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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 2024

FINANCIAL HIGHLIGHTS

	For the year ended 31 March 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Revenue	490,552	449,861
Gross profit	77,078	94,879
Other income	2,173	6,092
Administrative and other operating expenses	48,498	49,584
Impairment losses	11,894	9,493
Profit attributable to shareholders	8,357	32,570
Earnings per share – basic and diluted (RMB cents)	1.69	6.57

- Revenue: For the year ended 31 March 2024 (the “**Year**”), OneForce Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) recorded an increase in revenue by approximately RMB40,691,000 or 9.0% as compared with the previous year, the growth is mainly due to the increase in the sale of software and solutions segment.
- Gross profit: For the Year, the gross profit of the Group decreased by approximately RMB17,801,000 or 18.8% as compared with the previous year, and the overall gross profit margin fell from approximately 21.1% to approximately 15.7%, mainly due to (i) the Group hiring more personnel for technical support during business expansion, resulting in an increase in outsourced labor costs; and (ii) as market competition intensified, the Group adjusted its pricing for new projects to acquire long-term customers.
- Profit attributable to shareholders: For the Year, the profit attributable to shareholders of the Group decreased by approximately RMB24,213,000, which is mainly due to (i) decrease in gross profit by approximately RMB17,801,000; (ii) increase in impairment losses on trade receivables, contract assets and other receivables by approximately RMB2,401,000; (iii) increase in financial costs by approximately RMB1,240,000; and (iv) decrease in other income by approximately RMB3,919,000.

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

In 2023, China’s economy suffered, and the weak economic recovery brought many challenges to business development. The Group complies with national policy requirements and industry development trends, adheres to high-quality development, stabilizes the foundation, deepens achievements, and achieves stable operation and sustainable development.

China is the world's largest energy producer and consumer, and ensuring power supply and consuming new energy are the main challenges facing China in the energy sector. Through long-term infrastructure construction, China has basically solved the problem of insufficient power supply capacity. In 2023, the total electricity consumption of China reached approximately 9.2 trillion kwh, a year-on-year increase of approximately 6.7%. At the same time, the green and low-carbon transformation has been greatly promoted, with clean energy such as hydropower, nuclear power, wind power, and solar power generating approximately 3190.6 billion kwh, an increase of approximately 7.8% compared to the previous year. The power energy industry is undergoing a profound transformation, and the continuous integration of power energy and digital technology will significantly improve energy efficiency and bring about huge business opportunities.

SMART ENERGY

In 2023, the National Development and Reform Commission and other departments issued the *Basic Rules of the Electricity Spot Market (Trial) and the Notice on Further Accelerating the Construction of the Electricity Spot Market*. The process of electricity marketization is constantly accelerating. In 2023, various power trading centers across the country have organized and completed a total of approximately 5.67 trillion kwh of market trading electricity, a year-on-year increase of approximately 7.9%, accounting for approximately 61.4% of the total social electricity consumption.

On the other hand, at the end of 2023, the number of new energy vehicles in China reached approximately 20.4 million, accounting for approximately 4.7% of the total number of vehicles. With the increase in the proportion of integrated renewable energy in the power system and the electrification of energy consumption, the number of devices connected to the power grid has also increased exponentially.

With the marketization of electricity prices and the increase in the proportion of renewable energy, the fluctuation of electricity prices is gradually increasing, and the personalized demand for energy services is constantly emerging. The digital construction of the power energy field continues to innovate and upgrade in the production, scheduling, measurement, marketing, big data and other systems on the grid side. Digital capabilities have become the foundation for achieving market-oriented reforms and meeting new electricity scenarios and demands.

Smart energy is the cornerstone business of the Group. Since its establishment, the Group has been actively involved in the field of smart energy. Starting from the power industry, it will be expanded to water, gas, heat, oil and other energy industries, providing customized digital transformation services for large enterprises and industry users through the entire chain of consultation, design, development, implementation, and operation. We will further promote the deep integration of digital technology and the real economy, empower traditional industries to undergo digital and intelligent transformation and upgrading, and seize new opportunities for a new round of technological revolution and industrial transformation.

SMART LIFE

The *14th Five Year Plan for the Development of Digital Economy* issued by the State Council clearly states that by 2025, the added value of core industries in the digital economy will account for approximately 10% of the gross domestic product. It is expected to establish a modern market system for the digital economy by 2035, and the level of digital economy development will be among the top in the world. The intensive release of national strategic planning indicates that the new generation of information technology industry will continue to develop towards "digital industrialization and industrial digitization".

Bringing smart life with digital technology is the second curve that the Group has embarked on. By accumulating relevant experience, technology, and talent reserves in the field of information technology in the energy industry, the Group entered the field of smart city in 2013. Applying digitalization to daily life, in situations where physical facilities, economic structure, and lifestyle patterns cannot be easily changed, digital solutions can accelerate urban resilience and adaptability, allowing residents to enjoy a happy life.

OUTLOOK AND PROSPECT

The 2024 Government Work Report proposed to enhance technological innovation capabilities, accelerate the formation of new quality productive forces, and accelerate the construction of a beautiful China. The guidance of national policies will promote the further expansion of the energy and technology industry, providing historic development opportunities for the business development of the Group.

In the future, the Group will seize important industrial opportunities such as new energy development and new power system construction, continue to expand the scale of energy digital business, build a richer energy Internet service scene, create new value, share new value, promote green development and build a beautiful China through platform data accumulation and AI technology application.

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 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Sale of software and solutions	177,061	94,018
Provision of technical services	280,587	290,120
Sale of products	32,904	65,723
	490,552	449,861

For the Year, the Group's revenue increased by approximately RMB40,691,000, 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 RMB83,043,000, which was mainly attributable to (i) the increase in demand from power grid companies for maintenance and upgrading of their power information systems and supporting hardware; and (ii) the implementation of a number of large-scale information construction projects of power grid companies and energy enterprises during the Year;
- (ii) revenue from provision of technical services decreased slightly by approximately RMB9,533,000. The Group continued to provide technical maintenance services to grid companies and energy enterprise in the Year; and
- (iii) the decrease in revenue of the sale of products by approximately RMB32,819,000, which was mainly due to the fact that the Group completed some sales contracts of the ubiquitous power internet of things (IoT) in the previous 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 2024	For the year ended 31 March 2023
Cost of sales (RMB'000)		
Sale of software and solutions	143,203	69,861
Provision of technical services	241,271	227,915
Sale of products	29,000	57,206
Total	413,474	354,982
Gross profit margin		
Sale of software and solutions	19.1%	25.7%
Provision of technical services	14.0%	21.4%
Sale of products	11.9%	13.0%
Average	15.7%	21.1%

For the Year, the year-on-year increase in cost of sales of the Group was approximately RMB58,492,000, which was driven by the growth in revenue of sales. Meanwhile, overall gross profit margin fell from approximately 21.1% to approximately 15.7%, mainly due to (i) the Group hiring more personnel for technical support during business expansion, resulting in an increase in outsourced labor costs; and (ii) as market competition intensified, the Group adjusted its pricing for new projects to acquire long-term customers.

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 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Labour costs	6,035	6,508
R&D expenses	24,510	29,912
Professional services expenses	4,898	4,151
Others	13,055	9,013
	48,498	49,584

For the Year, the Group's administrative and other operating expenses decreased by approximately RMB1,086,000, or approximately 2.2% as compared with the previous year. The decrease was mainly due to:

- (i) R&D expenses decreased by approximately RMB5,402,000, mainly due to the improvement of R&D efficiency, shortening of R&D hours, and saving of R&D costs by the Group; and
- (ii) Other expenses increased by approximately RMB4,042,000, mainly due to: (i) the increase in technical services fees by approximately RMB1,325,000, mainly attributed to the increase in the number of administrative outsourced employees, and (ii) the increase in office expenses by approximately RMB1,010,000.

Trade and bills receivables

Below sets out a breakdown of trade and bills receivables as of 31 March 2024:

	For the year ended 31 March 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Trade receivables	484,264	406,239
Bills receivables	453	583
Total	484,717	406,822
Less: loss allowance	36,985	25,029
Net book value	447,732	381,793

As at 31 March 2024, the Group's net book value of trade and bills receivables increased by approximately RMB65,939,000, or approximately 17.3% as compared with previous year. The Group's credit policy and the creditability of its customers had no material change compared to previous years. The Group will continue to improve its collection management system, formulate better collection plan, and take various measures including obtaining the progress confirmation from the owner in a timely manner, to strengthen the collection of trade and bills receivables.

Inventories and contract costs

Below sets out a breakdown of inventories and contract costs as at 31 March 2024:

	For the year ended 31 March 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Software systems under development	58,704	19,425

As at 31 March 2024, the Group's inventories and contract costs increased by approximately RMB39,279,000. This was mainly due to the increase in the number and scale of large-scale informatisation construction projects under development by the Group at the end of the Year compared with the previous year.

R&D expenditure

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

	For the year ended 31 March 2024 RMB'000	For the year ended 31 March 2023 RMB'000
Charged to profit or loss accounts	<u>24,510</u>	<u>29,912</u>

The Group's R&D expenditure decreased by approximately 18.1% as compared with the previous year. As at 31 March 2024, the Group had cumulatively registered a total of 25 patents and 185 software copyrights in China (31 March 2023: 25 patents and 172 software copyrights).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

(Expressed in Renminbi (“RMB”))

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	490,552	449,861
Cost of sales		<u>(413,474)</u>	<u>(354,982)</u>
Gross profit	4(b)	77,078	94,879
Other income	5	2,173	6,092
Selling expenses		(6,600)	(5,323)
Administrative and other operating expenses		(48,498)	(49,584)
Impairment losses on trade receivables, contract assets and other receivables	6(b)	<u>(11,894)</u>	<u>(9,493)</u>
Profit from operations		12,259	36,571
Finance costs		(3,832)	(2,592)
Share of profits of an associate		<u>9</u>	<u>36</u>
Profit before taxation	6	8,436	34,015
Income tax	7	<u>(79)</u>	<u>(1,445)</u>
Profit for the year attributable to equity shareholders of the Company		<u>8,357</u>	<u>32,570</u>
Earnings per share			
Basic/diluted (RMB cents)	10	<u>1.69</u>	<u>6.57</u>

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

For the year ended 31 March 2024

(Expressed in RMB)

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>8,357</u>	<u>32,570</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>264</u>	<u>787</u>
Total comprehensive income for the year attributable to equity shareholders of the Company	<u>8,621</u>	<u>33,357</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

(Expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	11	6,226	7,899
Intangible assets	12	3,335	8,835
Interest in an associate	14	3,643	3,634
Deferred tax assets		5,566	3,368
Restricted cash	19	10,000	-
		<u>28,770</u>	<u>23,736</u>
Current assets			
Inventories and other contract costs	15	58,704	19,425
Contract assets	16	49,199	61,004
Trade and bills receivables	17	447,732	381,793
Prepayments, deposits and other receivables	18	9,209	17,656
Cash at bank and on hand	19	62,891	55,517
		<u>627,735</u>	<u>535,395</u>
Current liabilities			
Trade payables	20	151,932	136,682
Other payables and accruals	21	59,111	58,095
Bank loans	22	132,455	70,631
Income tax payable		23,939	21,579
		<u>367,437</u>	<u>286,987</u>
Net current assets		<u>260,298</u>	<u>248,408</u>
Total assets less current liabilities		<u>289,068</u>	<u>272,144</u>
Non-current liabilities			
Non-current liabilities		2,060	-
Bank loans	22	9,920	3,000
Lease liabilities		-	677
		<u>11,980</u>	<u>3,677</u>
Net assets		<u>277,088</u>	<u>268,467</u>
Capital and reserves			
Share capital		4,130	4,130
Reserves		272,958	264,337
Total equity		<u>277,088</u>	<u>268,467</u>

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

(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

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and the requirements of the Hong Kong Companies Ordinance. These 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 IFRS Accounting Standards 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 these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2024 comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies in relation to investments in debt and equity securities;

During the year ended 31 March 2024, the Group recorded a net operating cash outflow of RMB48,279,000 (2023: inflow RMB3,901,000). At the same time, the Group is committed to incur non-operating cash outflows of RMB135,183,000 within one year, being (i) repayment of bank loans of RMB132,455,000; and (ii) payment of interest of RMB2,728,000. As at 31 March 2024, the Group's current assets exceeded its current liabilities by RMB260,298,000 (31 March 2023: RMB248,408,000). Considering that the Group has maintained long-term strong business relationship with its major banks to get their continuing support and currently most of the bank loans were guaranteed by shareholders of the Group, the Directors are of the opinion that renewal is likely to be obtained during the twelve months ending 31 March 2024. Based on the cash flow forecast, the directors of the Company are of the opinion 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 preparation of financial statements in conformity with IFRS Accounting Standards 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 IFRS Accounting Standards 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 new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The adoption of Amendments to IAS 1 requires entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

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 realisable 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 upgrade 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sale of software and solutions	177,061	94,018
Provision of technical services	280,587	290,120
Sale of products	32,904	65,723
	<u>490,552</u>	<u>449,861</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	161,954	175,866
Customer B	96,366	104,363
Customer C	89,703	69,040

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:

- Software and solutions: this segment engages in the design, implementation, enhancement and upgrades of software systems for power grid and distribution companies.
- Technical services: this segment engages in the provision of maintenance services and outsourcing services on the software systems sold.
- 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 2024 and 2023 is set out below.

	2024			
	Sale of software and solutions <i>RMB'000</i>	Provision of technical services <i>RMB'000</i>	Sale of products <i>RMB'000</i>	Total <i>RMB'000</i>
Disaggregated by timing of revenue recognition				
- Over time	177,061	280,587	-	457,648
- Point in time	-	-	32,904	32,904
Revenue from external customers and reportable segment revenue	<u>177,061</u>	<u>280,587</u>	<u>32,904</u>	<u>490,552</u>
Reportable segment gross profit	<u>33,858</u>	<u>39,316</u>	<u>3,904</u>	<u>77,078</u>
	2023			
	Sale of software and solutions <i>RMB'000</i>	Provision of technical services <i>RMB'000</i>	Sale of products <i>RMB'000</i>	Total <i>RMB'000</i>
Disaggregated by timing of revenue recognition				
- Over time	94,018	290,120	-	384,138
- Point in time	-	-	65,723	65,723
Revenue from external customers and reportable segment revenue	<u>94,018</u>	<u>290,120</u>	<u>65,723</u>	<u>449,861</u>
Reportable segment gross profit	<u>24,157</u>	<u>62,205</u>	<u>8,517</u>	<u>94,879</u>

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

	2024	2023
	RMB'000	RMB'000
Segment results	77,078	94,879
Other income	2,173	6,092
Selling expenses	(6,600)	(5,323)
Administrative and other operating expenses	(48,498)	(49,584)
Impairment losses on trade receivables, contract assets and other receivables	(11,894)	(9,493)
Finance costs	(3,832)	(2,592)
Share of profits of an associate	9	36
Consolidated profit before taxation	8,436	34,015

iii. *Geographic information*

All 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

	2024	2023
	RMB'000	RMB'000
Additional deduction of VAT (<i>Note (i)</i>)	985	4,228
Refund of VAT (<i>Note (ii)</i>)	962	1,220
Others	226	644
	2,173	6,092

Note:

- (i) According to the announcement issued by the relevant government and tax authorities (Announcement [2019] No.39 of Ministry of Finance, State Taxation Administration, and General Administration of Customs), entities engage in production and living services, including software service, are entitled to a 10% additional deduction of VAT input to offset the tax payable from 1 April 2019 to 31 December 2021. And according to Announcement [2011] No.11 of Ministry of Finance and State Taxation Administration, the implementation for the above 10% additional deduction policy is extended to 31 December 2023. At the same time, according to Announcement [2023] No.1 of Ministry of Finance and State Taxation Administration, from 1 January 2023 to 31 December 2023, the deduction rate of input VAT is 5%.

The subsidiaries of the Group established in Mainland China have made a one-time declaration for the 10% and 5% additional deduction of the relevant input VAT occurred during the current year.

- (ii) 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[#]

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, wages and other benefits	92,910	97,765
Contributions to defined contribution retirement scheme	6,935	6,325
	99,845	104,090

The employees of the subsidiaries of the Group established in the PRC 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 14%-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, from the above-mentioned retirement scheme at their normal retirement age.

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

(b) Other items

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation and amortisation [#] (Notes 11 and 12)	7,530	12,268
Impairment loss on trade receivables, contract assets and other receivables (Note 16, Note 17 and Note 18)	11,894	9,493
Operating lease charges in respect of office premises	2,433	1,124
Auditors' remuneration:		
– Audit services	2,940	2,940
Research and development costs (other than amortisation)	24,510	29,912
Outsourced labour cost [#]	346,409	193,771
Cost of inventories sold [#] (Note 15)	412,283	354,132

[#] Cost of inventories sold include RMB378,630,000 (2023: RMB278,344,000) 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax - PRC Corporate		
Income Tax		
- Provision for the year	2,277	3,390
- Over provision in respect of prior years	-	(135)
Deferred Tax		
- Origination and reversal of temporary differences	<u>(2,198)</u>	<u>(1,810)</u>
	<u>79</u>	<u>1,445</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before taxation	<u>8,436</u>	<u>34,015</u>
Expected tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned (<i>Notes (i), (ii) and (iii)</i>)	2,413	8,796
Tax effect of non-deductible expenses	371	569
Tax effect of non-taxable income	(2)	(9)
– Share of profits of an associate	(2)	(9)
Tax effect on bonus deduction of research and development costs (<i>Note (iv)</i>)	(5,044)	(4,964)
Effect of tax losses not recognised	2,483	951
Effect of using the deductible losses for which no deferred tax asset was recognised in previous years	-	(1,770)
Tax concessions (<i>Note (v)</i>)	<u>(142)</u>	<u>(2,128)</u>
Actual tax expense	<u>79</u>	<u>1,445</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 Hong Kong and 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 the PRC are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 March 2024 (2023: 25%).
- (iv) According to the relevant tax rules in the PRC, qualified research and development expenditures, are allowed for bonus deduction for income tax purpose, i.e. an additional 100% 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 tax bureau 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 18 October 2022 to 17 October 2025.

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:

	2024			
	Directors' fees	Salaries, allowances and benefits in-kind	Retirement scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive Directors				
Mr Wang Dongbin	326	470	58	854
Mr Wu Hongyuan	109	736	64	909
Mr Li Kangying	326	450	-	776
Mr Wu Zhanjiang	109	670	58	837
Independent non-executive Directors				
Mr Ng Kong Fat	109	-	-	109
Mr Han Bin	109	-	-	109
Mr Wang Peng	109	-	-	109
	1,197	2,326	180	3,703
2023				
	Directors' fees	Salaries, allowances and benefits in-kind	Retirement scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive Directors				
Mr Wang Dongbin	315	467	57	839
Mr Wu Hongyuan	105	720	59	884
Mr Li Kangying	315	450	-	765
Mr Wu Zhanjiang	105	661	57	823
Independent non-executive Directors				
Mr Ng Kong Fat	105	-	-	105
Mr Han Bin	105	-	-	105
Mr Wang Peng	105	-	-	105
	1,155	2,298	173	3,626

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, one (2023: two) is a Director whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	2024	2023
	RMB'000	RMB'000
Salaries and other emoluments	3,535	2,437
Retirement scheme contributions	256	176
	<u>3,791</u>	<u>2,613</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:

	2024	2023
Hong Kong dollars (“HKD”) Nil to HKD1,000,000	3	3
Hong Kong dollars (“HKD”) HKD1,000,001 to HKD1,500,000	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 RMB8,357,000 (2023: RMB32,570,000) and the weighted average of 495,415,177 ordinary shares (2023: 495,415,177 ordinary shares) in issue during the year ended 31 March 2024.

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

	2024	2023
Number of shares in issue at 1 April	503,927,177	503,927,177
Effect of shares repurchased	(8,512,000)	(8,512,000)
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 2024 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 2022	1,920	25,139	1,504	28,563
Additions	146	-	1,998	2,144
Disposals	-	-	(742)	(742)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	2,066	25,139	2,760	29,965
Additions	357	-	-	357
Disposals	-	-	(763)	(763)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	<u>2,423</u>	<u>25,139</u>	<u>1,997</u>	<u>29,559</u>
Less: Accumulated depreciation:				
At 1 April 2022	1,345	4,923	981	7,249
Charge for the year	291	1,028	622	1,941
Written back on disposals	-	-	(742)	(742)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	1,636	5,951	861	8,448
Charge for the year	237	1,028	765	2,030
Written back on disposals	-	-	(763)	(763)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	<u>1,873</u>	<u>6,979</u>	<u>863</u>	<u>9,715</u>
Less: Impairment loss:				
At 1 April 2022, 31 March 2023 and 2024	<u>-</u>	<u>13,618</u>	<u>-</u>	<u>13,618</u>
Net book value:				
At 31 March 2024	<u>550</u>	<u>4,542</u>	<u>1,134</u>	<u>6,226</u>
At 31 March 2023	<u>430</u>	<u>5,570</u>	<u>1,899</u>	<u>7,899</u>

The leasehold improvement mainly represents that one of the Group's subsidiaries has entered into an agreement with Bureau of Economy and Information 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.

12. INTANGIBLE ASSETS

	Software and patents RMB'000
Cost:	
At 1 April 2022	101,218
Additions	-
	<hr/>
At 31 March 2023	101,218
Additions	-
	<hr/>
At 31 March 2024	<u>101,218</u>
Less: Accumulated amortisation:	
At 1 April 2022	59,638
Charge for the year	10,327
	<hr/>
At 31 March 2023	69,965
Charge for the year	5,500
	<hr/>
At 31 March 2024	<u>75,465</u>
Less: Impairment losses:	
At 1 April 2022, 31 March 2023 and 2024	<u>22,418</u>
Net book value:	
At 31 March 2024	<u>3,335</u>
At 31 March 2023	<u>8,835</u>

As at 31 March 2024, intangible assets with a cost of RMB797,000 (2023: RMB797,000) have been pledged to Beijing Haidian Sci-tech Enterprises Financing Guarantee for bank borrowings to the Group.

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 issued/registered 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:

	2024 人民幣千元	2023 人民幣千元
Gross amounts of the associates		
Current assets	8,414	7,922
Non-current assets	2,939	4,371
Current liabilities	3,011	3,976
Equity	8,342	8,317
Revenue	3,980	3,311
Profit from continuing operations	25	129
Total comprehensive income	25	129
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	8,342	8,317
Group's effective interest	36.59%	36.59%
Group's share of net assets of the associate	3,052	3,043
Others	591	591
Carrying amount in the consolidated financial statements	<u>3,643</u>	<u>3,634</u>

15. INVENTORIES AND CONTRACT COSTS

	2024 RMB'000	2023 RMB'000
Software systems under development	58,704	19,425
	<u>58,704</u>	<u>19,425</u>

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

	2024 RMB'000	2023 RMB'000
Cost of inventories sold	412,283	354,132
Write-down of inventories	-	-
	<u>412,283</u>	<u>354,132</u>

16. CONTRACT ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Arising from performance under contracts with customers	49,833	62,038
Less: loss allowance	<u>634</u>	<u>1,034</u>
	<u>49,199</u>	<u>61,004</u>

The amount of contract assets that is expected to be recovered after more than one year is RMB617,800 at 31 March 2024 (31 March 2023: RMB2,165,000), all of which relates to retentions. All of the other contracts assets are expected to be recovered within one year.

17. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	484,264	406,239
Bills receivables	<u>453</u>	<u>583</u>
	484,717	406,822
Less: loss allowance	<u>36,985</u>	<u>25,029</u>
	<u>447,732</u>	<u>381,793</u>

(a) Ageing analysis

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	361,805	356,576
1 to 2 years	71,257	21,533
2 to 3 years	14,670	3,684
Over 3 years	<u>-</u>	<u>-</u>
	<u>447,732</u>	<u>381,793</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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Amounts due from related parties	38	38
Prepayment for technical service fee	4,548	13,651
Staff advances and other deposits	4,392	4,442
Prepayment for miscellaneous expenses	1,896	1,199
Others	1,146	799
	<u>12,020</u>	<u>20,129</u>
Less: loss allowance	2,811	2,473
	<u>9,209</u>	<u>17,656</u>

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

19. CASH AND CASH EQUIVALENTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cash at bank and on hand	72,891	55,517
Less: restricted cash	10,000	-
Cash and cash equivalents	<u>62,891</u>	<u>55,517</u>

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

As at 31 March 2024, RMB10,000,000 (31 March 2023: nil) of certificate of deposits which has been pledged to Shanghai Pudong Development Bank Co., Ltd. Beijing Huizhong Sub branch for bank borrowings to the Group.

20. TRADE PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables to related parties	6,850	4,066
Trade payables to third parties	<u>145,082</u>	<u>132,616</u>
	<u>151,932</u>	<u>136,682</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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 year	104,982	114,885
1 to 2 years	36,866	11,102
2 to 3 years	8,264	9,333
Over 3 years	<u>1,820</u>	<u>1,362</u>
	<u>151,932</u>	<u>136,682</u>

21. OTHER PAYABLES AND ACCRUALS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Amounts due to related parties	9,569	9,559
Amounts due to a third party	599	599
Other taxes payables	25,830	23,311
Payables for staff related costs	14,743	15,093
Lease liabilities (within 1 year)	675	1,229
Others	<u>7,695</u>	<u>8,304</u>
	<u>59,111</u>	<u>58,095</u>

Note: As at 31 March 2024, amounts due to a third party are unsecured, interest-free and repayable within one year.

22. BANK LOANS

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 year or on demand		
- Short-term bank loans, secured (<i>Note (i)</i>)	132,455	68,500
- Short-term bank loans, unsecured	-	2,131
After 1 year but within 2 years		
- Long-term bank loans, secured (<i>Note (ii)</i>)	9,920	3,000
	142,375	73,631

Notes:

- (i) As at 31 March 2024, the secured short-term bank loans comprises the following:
- The bank loan of RMB5,000,000 is jointly guaranteed by the executive Directors and director's spouse and Beijing Haidian Sci-tech Enterprises Financing Guarantee Co., Ltd.;
 - The bank loan of RMB10,000,000 is guaranteed by the executive director and Beijing Yizhuang International Financing Guarantee Co., Ltd.;
 - The bank loan of RMB18,000,000 is guaranteed by the executive directors;
 - The bank loan of RMB11,255,000 is guaranteed by the executive director;
 - The bank loan of RMB41,000,000 is guaranteed by the executive directors and director's spouse;
 - The bank loan RMB38,000,000 is guaranteed by the executive directors and Beijing Shouchuang Financing Guarantee Co., Ltd.;
 - The bank loan of RMB9,200,000 is guaranteed by deposit receipt.
- (ii) As at 31 March 2024, the bank loan RMB9,920,000 is guaranteed by the executive director.

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

During 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 C1 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 C3 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 Monday, 16 September 2024. 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 (2023: 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 Wednesday, 11 September 2024 to Monday, 16 September 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 10 September 2024 (Hong Kong time), being the last registration date.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees were 517 as at 31 March 2024 (31 March 2023: 538). 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 RMB99.8 million (2023: approximately RMB104.1 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 Accounting and Financial Reporting Council. 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, 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 2024 to the date of this announcement, no significant events occurred after the Year that may affect the Group.

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 2024 annual report of the Company will be despatched to the Company's shareholders in due course as required 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 Dongbin
Chairman

Beijing, PRC, 26 June 2024

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.