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OneForce Holdings Limited

元力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1933)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Revenue	376,704	293,666
Gross profit	88,272	66,947
Other income	2,195	217
Administrative and other operating expenses	49,182	33,213
Impairment losses	8,360	697
Profit attributable to shareholders	22,021	20,855
Earnings per share		
– basic and diluted (RMB cents)	4.44	4.21

- Revenue: For the year ended 31 March 2022 (the “**Year**”), OneForce Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) recorded an increase in revenue by approximately RMB83,038,000 or 28% as compared with the previous year, with growth concentrating on sale of software and solutions business, which was mainly attributable to the Group’s continuous dedications in its research and development (“**R&D**”) and market expansion, and continuous expansion on the types and scope of technical services for customers.
- Gross profit: For the Year, the gross profit of the Group increased by approximately RMB21,325,000 as compared with the previous year, and the overall gross profit margin increased from approximately 22.8% to approximately 23.4%, which was mainly attributable to the sharp increase in revenue from sale of software and solutions with higher gross profit margins, which increased by 97% year-on-year. In addition, the Group continued to strengthen management, emphasized refined and spot management of projects, and reduced operating costs.

- Profit attributable to shareholders: For the Year, the profit attributable to shareholders of the Group achieved a year-on-year increase of approximately RMB1,166,000, which was mainly attributable to the combined effect of gross profit increased by approximately RMB21,325,000, administrative expenses increased by approximately RMB15,969,000, impairment losses on trade receivables and contract assets increased by approximately RMB7,663,000, other income increased by approximately RMB1,978,000, and selling expenses decreased by approximately RMB1,720,000.

CHAIRMAN’S STATEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Group is pleased to present the annual results of the Group for the Year.

INDUSTRY AND BUSINESS REVIEW

Since 2020, the global epidemic and climate change have brought a huge impact on everyone's life. People need to adapt to a more fast-changing and complex world.

In response to the global climate change, on 22 September 2020, President Xi Jinping proposed a target for China of reaching the carbon peak by 2030 and achieving the carbon neutrality by 2060 at the 75th United Nations General Assembly. In 2021, the Central Committee of the Communist Party of China and the State Council successively issued several guiding policy documents such as the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*, and the *Action Plan for Carbon Peaking Emission Before 2030*, focusing on the building of a "1+N" policy framework for carbon peaking and carbon neutrality. The government work report published in March 2022 has also put forward the requirements of "orderly promoting carbon peak and carbon neutralization, promoting low-carbon energy transformation, improving the consumption capacity of power grid for renewable energy power generation, and accelerating the formation of green production and lifestyle".

The energy and electricity field is the main battlefield of carbon emission reduction, and as China's economy enters into the stage of high-quality development, people's demand on energy has changed from “a stable and guaranteed supply” in old days to “a safe, economic and green energy” nowadays. Digitalisation, marketisation and scenario-based means have become the main solutions to solve the energy issue in the new era.

In terms of the urban governance, when physical facilities, economic structure and living patterns cannot be easily changed, digital solutions can accelerate the urban resilience and adaptability of the city which allow residents to enjoy a happy life.

SMART ENERGY

In October 2021, the National Development and Reform Commission issued the “*Notice on Further Deepening the Market-Based Reform of On-Grid Electricity Prices for Coal-fired Power Generation*”, which on one hand, promote all the coal-fired type power generation to enter into the power market, and expand the fluctuation range of the market price of the electricity to 20%. On the other hand, it completely abolishes the tariff catalogue to promote the entering of all the industrial and commercial users into the power market. In January 2022, the National Development and Reform Commission issued the “*Guiding Opinions on Accelerating the Construction of a National Unified Electricity Market System*”, specifying that the national unified electricity market system will be preliminarily completed by 2025 and will be basically completed by 2030. The core of such electricity marketisation is to reflect the relationship between supply and demand through the prices, to form price signals, and to return to the commodity attributes of electricity.

With the marketisation of the electricity prices and the increase in the proportion of renewable energy, the electricity prices become more fluctuating, and thus the ability to digitalise has become the foundation for realising the marketisation of electricity and meeting the new demand for electricity. At the same time, the digital technology runs through the whole life cycle of energy development, production, transportation, utilisation and recycling. China is improving the foundation of the digitalised power network through a series of planning and construction, such as a strong smart grid and the power IoT.

Since its establishment, the Group has been deeply engaged in the field of smart energy. Starting from the power industry, the Group has now expanded to water, gas, heat, oil and other energy industries, providing customised services for large enterprises and industrial users in the whole chain of consultation, design, development, implementation and operation and maintenance. Through the intelligent transformation of energy enterprises, including real-time collection, quality monitoring, energy consumption analysis and other means, the overall planning, coordination and optimal allocation of energy can be achieved to help improve the digitalised power network, thus achieves the dual-carbon goal.

SMART LIFE

The power of the global third generation Internet comes from the urban Internet, and its scale will far exceed that of its predecessor mobile Internet. The speed of the development of digital economy, the wide range of radiation and strong influence are unprecedented. According to the *14th Five-Year Plan for Big Data Industry Development* issued by the Ministry of Industry and Information Technology, the average annual compound growth rate of China's big data industry will exceed 30%. By 2025, the estimated scale of big data industry will exceed RMB3 trillion, and the average annual compound growth rate will remain at about 25%. The value of data, as the fifth largest factor of production, will be further released.

The Group's Smart Life Strategy includes smart cities, smart parks/communities, and smart homes. At the urban level, the government implements the fine governance of "instant perception and data-driven" in the fields of traffic environment, city appearance, security, communication and people's livelihood. At the community and park level, managers can conduct management on property, sanitation, parking, security, public services and other matters through digital means. At the family level, the Group is committed to maximising the value of digitisation in special living services, such as bed care, remote medical care, AED first aid, intelligent interactive companionship, etc., so that residents can live at ease and convenience. With all the above improvements in technologies related to smart life, it is our Group's goal to make digitisation truly beneficial to the daily life of residents.

OUTLOOK AND PROSPECT

The concepts of low-carbon and digitalisation are opening up a new world. The Group's long-standing strategy of "Smart Energy + Smart Life" will eventually pay off. In the future, the Group will use various methods such as share options and dividends, so that every striver and every shareholder who supports and believes in the company can share the benefits of the company's development and look to the future together.

WANG Dongbin
Chairman

FINANCIAL REVIEW

Revenue

The following table sets out the breakdown of the Group's revenue by business segments during the Year:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Sale of software and solutions	81,143	41,164
Provision of technical services	239,743	202,862
Sale of products	55,818	49,640
	376,704	293,666

For the Year, the Group's revenue increased by approximately RMB83,038,000, which is mainly due to the combination of the following factors:

- (i) the increase in revenue from the sale of software and solutions by approximately RMB39,979,000, which was mainly attributable to the implementation of a number of new large-scale information construction projects of grid companies and energy enterprises during the Year;
- (ii) the increase in revenue from the provision of technical services by approximately RMB36,881,000, which was mainly attributable to the further expansion of the types and scope of technical services provided to grid companies and energy enterprise customers; and
- (iii) the increase in revenue of the sale of hardware by approximately RMB6,178,000, which was mainly attributable to the implementation of the smart energy monitoring hall construction project during the Year.

Cost of sales and gross profit margin

The following table sets out the breakdown of the Group's cost of sales and gross profit margin by business segments during the Year:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cost of sales (RMB'000)		
Sale of software and solutions	60,670	27,113
Provision of technical services	180,692	156,166
Sale of products	47,070	43,440
Total	288,432	226,719
Gross profit margin		
Sale of software and solutions	25.2%	34.1%
Provision of technical services	24.6%	23.0%
Sale of products	15.7%	12.5%
Average	23.4%	22.8%

For the Year, the year-on-year increase in cost of sales of the Group was approximately RMB61,713,000, which was driven by the growth in revenue of sales. Meanwhile, the Group's overall gross profit margin increased from approximately 22.8% to approximately 23.4%, mainly attributable to the sharp increase in revenue from the sale of software and solutions with higher gross profit margins, which increased by 97% as compared with previous year. In addition, the Group continued to strengthen management, emphasized refined and spot management of projects, and reduced operating costs.

Administrative and other operating expenses

Below sets out a breakdown of the Group's administrative and other operating expenses incurred for the Year:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Labour costs	4,828	6,336
R&D expenses	29,138	12,297
Professional services expenses	4,593	6,275
Others	10,623	8,305
	49,182	33,213

For the Year, the Group's administrative and other operating expenses increased by approximately RMB15,969,000, or 48% as compared with previous year. The increase was mainly due to:

- (i) Labour costs decreased by approximately RMB1,508,000, mainly due to the decrease in the number of management personnel and the expiration of the share based payment plan; and
- (ii) The R&D expenses increased by about RMB16,841,000. As a technology and innovation driven company, the Group has increased its investments in R&D activities. The amount of R&D expenses increased by approximately 137% as compared with previous year. As at 31 March 2022, the Group has registered a total of 25 patents and 153 software copyrights in China (31 March 2021: 25 patents and 113 software copyrights).

Intangible assets

Below sets out a breakdown of the Group's intangible assets as of 31 March 2022:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Cost	101,218	98,280
Less: Accumulated amortisation	59,638	48,213
Less: Impairment losses	22,418	22,418
Net book value	19,162	27,649

Trade and bill receivables

Below sets out a breakdown of trade and bill receivables as of 31 March 2022:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Trade receivables	305,004	219,915
Bill receivables	6,800	2,184
Total	311,804	222,099
Less: loss allowance	16,353	9,953
Net book value	295,451	212,146

As of 31 March 2022, the Group's trade and bill receivables increased by approximately RMB83,305,000, or 39% as compared with previous year, which was slightly higher than the increase in revenue. The Group's credit policy and the creditability of its customers were stable as compared with prior years. The Group will continue to strengthen the collection management, formulate the collection plan, and take various measures including timely obtaining the progress confirmation from the owner, to strengthen the collection and relieve the financial pressure.

Inventories and other contract costs

Below sets out a breakdown of inventories and other contract costs as at 31 March 2022:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Products	4	277
Software systems under development	14,470	12,231
	14,474	12,508

As at 31 March 2022, the Group's inventories and contract costs increased by approximately RMB1,966,000, or 16% as compared with previous year. This was mainly due to the increase in the Group's business volume during the Year and the increase in the number of projects prepared in the early stage.

R&D expenditure

Below sets out a breakdown of the Group's capitalised/R&D expenditure charged to profit or loss accounts incurred for the Year:

	For the year ended 31 March 2022 RMB'000	For the year ended 31 March 2021 RMB'000
Capitalised	-	4,069
Charged to profit or loss accounts	29,138	12,297
	29,138	16,366

As a technology and innovation driven company, the Group has increased its investments in R&D activities. The amount of R&D expenditure increased by approximately 78% as compared with previous year. As at 31 March 2022, the Group has registered a total of 25 patents and 153 software copyrights in China (31 March 2021: 25 patents and 113 software copyrights).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022

(Expressed in Renminbi (“RMB”))

	Note	2022 RMB'000	2021 RMB'000
Revenue	4	376,704	293,666
Cost of sales		<u>(288,432)</u>	<u>(226,719)</u>
Gross profit	4(b)	88,272	66,947
Other income	5	2,195	217
Selling expenses		(5,503)	(7,223)
Administrative and other operating expenses		(49,182)	(33,213)
Impairment losses on trade receivables and contract assets	6(b)	<u>(8,360)</u>	<u>(697)</u>
Profit from operations		27,422	26,031
Finance costs		(1,787)	(637)
Share of profits of an associate		<u>179</u>	<u>13</u>
Profit before taxation	6	25,814	25,407
Income tax	7	<u>(3,793)</u>	<u>(4,552)</u>
Profit for the year attributable to equity shareholders of the Company		<u>22,021</u>	<u>20,855</u>
Earnings per share			
Basic/diluted (RMB cents)	10	<u>4.44</u>	<u>4.21</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2022

(Expressed in RMB)

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>22,021</u>	<u>20,855</u>
Other comprehensive income for the year (after tax)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
- Exchange differences on translation into presentation currency	<u>(487)</u>	<u>(1,276)</u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u>21,534</u>	<u>19,579</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

(Expressed in RMB)

	Note	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	11	7,696	9,624
Intangible assets	12	19,162	27,649
Interest in an associate	14	3,598	3,419
Deferred tax assets		1,558	193
		32,014	40,885
		32,014	40,885
Current assets			
Inventories and other contract costs	15	14,474	12,508
Contract assets	16	48,053	39,601
Trade and bill receivables	17	295,451	212,146
Prepayments, deposits and other receivables	18	6,059	26,850
Cash at bank and on hand	19	37,924	31,703
		401,961	322,808
		401,961	322,808
Current liabilities			
Trade payables	20	95,227	67,516
Other payables and accruals	21	37,490	36,909
Bank loans	22	47,520	31,267
Income tax payable		18,628	13,142
		198,865	148,834
		198,865	148,834
Net current assets			
		203,096	173,974
Total assets less current liabilities			
		235,110	214,859
Non-current liabilities			
Lease liabilities		-	496
Deferred tax liabilities		-	860
		-	1,356
		-	1,356
Net assets			
		235,110	213,503
Capital and reserves			
Share capital		4,130	4,130
Reserves		230,980	209,373
		235,110	213,503
Total equity			
		235,110	213,503

NOTES TO THE FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS

(Expressed in RMB unless otherwise indicated)

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 5 July 2016 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 March 2018 (the "**Listing Date**"). The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the design, implementation, enhancement and upgrades of software systems and the provision of technical services for power grid and distribution companies in the People's Republic of China (the "**PRC**") and the sale of products and the investment, construction and operation of smart city infrastructure in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting year of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting year reflected in the financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the Year comprise the Group and the Group's interest in an associate.

During the year ended 31 March 2022, the Group recorded a net operating cash outflow of RMB14,234,000 (31 March 2021: RMB17,851,000). However, at 31 March 2022, the Group's current assets exceeded its current liabilities by RMB203,096,000. The directors of the Company have considered the Group's available sources of fund including the forecasted cash flows of the Group and the available banking facilities and concluded that the Group will have sufficient financial resources for its operations for at least 12 months from the end of the reporting period. As such, the financial statements have been prepared on a going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities;

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

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest Rate Benchmark Reform-phase 2*
- Amendments to IFRS 16, *Covid-19-Related Rent Concessions beyond 30 June 2021*
- Annual Improvements to IFRSs 2018-2020 Cycle
- Amendments to IFRS 3, *Reference to the Conceptual Framework*
- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to IAS 37, *Onerous Contracts — Cost of Fulfilling a Contract*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. ACCOUNTING JUDGEMENT AND ESTIMATES

Sources of estimation uncertainty

In the process of applying the Group's accounting policies, management has made the following accounting judgements.

(a) Service contracts

Revenue recognition on an uncompleted service project is dependent on estimating the total outcome of the service contract, as well as the work done to date. Based on the Group's recent experience and the nature of the service activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the amounts due from customers for contract work as disclosed in Note 16 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting year, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(b) Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimated could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

(c) Provision for inventories

Inventories are stated at the lower of cost or net realisable value. Management estimates the net realisable value based on the current market condition and historical experience of similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group's net asset value. The Group reviews the carrying amounts of the inventories at each reporting period end date to determine whether the inventories are carried at the lower of cost and net realizable value.

(d) Impairment of property, plant and equipment, and intangible assets

If circumstances indicate that the carrying amount of property, plant and equipment, and intangible asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of property, plant and equipment, and intangible assets. These assets are tested for impairment periodically or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable.

When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future years.

(e) Income tax

The Group calculates current taxation based on the taxable income for the year using tax rates enacted or substantively enacted at the end of the reporting year, and after taking into consideration whether the Group has satisfied the conditions as stipulated in the tax rules and regulations which may result in the Group be able to enjoy certain preferential tax rates and tax allowable deductions. Such preferential tax rates and tax allowable deductions are subject to the approvals by the relevant tax authorities in the following fiscal year. Actual current taxation maybe higher or lower than estimated at the end of the reporting year.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the design, implementation, enhancement and upgrades of software and solutions and the provision of technical services for power grid and distribution companies in the PRC and the sale of products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

i. Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of IFRS 15 by major service lines is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Sale of software and solutions	81,143	41,164
Provision of technical services	239,743	202,862
Sale of products	55,818	49,640
	<u>376,704</u>	<u>293,666</u>

Revenue from customers with whom transactions have exceeded 10% of the Group's revenue are set out below.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Customer A	152,999	124,807
Customer B	65,865	less than 10%
Customer C	57,807	35,145
Customer D	40,559	60,584

ii. Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts for revenue from sale of software and solutions, provision of technical services and sale of products such that the financial information does not include information about revenue, that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts had an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Sale of software and solutions: this segment engages in the design, implementation, enhancement and upgrades of software systems for power grid and distribution companies.

- Provision of technical services: this segment engages in the provision of maintenance services on the software systems sold.
- Sale of products: this segment sells software systems related hardware and spare parts.

i. Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. In addition to receiving segment information concerning gross profit, management is provided with segment information concerning inter segment sales. Inter-segment sales are priced with reference to prices charged to external parties for similar orders. The Group's other income and expense items, such as other income, selling expenses, administrative and other operating expenses, and assets and liabilities, including the sharing of technical know-how, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2022 and 2021 is set out below.

	2022			Total RMB'000
	Sale of software and solutions RMB'000	Provision of technical services RMB'000	Sale of products RMB'000	
Disaggregated by timing of revenue recognition				
- Over time	81,143	239,743	-	320,886
- Point in time	-	-	55,818	55,818
Revenue from external customers and reportable segment revenue	81,143	239,743	55,818	376,704
Reportable segment gross profit	20,473	59,051	8,748	88,272
	2021			
	Sale of software and solutions RMB'000	Provision of technical services RMB'000	Sale of products RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition				
- Over time	41,164	202,862	-	244,026
- Point in time	-	-	49,640	49,640
Revenue from external customers and reportable segment revenue	41,164	202,862	49,640	293,666
Reportable segment gross profit	14,051	46,696	6,200	66,947

ii. *Reconciliations of reportable segment results to consolidated profit before taxation*

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Segment results	88,272	66,947
Other income	2,195	217
Financial costs	(1,787)	(637)
Selling expenses	(5,503)	(7,223)
Administrative and other operating expenses	(49,182)	(33,213)
Impairment loss on trade receivables and contract assets	(8,360)	(697)
Share of profits of an associate	179	13
Consolidated profit before taxation	<u>25,814</u>	<u>25,407</u>

iii. *Geographic information*

All of the Group's operations are carried out and the Group's customers are located in the PRC. The Group's non-current assets, including property, plant and equipment and intangible assets are all located or allocated to operations located in the PRC.

5. OTHER INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Refund of value added tax ("VAT") (<i>Note (i)</i>)	1,917	-
Gains on changes in fair value of wealth management products (<i>Note 18(iii)</i>)	120	125
Others	158	92
	<u>2,195</u>	<u>217</u>

Note:

- (i) Pursuant to the tax rules and regulations in the PRC, entities engage in the sale of self-developed software in the PRC and pay VAT at a rate of 13% entitled to a VAT refund to the extent of the VAT payable in excess of 3% of the self-developed software sold.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) **Staff costs[#]**

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Salaries, wages and other benefits	35,924	26,619
Contributions to defined contribution retirement scheme	2,823	280
Equity-settled share-based payment expenses	15	78
	<u>38,762</u>	<u>26,977</u>

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in a defined contribution retirement benefit scheme managed by the local government authority, whereby these subsidiaries are required to contribute to the scheme at a rate of 16% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement scheme at their normal retirement age.

Pursuant to RenShebufa [2020] No.11 and No.49 Notice on the periodic reduction and exemption of corporate social insurance premiums (关于阶段性减免企业社会保险费的通知) from February 2020 to December 2020, the subsidiaries of the Group as middle size company defined by *Classified statistics of large, medium, small and micro enterprises (2017) issued by National Bureau of Statistics* was entitled to an exemption of contributions to defined contribution retirement plan during the year.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(b) Other items

	2022	2021
	RMB'000	RMB'000
Depreciation and amortisation [#] (Notes 11 and 12)	13,475	15,126
Impairment loss on trade receivables and contract assets (Note 16, Note 17 and Note 18)	8,360	697
Operating lease charges in respect of office premises	2,675	1,514
Auditors' remuneration:		
– Statutory audit services	2,885	2,830
Research and development costs (other than amortisation)	29,138	12,297
Outsourced labour cost [#]	191,839	149,602
Cost of inventories sold [#] (Note 15)	287,484	225,631

[#] Cost of inventories sold include RMB229,600,000 (2021: RMB178,078,000) relating to staff costs, outsourced labour cost, and depreciation and amortisation, respectively, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(a) for each of these types of expenses.

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represent:

	2022	2021
	RMB'000	RMB'000
Current tax - PRC Corporate		
Income Tax		
- Provision for the period	5,904	4,755
- Under provision in respect of prior years	114	71
Deferred Tax		
- Origination and reversal of temporary differences	(2,225)	(274)
	3,793	4,552

(b) **Reconciliation between tax expense and accounting profit at applicable tax rates:**

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit before taxation	<u>25,814</u>	<u>25,407</u>
Expected tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned (<i>Notes (i), (ii) and (iii)</i>)	6,700	6,785
Tax effect of non-deductible expenses	409	1,024
Tax effect of non-taxable income	(45)	(3)
– Share of profits of an associate	(45)	(3)
Tax effect on bonus deduction of research and development costs (<i>Note (iv)</i>)	(4,023)	(2,904)
Effect of tax losses not recognised	2,046	1,824
Tax concessions (<i>Notes (v)</i>)	<u>(1,294)</u>	<u>(2,174)</u>
Actual tax expense	<u>3,793</u>	<u>4,552</u>

Notes:

- (i) The two-tiered profits tax rates regime of the subsidiaries of the Group incorporated in Hong Kong is applicable from the year of assessment 2019/20 onwards. The profits tax rate for the first Hong Kong Dollars (“**HK\$**”) 2,000,000 of profits of corporations will be lowered to 8.25%, and profits above that amount will continue to be subject to the tax rate of 16.5%.
- (ii) The Company and the subsidiaries of the Group incorporated outside of the PRC are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (iii) The subsidiaries of the Group established in Mainland China are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 March 2022 (2021: 25%).
- (iv) According to the relevant tax rules in the PRC, qualified research and development costs, are allowed for bonus deduction for income tax purpose, i.e., an additional 75% of such expenditures is deemed to be deductible expenses.
- (v) The subsidiaries of the Group established in the PRC, Along Grid (北京愛朗格瑞科技有限公司) and Aipu Zhicheng (北京艾普智城網絡科技有限公司), have obtained an approval from the State Taxation Administration to be taxed as enterprises with advanced and new technologies, and therefore enjoy a preferential PRC Corporate Income Tax rate of 15% for the period from 15 October 2019 to 14 October 2022.

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2022				
	Directors' fees	Salaries, allowances and benefits in-kind	Retirement scheme contributions	Share-based payments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive Directors					
Mr Wang Dongbin	292	481	53	-	826
Mr Wu Hongyuan	97	700	53	-	850
Mr Li Kangying	292	450	-	-	742
Mr Wu Zhanjiang	97	642	53	-	792
Independent non-executive Directors					
Mr Ng Kong Fat	97	-	-	5	102
Mr Han Bin	97	-	-	5	102
Mr Wang Peng	97	-	-	5	102
	1,069	2,273	159	15	3,516
	2021				
	Directors' fees	Salaries, allowances and benefits in-kind	Retirement scheme contributions	Share-based payments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive Directors					
Mr Wang Dongbin	316	444	44	-	804
Mr Wu Hongyuan	105	712	13	-	830
Mr Li Kangying	316	-	-	-	316
Mr Wu Zhanjiang	105	600	13	-	718
Independent non-executive Directors					
Mr Ng Kong Fat	105	-	-	26	131
Mr Han Bin	105	-	-	26	131
Mr Wang Peng	105	-	-	26	131
	1,157	1,756	70	78	3,061

No emoluments were paid by the Group to the Directors during the years as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any remuneration during the year.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2021: two) are Directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	2022	2021
	RMB'000	RMB'000
Salaries and other emoluments	2,509	2,194
Discretionary bonuses	-	486
Retirement scheme contributions	156	30
	<u>2,665</u>	<u>2,710</u>

The emoluments of the individuals who are not Directors and who are amongst the five highest paid individuals of the Group are within the following band:

	2022	2021
Hong Kong dollars (“HKD”) Nil to HKD1,000,000	1	2
Hong Kong dollars (“HKD”) HKD1,000,001 to HKD1,500,000	2	1

No emoluments were paid by the Group to these individuals during the years as an inducement to join or upon joining the Group or as compensation for loss of office.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of RMB22,021,000 (2021: RMB20,855,000) and the weighted average of 495,415,177 ordinary shares (2021: 495,415,177 shares) in issue during the year ended 31 March 2022.

The weighted average number of ordinary shares is calculated as follows:

	2022	2021
Number of shares in issue at 1 April	503,927,177	505,211,177
Effect of shares repurchased	<u>(8,512,000)</u>	<u>(9,796,000)</u>
Weighted average number of shares in issue	<u>495,415,177</u>	<u>495,415,177</u>

(b) Diluted earnings per share

No diluted earnings per share for the year ended 31 March 2022 was presented as there were no potential ordinary shares in existence during this year.

11. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles, office equipment and other equipment <i>RMB'000</i>	Leasehold improvement <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:				
At 1 April 2020	2,404	25,139	451	27,994
Additions	459	-	1,504	1,963
Disposals	(885)	-	(451)	(1,336)
At 31 March 2021	1,978	25,139	1,504	28,621
Additions	128	-	-	128
Disposals	(186)	-	-	(186)
At 31 March 2022	1,920	25,139	1,504	28,563
Less: Accumulated depreciation:				
At 1 April 2020	1,616	2,867	111	4,594
Charge for the year	381	1,028	454	1,863
Written back on disposals	(869)	-	(209)	(1,078)
At 31 March 2021	1,128	3,895	356	5,379
Charge for the year	397	1,028	625	2,050
Written back on disposals	(180)	-	-	(180)
At 31 March 2022	1,345	4,923	981	7,249
Less: Impairment loss:				
At 1 April 2020, 31 March 2021 and 2022	-	13,618	-	13,618
Net book value:				
At 31 March 2022	575	6,598	523	7,696
At 31 March 2021	850	7,626	1,148	9,624

The leasehold improvement mainly represents that one of the Group's subsidiaries has entered into an agreement with the Committee on Economy and Informatisation of Mentougou District to obtain the right of use of light poles for 10 years. The subsidiary renovated the poles to provide smart city infrastructure service.

For the year ended 31 March 2022, management has performed an impairment assessment of the Cash Generating Units ("CGU") of leasehold improvement based on the prevailing circumstances and determined the recoverable amount of the CGU of leasehold improvement by using discounted cash flow techniques. No further impairment was recognised in 2022 (2021: Nil).

12. INTANGIBLE ASSETS

	Software and patents RMB'000
Cost:	
At 1 April 2020	94,211
Additions	4,069
	<hr/>
At 31 March 2021	98,280
Additions	2,938
	<hr/>
At 31 March 2022	<u>101,218</u>
Less: Accumulated amortisation:	
At 1 April 2020	34,950
Charge for the year	13,263
	<hr/>
At 31 March 2021	48,213
Charge for the year	11,425
	<hr/>
At 31 March 2022	<u>59,638</u>
Less: Impairment losses:	
At 1 April 2020, 31 March 2021 and 2022	<u>22,418</u>
Net book value:	
At 31 March 2022	<u>19,162</u>
At 31 March 2021	<u>27,649</u>

Management has performed an impairment assessment of intangible assets based on the prevailing circumstances, and determined the recoverable amount of the intangible assets by using discounted cash flow techniques. No further impairment was recognised in 2022 (2021: Nil).

The amortisation charges are included in “cost of sales” in the consolidated statements of profit or loss.

13. INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of subsidiaries	Place and date of establishment/ incorporation	Particulars of registered/ issued and paid-up capital	Proportion of ownership interest			Principal activities
			The Group's effective interest	Held by the Company	Held by a subsidiary	
Along Grid (北京愛朗格瑞科技有限公司) (Note (i))	The PRC 25 May 2011	RMB126,136,174	100%	-	100%	Design, implementation, enhancement and upgrades of software systems and the provision of technical services and the sale of products
First Magic International Limited (“First Magic”)	The British Virgin Islands 9 June 2015	1 share of US\$1 each	100%	100%	-	Investment holding
Citimax Development Limited (“Citimax Development”)	Hong Kong 26 January 2016	1 share	100%	-	100%	Investment holding
Aipu Zhicheng (北京艾普智城網絡科技有限公司) (Note (ii))	The PRC 27 December 2013	RMB81,050,000	100%	-	100%	Investment, construction and operation of smart city infrastructure
Great Progress International Limited (“Great Progress”)	The British Virgin Islands 23 October 2018	1 share of US\$1 each	100%	100%	-	Investment holding
Main Smart (H.K.) Limited (“Main Smart”)	Hong Kong 13 April 2016	1 share	100%	-	100%	Investment holding
Mingan Zhicheng (北京明安智城科技有限公司) (Note (i))	The PRC 26 November 2018	HKD20,000,000	100%	-	100%	Investment holding
Mingan Wulian (北京明安物聯科技有限公司) (Note (i))	The PRC 5 December 2018	RMB20,202,000	100%	-	100%	Investment holding

Note: (i) The official name of these entities is in Chinese. The English name is for identification purpose only. These entities were registered as a wholly foreign-owned enterprise in the PRC.

(ii) The official name of these entities is in Chinese. The English name is for identification purpose only. This entity was registered as domestic enterprise in the PRC.

14. INTEREST IN AN ASSOCIATE

The following is the particulars of the associate, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Form of business structure	Place of establishment and business	Particulars of paid-up capital	The Group's effective interest	Principal activities
北京北控智科能源互聯網有限公司 (Beijing Beikong Zhike Energy Internet Company Limited#)	Limited Liability Company	PRC	RMB16,400,020	36.59%	Development of smart city and energy internet

English translation for identification only.

Summarised information of the associate:

	2022 RMB'000	2021 RMB'000
Amounts of associate in the consolidated financial statements		
Gains from continuing operations	<u>489</u>	<u>35</u>
Total comprehensive income	<u>489</u>	<u>35</u>

15. INVENTORIES AND CONTRACT COSTS

	2022 RMB'000	2021 RMB'000
Products	4	277
Software systems under development	<u>14,470</u>	<u>12,231</u>
	<u>14,474</u>	<u>12,508</u>

The analysis of the amounts of inventories recognised as expenses as follows:

	2022 RMB'000	2021 RMB'000
Cost of inventories sold	287,484	225,631
Write-down of inventories	<u>658</u>	<u>137</u>
	<u>288,142</u>	<u>225,768</u>

16. CONTRACT ASSETS

	2022 RMB'000	2021 RMB'000
Arising from performance under contracts with customers	48,910	40,331
Less: loss allowance	<u>857</u>	<u>730</u>
	<u>48,053</u>	<u>39,601</u>

The amount of contract assets that is expected to be recovered after more than one year is RMB4,969,000 at 31 March 2022 (31 March 2021: RMB4,957,000), all of which relates to retentions. All of the other contracts assets are expected to be recovered within one year.

17. TRADE AND BILL RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	305,004	219,915
Bill receivables (<i>Note</i>)	6,800	2,184
	<u>311,804</u>	<u>222,099</u>
Less: loss allowance	16,353	9,953
	<u>295,451</u>	<u>212,146</u>

Note: As at 31 March 2022, bill receivables of RMB6,761,000 have been pledged to banks to secure bank borrowings to the Group.

(a) Ageing analysis

The ageing analysis of trade and bill receivables, based on the invoice date and net of allowance, of the Group is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Less than 1 year	272,653	191,564
1 to 2 years	17,057	15,995
2 to 3 years	5,741	4,587
Over 3 years	-	-
	<u>295,451</u>	<u>212,146</u>

The Group generally requires customers to settle progress billings and retention receivables in accordance with contracted terms. Credit terms of 90 days may be granted to certain customers for progress billings.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Amounts due from related parties (<i>Note (i)</i>)	38	1,538
Amounts due from third parties (<i>Note (ii)</i>)	-	6,206
Prepayment for technical service fee	1,394	1,827
Staff advances and other deposits	4,535	4,994
VAT refundable	-	811
Prepayment for miscellaneous expenses	1,050	460
Wealth management products (<i>Note (iii)</i>)	-	9,125
Others	875	1,889
	<u>7,892</u>	<u>26,850</u>
Less: loss allowance	1,833	-
	<u>6,059</u>	<u>26,850</u>

All of other trade and other receivables are expected to be recovered or recognised as expense within one year.

Note:

- (i) As at 31 March 2022, the loan granted to Beijing Beikong Zhike Energy Internet Company Limited has been repaid in March 2022.
- (ii) As at 31 March 2022, the loan principal has been repaid in April 2021.
- (iii) As at 31 March 2022, the wealth management product has been redeemed.

19. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cash at bank and on hand	37,924	31,703
Less: restricted cash	9,327	9,980
Cash and cash equivalents	<u>28,597</u>	<u>21,723</u>

The Group's operations in the PRC (excluding Hong Kong) are conducted in RMB. RMB is not a freely convertible currency and the remittance of RMB out of the PRC (excluding Hong Kong) is subject to the relevant rules and regulations of the foreign exchange controls promulgated by the PRC government.

Restricted cash includes nil as at 31 March 2022 (31 March 2021: RMB260,000) of cash deposits pledged to banks for the performance guarantee in relation to certain sales contracts, and RMB9,327,000 (31 March 2021: RMB9,720,000) of bank balance which has been pledged for the loan from the bank.

20. TRADE PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables to related parties	2,728	-
Trade payables to third parties	<u>92,499</u>	<u>67,516</u>
	<u>95,227</u>	<u>67,516</u>

All of the trade payables are expected to be settled within one year or are repayable on demand.

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Less than 1 year	71,831	64,232
1 to 2 years	21,388	2,636
2 to 3 years	1,361	136
Over 3 years	<u>647</u>	<u>512</u>
	<u>95,227</u>	<u>67,516</u>

21. OTHER PAYABLES AND ACCRUALS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Amounts due to related parties	9,559	9,559
Amounts due to a third party	854	6,926
Other taxes payables	15,102	9,615
Payables for staff related costs	6,347	3,745
Lease liability (within 1 year)	615	646
Others	<u>5,013</u>	<u>6,418</u>
	<u>37,490</u>	<u>36,909</u>

Note: As at 31 March 2022, amounts due to a third party are unsecured, interest-free and repayable within one year.

22. BANK LOANS

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Short-term bank loans, secured (<i>Note (i)</i>)	44,705	28,500
Short-term bank loans, unsecured	2,815	2,767
	47,520	31,267

Notes:

- (i) As at 31 March 2022, the secured short-term bank loans comprises the following:
- The bank loan of RMB5,000,000 is jointly guaranteed by the executive Directors, a founder and Beijing Haidian Sci-tech Enterprises Financing Guarantee Co., Ltd;
 - The bank loan of RMB2,300,000 is jointly guaranteed by the executive Director and Director's spouse and Beijing Cultural Technology Financing Guarantee Co., Ltd;
 - The bank loan of RMB3,500,000 is jointly guaranteed by the executive Directors, a founder and Beijing Yizhuang International Financing Guarantee Co., Ltd;
 - The bank loan of RMB7,000,000 is guaranteed by the executive Directors;
 - The bank loan of RMB15,000,000 is guaranteed by Beijing Shouchuang Financing Guarantee Co., Ltd, the executive Directors and a Director's spouse;
 - The bank loan of RMB2,905,000 is pledged by bank acceptance bills; and
 - The bank loan of RMB9,000,000 is pledged by the cash deposits of the Company (see Note 19).
- (ii) All short-term loans are repayable within one year.

23. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 5 February 2018 whereby the Directors are authorised, at their discretion, to grant eligible participants option to subscribe for the shares of the Company. On 30 July 2018, the Company offered to grant share options to certain eligible persons (including executive Directors and independent non-executive Directors of the Company) to subscribe for a total of 26,700,000 shares of the Company. For the share options granted, 20% vested on 30 June 2019, another 30% vested on 30 June 2020, and the remaining 50% vested on 30 June 2021, subject to the vesting condition.

No options were exercised during the year ended 31 March 2022.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting periods	Contractual life of options
Options granted to directors:			
– on 30 July 2018	1,140,000	11 months from the date of grant	41 months
– on 30 July 2018	1,710,000	23 months from the date of grant	41 months
– on 30 July 2018	2,850,000	35 months from the date of grant	41 months
Options granted to employees and advisers to the Group:			
– on 30 July 2018	4,200,000	11 months from the date of grant	41 months
– on 30 July 2018	6,300,000	23 months from the date of grant	41 months
– on 30 July 2018	<u>10,500,000</u>	35 months from the date of grant	41 months
Total share options granted	<u>26,700,000</u>		

Except for share options granted to advisors and independent non-executive Directors of the Group, vesting of share options are subject to financial performance of the Group for the years ended 31 March 2021 and 2022, unless the board of Directors of the Company waives such condition. At 31 March 2022, as the vesting conditions in respect of financial performance have not been met and the board of Directors of the Company had no intention to waive such condition, the share options mentioned above which vested on 30 June 2020 and on 30 June 2021 were considered forfeitures. The share options mentioned above have expired on 31 December 2021, and no options were exercised.

(b) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Black-Scholes model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes model.

Fair value of share options and assumptions

Fair value at measurement date	HKD 0.28
Exercise price	HKD 0.80
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	44.90%
Option life (expressed as weighted average life used in the modelling under Black-Scholes model)	3.42
Risk-free interest rate (based on Exchange Fund Notes)	1.94%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times throughout the Year as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal controls systems, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

Throughout the Year, the Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE OF FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. In response to specific enquiries made, all Directors confirmed that they have complied with the Model Code in their securities transactions throughout the Year.

ANNUAL GENERAL MEETING

The Annual General Meeting (the "**AGM**") of the Company will be held on Friday, 16 September 2022. Shareholders of the Company should refer to the details regarding the AGM in the circular to be despatched by the Company and the notice of meeting and form of proxy accompanying therewith.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2021: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Saturday, 10 September 2022 to Friday, 16 September 2022, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 9 September 2022 (Hong Kong time), being the last registration date.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees were approximately 417 as at 31 March 2022 (31 March 2021: approximately 111). The Group's employee benefit expenses mainly included salaries, overtime payment and discretionary bonus, share options, other staff benefits and contributions to retirement schemes. For the Year, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately RMB38.7 million (2021: approximately RMB30.4 million).

Remuneration is determined with reference to the qualification, experience and work performance, whereas the payment of discretionary bonus is generally subject to work performance, the financial performance of the Group in that particular year and general market conditions.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with such requirements. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all applicable laws and regulations in the PRC and Hong Kong in all material respects during the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. It delivers quality products and services to its customers by managing its businesses prudently, while executing management decisions with due care and attention. The Group demonstrates a strong sense of corporate social responsibility and believes such a commitment helps strengthen its relationship with the community. Operating as a sound corporate citizen through sponsorship and supporting social-responsible projects at company level, the Group is committed to bringing positive impact to the general welfare of the community.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Company and audited by the independent auditor of the Company, KPMG, a Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance. The unqualified independent auditor's report will be included in the Annual Report to shareholders.

The figures set out in the preliminary announcement of the Group's results in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes for the Year have been compared by the Company's auditor, KPMG, a Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance, to the amounts set out in the Group's audited consolidated financial statements for the Year. The auditor of the Company, KPMG, found that the figures set out in the Group's preliminary annual results in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes for the Year contained in this announcement are in agreement with the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor for this announcement.

EVENTS AFTER REPORTING PERIOD

Other than as disclosed elsewhere in this announcement, from 1 April 2022 to the date of this announcement, no significant events occurred after the Year that may affect the Group.

IMPACTS OF COVID-19 PANDEMIC

The Covid-19 pandemic since early 2020 continues to bring uncertainties to the Group's operating environment and may impact the Group's operations and financial position. Despite of the easing of the Covid-19 pandemic in Mainland China, the Group continues to closely monitor the possible impact from the Covid-19 pandemic has on the Group's business and keep contingency measures in place and under review in the case where the Covid-19 pandemic rebounds. These contingency measures included but not limited to assessing the situation and adhered to the principles of reducing costs and enhancing operational efficiency and improving the Group's cash management by expediting debtor settlements and negotiating with suppliers on payment extensions.

The exact timing of the cessation of the Covid-19 pandemic is still uncertain. Nonetheless, the Directors of the Company are optimistic that the Covid-19 pandemic will eventually be under full control.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company at <http://www.oneforce.com.hk> and the Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The 2022 annual report of the Company will be despatched to the Company's shareholders in due course and will also be available at the websites above.

APPRECIATION

The Board would like to present its great appreciation to the management and employees of the Group who have contributed to the development and growth of the Group and are working towards achieving the Group's visions. Heartfelt gratitude is also expressed to all of the business partners, customers, suppliers of the Group and the Shareholders. With their kind support and trust, the Board is confident that it will lead the Group to another milestone.

By order of the Board
OneForce Holdings Limited
WANG Dong Bin
Chairman

Beijing, PRC, 20 June 2022

** For identification purpose only*

As at the date of this announcement, the Board of the Company comprises Mr. Wang Dongbin, Mr. Wu Zhanjiang, Mr. Wu Hongyuan and Mr. Li Kangying as the executive Directors, and Mr. Ng Kong Fat, Mr. Han Bin and Mr. Wang Peng as the independent non-executive Directors.