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i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1402)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of i-Control Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000 (Restated)
Continuing operations			
Revenue	4	122,223	121,876
Cost of sales		(81,422)	(78,237)
Staff cost		(33,549)	(34,294)
Depreciation		(3,167)	(3,133)
Other income and net gain (loss)	4	643	(692)
Impairment losses on trade receivables and contract assets		–	(716)
Impairment loss on loan to an investee		(6,933)	(752)
Other operating expenses		(9,173)	(7,774)
Finance costs	6	(710)	(988)
Loss before taxation from continuing operations		(12,088)	(4,710)
Income tax (expenses) credit	7	(106)	23
Loss for the year from continuing operations	8	(12,194)	(4,687)
Discontinued operation	9		
Loss for the year from discontinued operation, net of taxation		(6,620)	(9,641)
Loss for the year		(18,814)	(14,328)

	2025 HK\$'000	2024 HK\$'000 (Restated)
Other comprehensive (expenses) income		
Item that will not be reclassified subsequently to profit or loss:		
Net change in fair value of financial asset at fair value through other comprehensive income ("FVTOCI")	(6,634)	(7,076)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	1,079	(619)
	(5,555)	(7,695)
Total comprehensive expenses for the year	<u>(24,369)</u>	<u>(22,023)</u>
Loss for the year attributable to owners of the Company:		
– from continuing operations	(12,193)	(4,686)
– from discontinued operation	(6,126)	(8,196)
	<u>(18,319)</u>	<u>(12,882)</u>
Loss for the year attributable to non-controlling interests:		
– from continuing operations	(1)	(1)
– from discontinued operation	(494)	(1,445)
	<u>(495)</u>	<u>(1,446)</u>
	<u>(18,814)</u>	<u>(14,328)</u>
Other comprehensive (expenses) income for the year attributable to owners of the Company:		
– from continuing operations	(6,618)	(7,144)
– from discontinued operation	901	(485)
	<u>(5,717)</u>	<u>(7,629)</u>
Other comprehensive (expenses) income for the year attributable to non-controlling interest:		
– from continuing operations	–	(1)
– from discontinued operation	162	(65)
	<u>162</u>	<u>(66)</u>
	<u>(5,555)</u>	<u>(7,695)</u>

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000 (Restated)
Total comprehensive expenses for the year attributable to owners of the Company:			
– from continuing operations		(18,811)	(11,830)
– from discontinued operation		(5,225)	(8,681)
		(24,036)	(20,511)
Total comprehensive expenses for the year attributable to non-controlling interest:			
– from continuing operations		(1)	(2)
– from discontinued operation		(332)	(1,510)
		(333)	(1,512)
		(24,369)	(22,023)
Loss per share			
From continuing and discontinued operations			
Basic and diluted	10	HK (1.74) cents	HK (1.23) cents
From continuing operations			
Basic and diluted	10	HK (1.16) cents	HK (0.45) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property and equipment		74,603	78,916
Intangible assets		–	6,562
Financial assets at FVTOCI	<i>12</i>	–	6,634
Deferred tax assets		980	955
		75,583	93,067
Current assets			
Inventories		3,315	9,960
Trade receivables and contract assets	<i>13</i>	20,330	39,496
Prepayments, deposits and other receivables		2,830	4,099
Loan to an investee	<i>12</i>	–	6,801
Tax recoverables		606	905
Bank balances and cash		48,829	35,819
		75,910	97,080
Current liabilities			
Trade payables	<i>14</i>	9,212	12,237
Other payables and accruals		13,096	19,892
Lease liabilities		–	602
Bank borrowings	<i>15</i>	10,239	14,335
		32,547	47,066
Net current assets		43,363	50,014
Total assets less current liabilities		118,946	143,081
Non-current liabilities			
Deferred tax liabilities		1,736	1,616
Lease liabilities		–	691
		1,736	2,307
Net assets		117,210	140,774
Capital and reserves			
Share capital	<i>16</i>	10,505	10,505
Reserves		106,705	130,729
Total equity attributable to equity shareholders of the Company		117,210	141,234
Non-controlling interests		–	(460)
Total equity		117,210	140,774

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2025

	Attributable to the equity shareholders of the Company											
	Share capital	Shares held under share award scheme	Share premium	Merger reserve	Employee share-based compensation reserve	Translation reserve	Statutory surplus reserve	Investment revaluation reserve	Retained profits	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	10,505	(3)	24,669	10,817	799	(1,089)	208	(1,952)	97,280	141,234	(460)	140,774
Loss for the year	-	-	-	-	-	-	-	-	(18,319)	(18,319)	(495)	(18,814)
Other comprehensive expenses for the year:												
Net change in fair value of financial asset at FVTOCI	-	-	-	-	-	-	-	(6,634)	-	(6,634)	-	(6,634)
Exchange differences arising on translating foreign operations	-	-	-	-	-	917	-	-	-	917	162	1,079
Total comprehensive expenses for the year	-	-	-	-	-	917	-	(6,634)	(18,319)	(24,036)	(333)	(24,369)
Equity-settled share-based payment transactions (note 17)	-	3	-	-	9	-	-	-	-	12	-	12
Lapse of share options (note 17)	-	-	-	-	(808)	-	-	-	808	-	-	-
Deregistration of subsidiaries	-	-	-	-	-	9	-	-	(9)	-	(135)	(135)
Disposal of subsidiaries (note 18)	-	-	-	-	-	-	(208)	8,586	(8,378)	-	928	928
At 31 March 2025	10,505	-	24,669	10,817	-	(163)	-	-	71,382	117,210	-	117,210
At 1 April 2023	10,505	(43)	42,528	10,817	678	(536)	208	5,124	110,162	179,443	1,052	180,495
Loss for the year	-	-	-	-	-	-	-	-	(12,882)	(12,882)	(1,446)	(14,328)
Other comprehensive expenses for the year:												
Net change in fair value of financial asset at FVTOCI	-	-	-	-	-	-	-	(7,076)	-	(7,076)	-	(7,076)
Exchange differences arising on translating foreign operations	-	-	-	-	-	(553)	-	-	-	(553)	(66)	(619)
Total comprehensive expenses for the year	-	-	-	-	-	(553)	-	(7,076)	(12,882)	(20,511)	(1,512)	(22,023)
Equity-settled share-based payment transactions (note 17)	-	40	-	-	121	-	-	-	-	161	-	161
2023 special dividend paid (note 11)	-	-	(12,606)	-	-	-	-	-	-	(12,606)	-	(12,606)
2023 final dividend paid (note 11)	-	-	(5,253)	-	-	-	-	-	-	(5,253)	-	(5,253)
At 31 March 2024	10,505	(3)	24,669	10,817	799	(1,089)	208	(1,952)	97,280	141,234	(460)	140,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 21 August 2014 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered office of the Company is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its headquarters and principal place of business in Hong Kong is Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The Company's shares ("**Shares**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). During the year ended on 31 March 2025, the immediate holding company was changed from Phoenix Time Holdings Limited, incorporated in the British Virgin Islands (the "**BVI**"), to Luxurious Bay Capital Limited, incorporated in the BVI. The ultimate holding companies were changed from Phoenix Time Holdings Limited to Knight Sky Holdings Limited and Newmark Group Limited, both incorporated in the BVI. The ultimate controlling parties were changed from Mr. Zhong Naixiong to Mr. Cheng Kai Ming Charles and Dr. Wong King Keung.

The Company is engaged in investment holding while its principal subsidiaries are principally engaged in provision of video conferencing and multimedia audiovisual ("**VCMA**") solution and maintenance services. An operating segment regarding the provision of cloud-based Information Technology and Operational Technology ("**IT+OT**") managed services was discontinued during the year ended 31 March 2025, details of which are further described in note 9.

In accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the financial results of this segment for the years ended 31 March 2025 and 2024 were presented as a loss for discontinued operation in the Group's consolidated statement of profit or loss. Certain comparative amounts of the provision of cloud-based IT+OT managed services segment have been restated to conform with current year presentation.

Items included in the financial statements of each of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollars (the "**HK\$**" or "**HKD**"), which is the Company's functional and presentation currency. Other than the subsidiaries established in the People's Republic of China (the "**PRC**") and Singapore whose functional currency is Renminbi ("**RMB**") and Singapore dollar respectively, the functional currency of the Company and other subsidiaries is HK\$.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning on 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

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

⁴ Effective for annual periods beginning on or after a date to be determined

The Directors anticipate that except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values, at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. REVENUE AND OTHER INCOME AND NET GAIN (LOSS)

Revenue represents the amounts received and receivable for services rendered in the normal course of business, net of discounts and sales related taxes. Analysis of the Group's revenue and other income and net gain (loss) is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations:		
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service line		
– VCMA solution services	104,866	104,613
– VCMA maintenance services	17,357	17,263
	<u>122,223</u>	<u>121,876</u>

Disaggregation of revenue by timing of recognition

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations:		
Timing of revenue recognition		
At a point in time	104,866	104,613
Over time	17,357	17,263
	<u>122,223</u>	<u>121,876</u>
Total revenue from contracts with customers	<u>122,223</u>	<u>121,876</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations:		
Other income and net gain (loss)		
Net exchange gain (loss)	355	(740)
Bank interest income	288	48
	<u>643</u>	<u>(692)</u>

5. SEGMENT INFORMATION

During the year ended 31 March 2025, an operating segment regarding the provision of cloud-based IT+OT managed services was classified as discontinued operation, which are described in more details in note 9. Since then, the Directors consider that there is only one operating and reportable business segment for the Group, being the provision of video conferencing and multimedia audiovisual solutions, and maintenance services. This operating segment is reported in a manner consistent with the information reported to the Board, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

(a) Geographical information

The Group's operations are located in Hong Kong (place of domicile), the PRC and Singapore. The Group's customers are mainly located in Hong Kong, the PRC and Macau.

An analysis of the Group's revenue from external customers under continuing operations is presented based on the location of customers as below:

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000 (Restated)
Hong Kong (place of domicile)	120,783	118,622
The PRC	341	1,272
Macau	705	1,842
Singapore	394	140
	<u>122,223</u>	<u>121,876</u>

The Group's information about its non-current assets, other than those related to discontinued operation, is presented based on location of the assets as below:

	Non-current assets	
	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	<u>74,603</u>	<u>77,577</u>

Note: Non-current assets excluded deferred tax assets and financial assets at FVTOCI.

(b) Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
Customer A	16,268	N/A ¹

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2024.

6. FINANCE COSTS

	2025 HK\$'000	2024 <i>HK\$'000</i> (Restated)
Continuing operations:		
Interest expenses on bank borrowings	710	988

7. INCOME TAX EXPENSES (CREDIT)

	2025 HK\$'000	2024 <i>HK\$'000</i> (Restated)
Continuing operations:		
Hong Kong Profits Tax:		
– Current year	11	160
– Under provision in prior year	–	18
	11	178
Deferred taxation	95	(201)
Total income tax expenses (credit) for the year	106	(23)

8. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2025 HK\$'000	2024 HK\$'000 (Restated)
Continuing operations		
Loss for the year has been arrived at after charging:		
Directors' emoluments	5,574	6,074
Salaries (excluding Directors' emoluments)	26,804	27,043
Retirement benefit scheme contributions (excluding Directors' emoluments)	1,171	1,177
	<u>33,549</u>	<u>34,294</u>
Total staff costs		
Cost of inventories sold including system development cost and installation cost	81,422	78,237
Depreciation for property and equipment	3,167	3,133
Auditor's remuneration	800	780
Impairment losses on trade receivables and contract assets	–	716
Impairment loss on loan to an investee	6,933	752
Impairment loss on other receivable	701	–

9. DISCONTINUED OPERATION

In August 2024, the Company entered into a sale and purchase agreement to dispose of (the “**Disposal**”) the entire shareholding in its subsidiaries, Perfect Mark Investments Limited (“**Perfect Mark**”) and Top Luck Development Limited (“**Top Luck**”) (collectively referred as the “**Disposal Companies**”) and the receivables in the aggregate amount of approximately HK\$36.2 million due by the Disposal Companies to the Group (other than the Disposal Companies and their subsidiaries) (the “**Sale Loan**”) at the consideration of HK\$100,000 to Amber Strong International Limited, an independent third party. The Disposal was completed on 30 August 2024. Details are further set out in the Company's announcement dated 30 August 2024.

Perfect Mark is an investment holding company and its subsidiary is engaged in provision of cloud-based IT+OT managed services.

Following the completion of the Disposal, the Group discontinued all its operation in the provision of cloud-based IT+OT managed services. The loss for the period/year from the discontinued operation and the results of the discontinued operation for the year ended 31 March 2025, which had been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2025 HK\$'000	2024 HK\$'000
Loss for the period/year from discontinued operation	(3,288)	(9,641)
Loss on disposal of subsidiaries (<i>note 18</i>)	(3,332)	–
	<u>(6,620)</u>	<u>(9,641)</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	236	8,305
Cost of sales	(127)	(5,836)
Staff cost	(2,531)	(6,240)
Depreciation and amortisation	(789)	(1,845)
Impairment losses on intangible assets	–	(3,155)
Other income	76	15
Other operating expenses	(143)	(836)
Finance costs	(10)	(49)
	<hr/>	<hr/>
Loss before taxation	(3,288)	(9,641)
Income tax expense	–	–
	<hr/>	<hr/>
Loss for the period/year from discontinued operation	<u>(3,288)</u>	<u>(9,641)</u>

Loss for the period/year from discontinued operation included the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation and amortisation		
Depreciation of equipment	294	648
Amortisation of intangible assets	495	1,197
	<hr/>	<hr/>
	<u>789</u>	<u>1,845</u>
Other income		
Bank interest income	–	3
Sundry income	76	12
	<hr/>	<hr/>
	<u>76</u>	<u>15</u>
Finance costs		
Interest expense on lease liabilities	10	49
	<hr/>	<hr/>

During the year ended 31 March 2025, the cloud-based IT+OT managed services business generated approximately HK\$310,000 (2024: used approximately HK\$5,745,000) of the Group's operating cash flows, incurred nil (2024: approximately HK\$98,000) in respect of investing activities and incurred approximately HK\$246,000 (2024: approximately HK\$601,000) in respect of financing activities.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share		
– from continuing operations	(12,193)	(4,686)
– from discontinued operation	(6,126)	(8,196)
	<u>(18,319)</u>	<u>(12,882)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share from continuing and discontinued operations	<u>1,050,500</u>	<u>1,050,500</u>
	2025	2024
Basic and diluted loss per share (in HK cents per share)		
– from continuing operations	(1.16)	(0.45)
– from discontinued operation	(0.58)	(0.78)
	<u>(1.74)</u>	<u>(1.23)</u>

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for Shares for the years ended 31 March 2025 and 2024.

11. DIVIDEND

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividend recognised as distribution during the year		
2023 Special dividend – HK1.20 cents per share	–	12,606
2023 Final dividend – HK0.50 cents per share	–	5,253
	<u>–</u>	<u>17,859</u>

Dividend of approximately HK\$17,859,000 was paid during the year ended 31 March 2024. No dividend was proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND LOAN TO AN INVESTEE

Financial assets at FVTOCI comprise:

	2025 HK\$'000	2024 HK\$'000
Equity instrument designated as FVTOCI		
– Unlisted	–	6,634

On 25 March 2021, Top Luck, a wholly-owned subsidiary of the Company, has entered into a shareholders' agreement with two independent third parties of the Group (the **"Independent Third Parties"**) and an ex-related company, which is controlled and substantially owned by Mr. Zhong Naixiong, a former director of the Company (the **"Ex-related Company"**), in relation to a commitment of capital contribution of RMB2,000,000 in Top Luck's investment in 4% equity interest of Changzhou Guoyun Green Data Technology Co., Limited* (常州國雲綠色數據技術有限公司) (**"Changzhou Guoyun"**).

In August 2021, the registered capital of Changzhou Guoyun increased from RMB50,000,000 to RMB350,000,000 for the purpose of funding the development of the IDC center in the PRC and Top Luck and the Ex-related Company entered into a new shareholders' agreement (the **"New Shareholders' Agreement"**) pursuant to which the commitment of capital contributions of the Ex-related Company and Top Luck has been increased to RMB168,000,000 and RMB7,000,000 respectively (the **"Committed Capital Contributions"**). The timing for payment of the balance of the registered capital of Changzhou Guoyun in the sum of RMB175,000,000 is subject to further agreement between Top Luck and the Ex-related Company. The Committed Capital Contributions in respect of Top Luck's 4% investment in Changzhou Guoyun in the sum of RMB7,000,000 (equivalent to approximately HK\$8,586,000) was fully paid and recognised as financial assets at FVTOCI in the consolidated statement of financial position as it is held for long-term investment purpose.

Pursuant to the New Shareholders' Agreement, any further capital contributions provided by the shareholders of Changzhou Guoyun in addition to the Committed Capital Contributions shall not be regarded as paid-up capital of Changzhou Guoyun but in the form of shareholders' loans to Changzhou Guoyun, unless and until a further agreement is made between the Ex-related Company and Top Luck to convert the same into paid-up capital.

During the year ended 31 March 2025, the Directors observed several indicators indicating that Changzhou Guoyun had encountered serious financial difficulties and has defaulted in repayment of the loan to an investee stated below. In view of the ongoing lawsuits and legal risks compounded with Changzhou Guoyun's inability to secure new financing to continue its projects, ultimately hindering its business operations and causing it to be unable to meet its debt obligations as they fall due, the Directors do not expect that the investment costs of the Company in Changzhou Guoyun would be recoverable, and considered that the fair value of financial assets at FVTOCI dropped to zero and the change in fair value of approximately HK\$6,634,000 is recognised in other comprehensive income.

Following the Disposal, the Group no longer held the financial assets at FVTOCI as at 31 March 2025.

	2025 HK\$'000	2024 HK\$'000
Loan to an investee	–	6,801

* English name for identification purpose only

The movements in loan to an investee were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
COST		
As at 1 April	7,553	8,001
Unrealised exchange loss recognised in profit or loss	132	(448)
Disposal of subsidiaries	(7,685)	–
	<hr/>	<hr/>
As at 31 March	–	7,553
	<hr/>	<hr/>
IMPAIRMENT		
As at 1 April	752	–
Impairment allowance recognised in profit or loss	6,933	752
Disposal of subsidiaries	(7,685)	–
	<hr/>	<hr/>
As at 31 March	–	752
	<hr/>	<hr/>
CARRYING VALUES		
As at 31 March	–	6,801
	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2024, Top Luck has made a shareholder loan of RMB7,000,000 equivalent to approximately HK\$7,553,000 (2025: nil), which was in proportion to its 4% equity interest in Changzhou Guoyun, to Changzhou Guoyun which is unsecured, interest-free and repayable on demand. During the year ended 31 March 2025, the Group has not entered into any further agreement to convert the shareholder loan into paid-up capital of Changzhou Guoyun.

The carrying amount of loan to an investee as at 30 August 2024 included accumulated impairment loss of approximately HK\$7,685,000 (31 March 2024: HK\$752,000).

In determining the expected credit losses for this asset, the Directors have taken into account the historical default experience, the financial position of the counterparty as well as the future prospects of the industry in which the investee operate obtained from economic expert reports, financial analyst reports, considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of this financial asset occurring within its respective loss assessment time horizon, as well as the loss upon default in each case.

As stated above, in light of the significant financial difficulty of Changzhou Guoyun, the Directors considers that the recoverability of the loan to an investee was remote and accordingly an impairment loss of approximately HK\$6,933,000 of the loan to an investee was recognised in profit or loss during the year ended 31 March 2025.

Following the Disposal, the Group no longer held the loan to an investee as at 31 March 2025.

13. TRADE RECEIVABLES AND CONTRACT ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	20,419	39,648
Less: impairment allowance	(698)	(698)
	<u>19,721</u>	<u>38,950</u>
Contract assets	627	564
Less: impairment allowance	(18)	(18)
	<u>609</u>	<u>546</u>
	<u><u>20,330</u></u>	<u><u>39,496</u></u>

As at 31 March 2025, the net amount of trade receivables and contract assets arising from contracts with customers amounted to approximately HK\$20,330,000 (2024: HK\$39,496,000) of which approximately HK\$609,000 (2024: HK\$546,000) represented contract assets.

Contract assets are initially recognised for certain amount of revenue earned from the provision of VCMA solution services as receipt of consideration is conditional on successful completion of retention period ranged from 1-5 years. The contract assets are transferred to trade receivables when the rights become unconditional. Upon completion of retention period, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March 2025, contract assets of approximately HK\$398,000 (2024: HK\$126,000) are expected to be recovered after one year from the end of the reporting period.

The Group generally allows credit periods ranged from 30 days to 180 days to the customers. The followings are ageing analysis of net amount of trade receivables and contract assets, presented based on date of acknowledgement of receipt of goods by customers, which approximated the respective revenue recognition dates, at the end of the reporting period.

Ageing analysis of net amount of trade receivables:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	5,140	8,722
31 to 60 days	2,993	5,598
61 to 120 days	6,104	3,098
121 to 365 days	2,852	10,935
Over 365 days	2,632	10,597
	<u>19,721</u>	<u>38,950</u>

Ageing analysis of the net amount of contract assets:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	—	—
31 to 60 days	88	—
61 to 120 days	31	173
121 to 365 days	195	247
Over 365 days	295	126
	<u>609</u>	<u>546</u>

14. TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<u>9,212</u>	<u>12,237</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 60 days	1,997	1,943
61 to 90 days	868	378
Over 90 days	6,347	9,916
	<u>9,212</u>	<u>12,237</u>

The general credit periods on purchase of goods ranged from 30 days to 180 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

15. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured mortgage loans	<u>10,239</u>	<u>14,335</u>
Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	4,096	4,096
More than one year but not exceeding two years	6,143	4,096
More than two years but not exceeding five years	<u>–</u>	<u>6,143</u>
	<u>10,239</u>	<u>14,335</u>
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	6,143	10,239
Carrying amount repayable within one year	<u>4,096</u>	<u>4,096</u>
Amounts shown under current liabilities	<u>10,239</u>	<u>14,335</u>

Bank borrowings comprise:

	Maturity Date	Effective interest rate	Carrying amount	
			2025 HK\$'000	2024 HK\$'000
Floating-rate borrowings:				
– HKD mortgage loans ⁽ⁱ⁾	25/9/2027	5.69% (2024: 5.99%)	7,823	10,952
– HKD mortgage loans ⁽ⁱⁱ⁾	25/9/2027	5.69% (2024: 5.99%)	<u>2,416</u>	<u>3,383</u>
			<u>10,239</u>	<u>14,335</u>

(i) During the year ended 31 March 2025, the floating rate is the lower of Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 1.4% (2024: 1.4%) or 2.25% (2024: 2.25%) below best lending rate. Repayable in 155 monthly installments commencing from the drawdown of the borrowings.

(ii) During the year ended 31 March 2025, the floating rate is the lower of HIBOR plus 1.4% (2024: 1.4%) or 2.25% (2024: 2.25%) below best lending rate. Repayable in 146 monthly installments commencing from the drawdown of the borrowings.

Notes:

- (a) The bank borrowings are all denominated in HK\$.
- (b) All borrowings were guaranteed by the Company and its subsidiaries in Hong Kong for both years.
- (c) As at 31 March 2025, bank borrowings of approximately HK\$10,239,000 (2024: HK\$14,335,000) were secured by land and buildings of the Group with carrying amounts of approximately HK\$72,261,000 (2024: HK\$74,892,000).

16. SHARE CAPITAL

	Number of share '000	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,000,000	20,000
Issued and fully paid		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,050,500	10,505

17. EQUITY-SETTLED SHARE OPTION SCHEMES OF THE COMPANY

(a) Share Option Scheme

On 20 April 2021, the Company granted share options (the “**Options**”) under the share option scheme of the Company (the “**Share Option Scheme**”) to Mr. Wang Yanghao (“**Mr. Wang**”), being a senior management of the Company, to subscribe for a total of 3,000,000 shares as disclosed in the announcement of the Company dated 20 April 2021. The 3,000,000 Options granted to Mr. Wang are exercisable from the respective dates set out below until 20 April 2028 (the “**Option Period**”) at the subscription price of HK\$0.54 per Share, which is equivalent to the closing price of the shares on the date immediately before the date of grant:

- (i) as to 900,000 Options, exercisable at any time commencing from the date falling between the first anniversary of the date of grant up to and including the last day of the Option Period;
- (ii) as to 900,000 Options, exercisable at any time commencing from the date falling between the second anniversary of the date of grant up to and including the last day of the Option Period; and
- (iii) as to 1,200,000 Options, exercisable at any time commencing from the date falling on the third anniversary of the date of grant up to and including the last day of the Option Period.

The exercise price of HK\$0.54 per Share was determined in accordance with the scheme rules of the Share Option Scheme, being the highest of:

- (i) the closing price of HK\$0.54 per Share as quoted in the Stock Exchange’s daily quotation sheet on the date of grant;
- (ii) the average closing price of HK\$0.536 per Share as quoted in the Stock Exchange’s daily quotation sheet for the five (5) business days immediately preceding the date of grant; and
- (iii) the nominal value of HK\$0.01 per Share.

The following table discloses movements of the Company's Options held by Mr. Wang.

Date of grant	Exercise period	Exercise price HK\$	Balance as at 1 April 2024	Lapsed during the year	Balance as at 31 March 2025
20 April 2021	20 April 2022 – 20 April 2028	0.54	900,000	(900,000)	–
	20 April 2023 – 20 April 2028	0.54	900,000	(900,000)	–
	20 April 2024 – 20 April 2028	0.54	1,200,000	(1,200,000)	–
			<u>3,000,000</u>	<u>(3,000,000)</u>	<u>–</u>

As at 1 April 2024, 3,000,000 Options are exercisable at any time during the Option Period, subject to the terms and conditions of the Share Option Scheme. The 3,000,000 Options, which have not been exercised prior to the close of the mandatory unconditional cash offers (i.e. 30 July 2024), have lapsed during the year ended 31 March 2025, and as at the date of this announcement, the Company has no outstanding Options under the Share Option Scheme. Other than disclosed above, there were no Options granted, exercised, lapsed or cancelled under the Share Option Scheme during the year ended 31 March 2025.

The fair value on the date of grant is estimated using a binomial pricing model, taking into account the terms and conditions upon which the Options were granted. The contractual life of the Options granted is 7 years. There is no cash settlement of the Options. The fair value of Options granted during the year ended 31 March 2022 was estimated on the date of grant using the following assumptions:

Dividend yield:	3.03%
Expected volatility:	70%
Risk-free interest rate:	0.86%

The fair value of the Options granted during the year ended 31 March 2022 was HK\$808,000. During the year ended 31 March 2025, the Company has recognised approximately HK\$9,000 (2024: HK\$121,000) of equity settled share-based payment expenses in respect of the Options in the consolidated statement of profit or loss and other comprehensive income.

(b) Share Award Scheme

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 3 February 2021. The purpose of the Share Award Scheme is to recognise the contributions by certain employees and persons to the Group, to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

On 20 April 2021, the Company has granted an award of 500,000 Shares (the “**Awarded Shares**”) to Mr. Wang under the Share Award Scheme. Subject to the lock-up condition as set out below and the scheme rules of the Share Award Scheme, the Awarded Shares shall vest in Mr. Wang and Mr. Wang shall have the right to receive the Awarded Shares in accordance with the following vesting schedule:

- (i) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the first anniversary of the date of grant;

- (ii) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the second anniversary of the date of grant; and
- (iii) as to 200,000 Awarded Shares, representing 40% of the Awarded Shares, on the third anniversary of the date of grant.

The vested Awarded Shares (and the vesting of the remaining Awarded Shares) are subject to the condition that Mr. Wang will not dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the relevant vested Awarded Shares during a period of six (6) months commencing on the vesting date of the relevant Awarded Shares (the “**Lock-Up Condition**”).

On 7 May 2021, the 500,000 new Shares were issued and allotted to the trustee under the Share Award Scheme at nominal value under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 7 August 2020.

On 20 April 2022, 150,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

On 20 April 2023, an additional 150,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

On 20 April 2024, 200,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

Details of the Awarded Shares granted under the Share Award Scheme are as follows:

Name of grantee	Date of grant (note i)	Number of shares				
		Number of Awarded Shares granted on date of grant (note ii)	As at 1 April 2024	Vested during the year (note iii)	Lapsed/ cancelled during the year (note iv)	As at 31 March 2025
Mr. Wang	20 April 2021	500,000	200,000	(200,000)	–	–

Notes:

- (i) No Awarded Share was granted under the Share Award Scheme from 1 April 2024 and up to the date of this announcement.
- (ii) The Awarded Shares granted to the participant were satisfied by way of the issue and allotment of new Shares at the par value thereof under general mandate and no purchase price was payable by the Company or the participant to purchase the Awarded Shares under the Share Award Scheme.
- (iii) The weighted average closing price of the Shares immediately before the date on which the Awarded Shares were vested during the year ended 31 March 2025 was HK\$0.18.
- (iv) No Awarded Shares granted were cancelled, lapsed or forfeited in accordance with the terms of the Share Award Scheme during the year ended 31 March 2025.

During the year ended 31 March 2025, the Company has recognised approximately HK\$3,000 (2024: HK\$40,000) of equity-settled share-based payment expenses in respect of the Awarded Shares in consolidated statement of profit or loss and other comprehensive income.

18. DISPOSAL OF SUBSIDIARIES

As described in note 9, the Company entered into the sale and purchase agreement in respect of the disposal of its entire shareholding in the Disposal Companies and the Sale Loan and the Disposal was completed on 30 August 2024. The net liabilities of the Disposal Companies as at the date of disposal were as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost as at the date of disposal:	
Equipment	1,058
Intangible assets	6,185
Trade receivables and contract assets	2,159
Prepayments, deposits and other receivables	707
Bank balances and cash	42
Amount due to immediate holding company	(36,063)
Amounts due to fellow subsidiaries	(98)
Trade payables	(1,949)
Other payables and accruals	(5,607)
Lease liabilities	(1,057)
Non-controlling interests	928
	<hr/>
Net liabilities disposed of	(33,695)
	<hr/>
	<i>HK\$'000</i>
Loss on disposal of Disposal Companies:	
Consideration	100
Net liabilities disposed of	33,695
Sales Loan	(36,161)
Cumulative translation reserve of the subsidiaries reclassified to profit or loss on loss on control of the subsidiaries	(966)
	<hr/>
Loss on disposal of subsidiaries	(3,332)
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration received	100
Less: bank balances and cash disposed of	(42)
	<hr/>
	58
	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The overall vacancy rate for Hong Kong's commercial property market continued to rise which greatly reduced demand for installing and upgrading smart office systems, audiovisual equipment and related services. In addition, weak business sentiment and sluggish retail consumption resulted in many trade and commercial activities being put on hold or delayed.

On a positive note, the Hong Kong Government's financial management and proactive approach to market dynamics, coupled with the supportive government policies including but not limited to the introduction of a number of initiatives, such as the Office for Attracting Strategic Enterprise, profits tax exemptions offered to family-owned investment holding vehicles managed by single family offices in Hong Kong and the new capital investment entrant scheme. Those policies seek to attract high potential and representative strategic enterprises from around the globe to set up office or branch and expand their business operations in Hong Kong, which normally require video conferencing and multimedia audiovisual solution and relevant maintenance from VCMA solution services provider such as the Group.

BUSINESS REVIEW

During the year under review (“**Reviewing Year**”), the Group maintained its market position as one of Hong Kong's leading service providers of VCMA solutions. The Group's revenue primarily derived from the provision of (i) VCMA solution and maintenance services; and (ii) cloud-based IT+OT managed services (which have been discontinued during the Reviewing Year).

Provision of VCMA solution and maintenance services

During the Reviewing Year, our VCMA business continued to face challenges due to the declining demand for installing and upgrading smart office systems, audiovisual equipment and related services amidst the high vacancy rate of Grade A offices in Hong Kong and increased competition in the market and weak business sentiment. However, we remained steadfast in our approach, leveraging the strengths of our experienced management team with technical know-how to maintain stable revenue VCMA solution and maintenances services.

Provision of cloud-based IT+OT managed services

As a result of the slower-than-expected post-COVID-19 economic recovery in the PRC and the property sector downturn extending beyond initial expectations, as well as the heavily impacted consumer sentiment and declining overall spending and public investment, the cloud-based IT+OT managed services businesses of the Group in the PRC have experienced a downturn in performance.

Following the disposal of Perfect Mark Investments Limited and Top Luck Development Limited which held the Group's investment in Beijing National Greenfield Technology Co. Limited* (北京能興國雲信息科技有限公司), the cloud-based IT+OT managed services have been discontinued during the year.

* *English name for identification purpose only*

FINANCIAL REVIEW

Segment analysis

The table below sets out the details of Group's revenue from continuing operations:

	Year ended 31 March 2025		Year ended 31 March 2024	
	HK\$'000	%	HK\$'000	%
Provision of VCMA solution and maintenance services:				
– VCMA solution services	104,866	85.8	104,613	85.8
– VCMA maintenance services	17,357	14.2	17,263	14.2
Total	<u>122,223</u>	<u>100.0</u>	<u>121,876</u>	<u>100.0</u>

Revenue

The Group's revenue from continuing operations increased by approximately HK\$347,000 or 0.3% from approximately HK\$121,876,000 for the year ended 31 March 2024 to approximately HK\$122,223,000 for the year ended 31 March 2025.

Revenue generated from VCMA solution services slightly increased by approximately HK\$253,000 or 0.2% from approximately HK\$104,613,000 for the year ended 31 March 2024 to approximately HK\$104,866,000 for the year ended 31 March 2025, which was mainly attributable to the stable effective client management.

Revenue generated from VCMA maintenance services slightly increased by approximately HK\$94,000 or 0.5% from approximately HK\$17,263,000 for the year ended 31 March 2024 to approximately HK\$17,357,000 for the year ended 31 March 2025, which was due to no material change in total maintenance projects correlated to VCMA solution projects.

Gross operating profit and gross operating profit margin

Gross operating profit from continuing operations is calculated based on the revenue for the year minus the cost of sales for the year. Gross operating profit margin is calculated based on the gross operating profit for the year divided by the revenue for the year and multiplied by 100%.

Gross operating profit from continuing operations decreased by approximately HK\$2,838,000 or 6.5% from approximately HK\$43,639,000 for the year ended 31 March 2024 to approximately HK\$40,801,000 for the year ended 31 March 2025.

The gross operating profit margin decreased from approximately 35.8% for the year ended 31 March 2024 to approximately 33.4% for the year ended 31 March 2025 mainly due to increase in market competition and reduced in overall gross operating profit margin of VCMA solution services projects.

Staff cost

Staff cost from continuing operations decreased by approximately HK\$745,000 or 2.2% from approximately HK\$34,294,000 for the year ended 31 March 2024 to approximately HK\$33,549,000 for the year ended 31 March 2025 mainly due to a decrease in Directors' remuneration during the Reviewing Year.

Depreciation

Depreciation expenses from continuing operations remain stable at approximately HK\$3,100,000 for the years ended 31 March 2025 and 2024 due to no material additions and disposal of property and equipments during the Reviewing Year.

Other income and net gain (loss)

Other income and net gain (loss) from continuing operations shifted from net loss of approximately HK\$692,000 for the year ended 31 March 2024 to net gain of approximately HK\$643,000 for the year ended 31 March 2025, which was mainly due to an increase in bank interest income from fixed deposits and net exchange gain.

Impairment loss on loan to an investee

During the year ended 31 March 2025, the Group recorded impairment loss of approximately HK\$6,933,000 on loan to an investee, Changzhou Guoyun, due to the default of Changzhou Guoyun in repayment of a shareholder's loan advanced by the Group and in view of the ongoing lawsuits and legal risks compounded with Changzhou Guoyun's inability to secure new financing to continue its projects, ultimately hindering its business operations and causing it to be unable to meet its debt obligations as they fall due.

Other operating expenses

Other operating expenses for continuing operations mainly comprised legal and professional fees, promotion and exhibition expenses, rent and rates, trip and travelling expenses and other office expenses. Other operating expenses increased by HK\$1,399,000 or 18.0% from approximately HK\$7,774,000 for the year ended 31 March 2024 to approximately HK\$9,173,000 for the year ended 31 March 2025, which was mainly due to additional legal and professional fees incurred for the mandatory unconditional cash offers as disclosed in the composite document jointly issued by the Company and Luxurious Bay Capital Limited as offeror and dated 9 July 2024 during the Reviewing Year.

Finance costs

Finance costs from continuing operations decreased by approximately HK\$278,000 or 28.1% from approximately HK\$988,000 for the year ended 31 March 2024 to approximately HK\$710,000 for the year ended 31 March 2025 as the principal amount of bank borrowings and general interest rate reduced during the Reviewing Year.

Income tax (expenses) credit

Income tax credit changed from approximately HK\$23,000 for the year ended 31 March 2024 to income tax expenses approximately HK\$106,000 for the year ended 31 March 2025, which was mainly due to an increase in deferred taxation during the Reviewing Year.

Loss for the year

The loss arising from continuing operations increased by approximately HK\$7,507,000 or 160.2% from HK\$4,687,000 for the year ended 31 March 2024 to approximately HK\$12,194,000 for the year ended 31 March 2025 which was mainly due to the impairment loss on loan to an investee and decrease in gross operating profit.

The discontinued cloud-based IT+OT managed business recorded a loss of approximately HK\$6,620,000 during the year ended 31 March 2025, as compared with a net loss of approximately HK\$9,641,000 during the year ended 31 March 2024.

As completion of the Disposal only took place on 30 August 2024, with the loss-making discontinued cloud-based IT+OT managed business during the year, the Group recorded a net loss for the year ended 31 March 2025 of approximately HK\$18,814,000 as compared to approximately HK\$14,328,000 for the year ended 31 March 2024.

PROSPECT

Looking ahead, the Group will continue to maintain and strengthen its position as one of Hong Kong's leading VCMA solution providers. As the economy in Hong Kong continues to recover, our Group is well-positioned to take advantage of the positive trends. With a strategic focus on innovation and adaptability, we are committed to capitalising on emerging opportunities and contributing to Hong Kong's economic resurgence. The Government's financial management and proactive approach to market dynamics, coupled with the supportive government policies, such as the introduction of a number of initiatives encouraging international and mainland companies to set up and expand their business operations in Hong Kong, will provide opportunities to us and we expect that demand for VCMA solution services will increase gradually.

Our Directors believe that our past success and future prospects are based on our experienced management team, which has extensive experience and technical expertise in the VCMA solution business in Hong Kong. Our management team's sound technical knowledge in the VCMA solution industry, extensive commercial experience and business acumen have enabled us to build an extensive clientele, and develop strong expertise in the industry. Going forward, our Directors believe that we will continue to benefit from the sound business judgment and managerial expertise of our management team for the expansion of our business.

In the course of performing the client's engagements, our service teams noted the high service quality and standards requested by the client and our ability to meet its overall requirements. Our Group will continue to enhance our skill level and expertise, remaining steadfast in our approach, leveraging the strengths of our experienced management team with technical know-how to seize opportunities brought about by the increasing demand for VCMA solution services.

We will adopt a prudent yet proactive development strategy and continue to identify potential investment opportunities, seizing every opportunity to build sustainable success, and delivering satisfactory long-term returns to our Shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations and investments were financed principally by cash generated from its own business operations and bank borrowings. As at 31 March 2025, the Group had net current assets of approximately HK\$43,363,000 (2024: HK\$50,014,000) and cash and cash equivalents of approximately HK\$48,829,000 (2024: HK\$35,819,000). Current liabilities of the Group as at 31 March 2025 included carrying amount of approximately HK\$6,143,000 (2024: HK\$10,239,000) in bank borrowings that were not repayable within one year from the end of reporting period but contained a repayment on demand clause.

GEARING RATIO

As at 31 March 2025, the gearing ratio (calculated on the basis of total debt divided by total assets) of the Group was approximately 6.8% (2024: 7.5%).

FOREIGN CURRENCY RISK

The majority of the Group's business transactions are in Hong Kong and are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

CAPITAL COMMITMENT

As at 31 March 2025, the Group did not have material capital commitments (2024: nil).

CAPITAL STRUCTURE

The Shares have been listed on the Main Board of the Stock Exchange since 18 December 2019.

On 7 May 2021, a total of 500,000 new Shares were issued under the Share Award Scheme at nominal value under the general mandate. Details are set out in note 17 to the consolidated financial statements in this announcement.

On 19 August 2021, the Company has completed a placing of 50,000,000 new Shares under the general mandate. Details of the placing are set out in the section headed "Use of Proceeds" below.

The capital structure of the Group consists of net debt, which mainly includes bank borrowings, net of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors have considered the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new Shares as well as issue of new debts or convertible securities or through repayment of borrowings. Details of the bank borrowings of the Group are set out in note 15 to the consolidated financial statements in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments or capital assets as of 31 March 2025.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2025, land and buildings of approximately HK\$72,261,000 (2024: HK\$74,892,000) were pledged to secure banking facilities granted to the Group.

CONTINGENT LIABILITIES

The Group has no material contingent liabilities as at 31 March 2025 (2024: nil).

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Group has set up a system and allocated resources to ensure ongoing compliance with rules and regulations. During the Reviewing Year, the Group has complied, to the best of the Directors' knowledge, with the Securities and Futures Ordinance, the Listing Rules, the applicable employment laws both in the PRC and Hong Kong, the local standards and regulations for the Group's project works as well as other relevant rules and regulations.

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

ENVIRONMENTAL POLICY

The Group is committed to maintaining itself as an environmental-friendly corporation by minimizing environmental impact with electricity saving and resources recycling. During the year ended 31 March 2025, to the best of the Directors' knowledge, the Group had not experienced any material environmental incidents arising from its operation. No material administrative sanctions or penalties were imposed upon the Group's operation for the violation of environmental laws or regulations which had an adverse impact on its operation.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in note 18 to the consolidated financial statements of this announcement, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 55 (2024: 83) full-time employees. The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, working experience, competence displayed with reference to selected comparable market remuneration data.

USE OF PROCEEDS

The net proceeds from the placing of 50,000,000 new Shares to not less than six independent placees at the placing price of HK\$0.57 per placing share on 19 August 2021 (the “**Placing**”), after deduction of the placing commission and other costs and expenses relating to the Placing, amounted to approximately HK\$27,530,000 (the “**Net Proceeds**”).

On 30 December 2021, the Board resolved to change the intended use of the unutilised Net Proceeds and updated timeline for utilisation of the Net Proceeds for more efficient use of the Group’s financial resources.

As disclosed in the announcements of the Company dated 14 April 2022 and 21 June 2023, the Board further resolved to extend timeline for utilisation of the remaining part of the Net Proceeds intended to be used for the enhancing the development of VCMA solution services business in the PRC to on or before 31 March 2024 in light of the continuing uncertainty brought about by the COVID-19 pandemic.

On 17 November 2023, the Board further resolved to change the intended use and timeline of the unutilised Net Proceeds of HK\$3.79 million to the development of IT+OT business in the PRC to be utilised on or before 30 September 2024 for more efficient use of the Group’s financial resources.

On 15 November 2024, in view of the disposal of IT+OT business, the Board further resolved to change the intended use and timeline of the unutilised Net Proceeds of HK\$2.87 million to working capital and general corporate purposes and to be utilised on or before 31 March 2025 for more efficient use of the Group’s financial resources. During the Reviewing Year, such unutilised Net Proceeds of HK\$2.87 million have been utilised for working capital and general corporate purposes of the Group. As at 31 March 2025, all the Net Proceeds have been fully utilised.

Set out below is a breakdown and the movement of the utilisation of the Net Proceeds up to 31 March 2025:

	Planned use of Net Proceeds as stated in the announcement dated 11 August 2021 (HK\$' million)	Revised use of Net Proceeds as stated in the announcement dated 30 December 2021 (HK\$' million)	Further revised use of Net Proceeds as stated in the announcement dated 17 November 2023 (HK\$' million)	Further revised use of Net Proceeds as stated in the announcement dated 15 November 2024 (HK\$' million)	Amount of Net Proceeds used during the year ended 31 March 2025 (HK\$' million)	Actual use of Net Proceeds up to 31 March 2025 (HK\$' million)	Amount of remaining proceeds as at 31 March 2025 (HK\$' million)
Enhancing the development of VCMA solution services business in the PRC	12.39	3.81	0.02	0.02	–	0.02	–
Development of IT+OT business in the PRC	12.39	12.39	16.18	13.31	–	13.31	–
Working capital and general corporate purposes	2.75	2.75	2.75	5.62	2.87	5.62	–
Payment of the capital commitment by the Group in Changzhou Guoyun	N/A	8.58	8.58	8.58	–	8.58	–
Total	27.53	27.53	27.53	27.53	2.87	27.53	–

Further details of the Placing and the change in the intended use and timeline of the unutilised net proceeds were set out in the Company's announcements dated 11 August 2021, 19 August 2021, 21 June 2023, 17 November 2023 and 15 November 2024, respectively.

Save as disclosed above, there was no equity fund raising by the Company, nor was there any sale of treasury shares by the Company during the Reviewing Year, and there were there no proceeds brought forward from any issue of equity securities made in previous financial years.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2025, none of the Company and its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined under the Listing Rules)). As at 31 March 2025, there were no treasury shares held by the Company.

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group could help to balance the interest of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner.

To the best knowledge of the Board, the Company has complied with the code provisions set out in Part 2 of the CG Code during the year ended 31 March 2025 and up to the date of this announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Model Code**") on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. The Company, having made specific enquiry of all Directors, was not aware of any non-compliance with the Model Code during the year ended 31 March 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM is scheduled to be held on Friday, 8 August 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 5 August 2025 to Friday, 8 August 2025 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch 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 Monday, 4 August 2025.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this announcement.

SCOPE OF WORK OF EXTERNAL AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited ("SHINEWING"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") on 11 May 2015, which operates under a terms of reference approved by the Board. It is the Board's responsibility to ensure that an appropriate and effective risk management and internal control systems exist within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the initial establishment and the maintenance of risk management and internal control system and ethical standards for the Group's management to the Audit Committee. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 March 2025.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company on or before 31 July 2025.

By Order of the Board
i-Control Holdings Limited
Wong King Keung
Chairman

Hong Kong, 20 June 2025

As at the date of this announcement, the executive Directors are Dr. Wong King Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Director is Ms. Ho Wing Shan and the independent non-executive Directors are Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu.