under the current tax legislation. The Group has unused tax losses arising in Hong Kong of approximately HK\$3,611,000 (2025: approximately HK\$6,138,000). The unused tax losses are subject to the approval by the Hong Kong Inland Revenue Department. As at 31 March 2026, deferred tax assets in respect of unused tax losses of approximately HK\$3,611,000 (2025: approximately HK\$6,138,000) have not been recognised due to unpredictability of future profit streams. At the end of the reporting period, the Group has deductible temporary differences of HK\$375,000 (2025: HK\$46,000) related to impairment losses on trade receivables and contract assets and depreciation allowance. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised. 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.

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28. Share Capital

	Number of ordinary shares of HK\$0.02 '000	Nominal value HK\$'000
Authorised:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	2,500,000	50,000
Issued and fully paid:		
At 1 April 2024	701,510	14,030
Shares issued upon placing (Note)	36,000	720
At 31 March 2025, 1 April 2025 and 31 March 2026	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.

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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 2026 and 2025, no shares to be issued to the grantee under the Scheme.

	Share premium	Capital reserve	Shares to be issued	Total other reserves
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	46,677	21,848	–	68,525
Ordinary shares to be issued upon vesting of share award (Note 32)	–	–	824	824
Ordinary shares issued in relation to vested share award	(24)	–	(824)	(848)
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, 1 April 2025 and 31 March 2026	47,039	21,848	–	68,887

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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 2025.

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 2026 and 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 2026 and 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 2026 and 2025, no shares award were granted to the participants.

Treasury Shares

As at 31 March 2026 and 2025, the Company held a total of 4,320,000 treasury shares, which were repurchased in September 2024 at an aggregate cost of approximately HK\$497,000. The Company intends to use these treasury shares for potential future fundraising exercises and will continue to seek investors for their sale.

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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		Principal activities and place of operation
			2026	2025	
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	RMB3,000,000	100%	100%	Provision of consultancy services in the PRC
AEC Co-Bulid Hydrogen International Limited (Formerly known as ALVex Design Consultants Limited)	Hong Kong, private limited liabilities company	HK\$10,000	100%	100%	Provision of consultancy services related to new energy development 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

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30. Interests in Subsidiaries (continued)

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		Principal activities and place of operation
			2026	2025	
Indirectly held (continued)					
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	Vietnam, private limited liabilities company	US\$85,000	100%	100%	Provision of consultancy services in Vietnam
AEC ESG Consultancy Limited (上海沛然環保科技服務有限公司) (Note (i)&(ii))	The PRC, wholly foreign owned enterprises	RMB1,000,000	100%		– Provision of consultancy services in the PRC
AEC Co-Build Hydrogen Technology (Zhengzhou) Limited (共建沛然氫能科技(鄭州)有限公司) (Note (i)&(ii))	The PRC, foreign-invested Enterprise	RMB10,000,000	51%		– Provision of consultancy services related to new energy development in the PRC

Notes:

- (i) The English name of this subsidiary established in the PRC represents management's best effort at translating the Chinese 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 2026.

31. Dividend

The Board of directors has resolved not to declare the payment of a dividend in respect of the year (2025: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

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	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)	0.086	3,200	(3,200)	–
Mr. Wu	31 August 2021	0.094	670	(670)	–
	30 December 2022 (note)	0.086	3,200	(3,200)	–
			8,070	(8,070)	–
Employees					
In aggregate	31 August 2021	0.094	954	(954)	–
			9,024	(9,024)	–

Note: 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

32. Share Award Scheme (continued)

Particulars and movements of the shares award under the Scheme (continued)

During the years ended 31 March 2026 and 2025, 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 ended 31 March 2025, the Group recognised a net expense relating to the share award scheme of approximately HK\$311,000 in the profit or loss (Note 8).

During the year ended 31 March 2025, 9,023,334 shares were vested and issued under the Scheme and transferred out of share award reserve amounting to approximately HK\$824,000. As at 31 March 2026, there are no shares to the grantee have not yet been issued under the Scheme.

33. Capital Commitments

At 31 March 2026, the Group had the following capital commitments not provided for in the consolidated financial statements:

	2026 HK\$'000	2025 HK\$'000
Contract for – in relation to the acquisition of equity instrument	445	445

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	2026 HK\$'000	2025 HK\$'000
GBA Carbon Neutrality Association Limited	Membership fee	23	45
AEC Capital Limited	Consultancy service income	300	–
	Administrative fee income	460	–
New Capital Services Limited	Administrative fee income	300	–

The compensation of key management personnel of the Group for the years ended 31 March 2026 and 2025 represented the directors' emoluments as disclosed in Note 9.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

35. Financial Instruments by Category

The carrying amounts of the Group's financial assets and liabilities recognised as at 31 March 2026 and 2025 are categorised as follows.

	2026 HK\$'000	2025 HK\$'000
Financial assets		
Financial assets at FVTPL	1,128	–
Financial assets at amortised cost		
– Trade receivables	10,473	12,049
– Deposits and other receivables	8,391	7,103
– Cash and cash equivalents	7,575	11,903
	27,567	31,055
Financial liabilities		
Financial liabilities at amortised cost		
– Trade payables	1,485	3,488
– Other payables	2,172	2,306
– Bank loans	19,043	19,043
– Lease liabilities	6,491	7,521
	29,191	32,358

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 2026				
Financial assets at FVTPL				
– Listed equity securities	1,128	–	–	1,128
	1,128	–	–	1,128

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

In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	2026 HK\$'000	2025 HK\$'000		
Listed equity securities at FVTPL	1,128	–	Level 1	Quoted bid prices in an active market

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 (2025: HK\$75,000) as at 31 March 2026 were assessed individually.

On that basis, the loss allowance for trade receivables as at 31 March 2026 and 2025 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 2026				
Current	0.1%	2,012	(2)	2,010
Less than 1 month past due	0.5%	2,808	(10)	2,798
1 to 3 months past due	2%	2,417	(26)	2,391
4 to 6 months past due	4%	981	(18)	963
Over 6 months past due	10%-100%	2,998	(687)	2,311
		11,216	(743)	10,473
Trade receivables with significant increase in credit risk	100%	75	(75)	–
		11,291	(818)	10,473

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 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

On that basis, the loss allowance for contract assets as at 31 March 2026 and 2025 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 2026	4%	60,676	(2,340)	58,336
As at 31 March 2025	4%	56,732	(2,036)	54,696

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 2024	1,649	2,115
Increase/(decrease) in loss allowance recognised in profit or loss during the year	84	(79)
At 31 March 2025 and 1 April 2025	1,733	2,036
Increase in loss allowance recognised in profit or loss during the year (Note 8)	59	304
Written off	(977)	–
Effects of foreign exchange	3	–
At 31 March 2026	818	2,340

At 31 March 2026, trade receivables amounting to approximately HK\$977,000, 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 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 2026 and 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 2026 and 2025, 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\$100,000 (2025: HK\$1,659,000) was made for the year ended 31 March 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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				Total	Total carrying amount
	On demand	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 March 2026						
Trade payables	1,485	–	–	–	1,485	1,485
Financial liabilities included in other payables	2,172	–	–	–	2,172	2,172
Bank loans	19,043	–	–	–	19,043	19,043
Lease liabilities	–	2,732	2,683	1,415	6,830	6,491
	22,700	2,732	2,683	1,415	29,530	29,191
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

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

37. Financial Risk Management Objectives and Policies (continued)

(b) Liquidity risk (continued)

	Contractual undiscounted cash outflow					Total carrying amount HK\$'000
	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Over 5 years	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
As at 31 March 2026						
Bank loans	12,504	1,211	3,632	2,718	20,065	19,043
As at 31 March 2025						
Bank loans	12,826	1,220	3,660	2,740	20,446	19,043

(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.

	2026		2025	
	Effective interest rate per annum %	HK\$'000	Effective interest rate per annum %	HK\$'000
Fixed rate borrowings:				
Lease liabilities	4.18	6,491	4.06	7,521
Variable rate borrowings/(deposits):				
Bank loans	4.25	19,043	4.26	19,043
Bank balances	0.00-0.30	(7,575)	0.00-0.30	(11,903)
Total net borrowings		17,959		14,661

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

37. Financial Risk Management Objectives and Policies (continued)

(d) Equity price risk

As at 31 March 2026, the Group is exposed to equity price changes arising from investment in equity securities classified as measured at FVTPL (see Note 18). The investment is a listed company.

For equity securities measured at FVTPL quoted in The Stock Exchange of Hong Kong Limited, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. 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.

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. For sensitivity analysis of equity securities with fair value measurement categorised within Level 1, the sensitivity rate is increased to 10% in current year as a result of the volatile financial market.

If the prices of the respective equity instruments had been 10% higher/lower, the post-tax profit for the year ended 31 March 2026 would increase/decrease by HK\$94,000 as a result of the changes in fair value of investments in listed shares at FVTPL.

(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 2026, the Group has interest-bearing bank loans amounting to HK\$19,043,000 (2025: HK\$19,043,000). The gearing ratio, representing the ratio of total borrowings to the total share capital and reserves of the Group was 29.2% (2025: 29.5%) at 31 March 2026.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

38. Financial Information of the Company

(a) Statement of financial position

	2026 HK\$'000	2025 HK\$'000
Non-current asset		
Investment in a subsidiary	78,648	78,648
Current assets		
Prepayments	215	216
Cash and cash equivalents	40	340
	255	556
Current liabilities		
Other payables and accruals	132	288
Amount due to subsidiaries	20,638	18,989
	20,770	19,277
Net current liabilities	(20,515)	(18,721)
Net assets	58,133	59,927
Capital and reserves		
Share capital	14,750	14,750
Reserves	43,383	45,177
Total equity	58,133	59,927

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 18 June 2026 and is signed on its behalf by:

KWOK May Han Grace
Executive Director

WU Dennis Pak Kit
Executive Director

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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 shares* HK\$'000 (Note 29)	Accumulated losses* HK\$'000	Total equity HK\$'000
At 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 (Note 29)	-	-	-	-	-	-	(497)	-	(497)
Issuance of shares by placing	720	2,807	-	-	-	-	-	-	3,527
Contribution from a subsidiary	-	-	-	-	-	49	-	-	49
At 31 March 2025 and 1 April 2025	14,750	47,039	-	37,607	-	-	(497)	(38,972)	59,927
Loss and total comprehensive income for the year	-	-	-	-	-	-	-	(1,794)	(1,794)
At 31 March 2026	14,750	47,039	-	37,607	-	-	(497)	(40,766)	58,133

* These accounts comprise the reserves of approximately HK\$43,383,000 (2025: approximately HK\$45,177,000) 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				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	49,660	47,583	52,017	46,741	43,138
Gross profit	22,263	17,841	23,783	16,552	18,606
Profit/(loss) before income tax	693	(9,537)	684	(3,412)	(5,369)
Profit/(loss) for the year	675	(9,551)	518	(3,313)	(5,010)
Attributable to:					
Owners of the Company	1,104	(9,578)	561	(3,288)	(4,936)
Basic earnings/(loss) per share (HK cents)	0.15	(1.34)	0.08	(0.48)	(0.72)

Consolidated Statement of Financial Position

	As at 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Assets and liabilities					
Assets					
Non-current assets	9,470	11,399	8,279	14,173	8,849
Current assets	85,926	86,265	89,841	80,121	86,404
Total assets	95,396	97,664	98,120	94,294	95,253
Liabilities					
Non-current liabilities	3,956	5,054	1,495	3,838	218
Current liabilities	26,202	28,083	26,201	20,843	21,121
Total liabilities	30,158	33,137	27,696	24,681	21,339
Net current assets	59,724	58,182	63,640	59,278	65,283
Total assets less current liabilities	69,194	69,581	71,919	73,451	74,132
Total equity attributable to owners of the Company	65,674	64,521	70,405	69,591	73,867