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港仔機器人
HKROBOTICS

Hong Kong Robotics Group Holding Limited
港仔機器人集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 370)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the “Board”) of directors (the “Directors”) of Hong Kong Robotics Group Holding Limited (formerly known as China Best Group Holding Limited) (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
			(Restated)
	NOTES	HK\$'000	HK\$'000
Continuing operations			
Revenue	4	116,083	213,349
Operating costs	7	(84,000)	(177,594)
Other income	6	2,326	7,874
Administrative and other expenses		(31,533)	(67,204)
Staff costs	7	(40,117)	(52,913)
Finance costs	7	(25,175)	(30,631)
Unrealised loss on fair value change on investment properties		(1,945)	(4,903)

		2025	2024
			(Restated)
	NOTES	HK\$'000	HK\$'000
Gain on disposal of associates		–	239
Impairment loss on trade and other receivables		(32)	(5,230)
Impairment loss on loans and interest receivables		(11,322)	(7,492)
Impairment loss on goodwill		(21,823)	(2,403)
Impairment loss on property, plant and equipment		(39,374)	–
Impairment loss on other loan and interest receivables		(1,254)	–
		<u> </u>	<u> </u>
Loss before tax		(138,166)	(126,908)
Income tax expense	8	(1,470)	(3,372)
		<u> </u>	<u> </u>
Loss for the year from continuing operations	7	(139,636)	(130,280)
Discontinued operations			
Loss for the year from discontinued operations	15	(4,081)	(1,503)
		<u> </u>	<u> </u>
Loss for the year		<u><u>(143,717)</u></u>	<u><u>(131,783)</u></u>
Other comprehensive income (expenses)			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(2,044)	(19,745)
Translation reserve released upon disposal of associates		–	877
Translation reserve released upon disposal of subsidiaries		–	434
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Fair value gain/(loss) on financial assets at fair value through other comprehensive income		2,660	(3,520)
		<u> </u>	<u> </u>
		616	(21,954)
		<u> </u>	<u> </u>
Total comprehensive expenses for the year		<u><u>(143,101)</u></u>	<u><u>(153,737)</u></u>

	2025	2024
		(Restated)
NOTES	HK\$'000	HK\$'000
Loss for the year attributable to owners of the Company		
– Continuing operations	(133,971)	(129,559)
– Discontinued operations	<u>(4,081)</u>	<u>(1,503)</u>
	<u>(138,052)</u>	<u>(131,062)</u>
(Loss)/Profit for the year attributable to non-controlling interests:		
– Continuing operations	(5,665)	(723)
– Discontinued operations	<u>–</u>	<u>2</u>
	<u>(5,665)</u>	<u>(721)</u>
	<u>(143,717)</u>	<u>(131,783)</u>
Total comprehensive expenses for the year attributable to:		
– owners of the Company	(137,140)	(150,733)
– non-controlling interests	<u>(5,961)</u>	<u>(3,004)</u>
	<u>(143,101)</u>	<u>(153,737)</u>
Loss per share	10	
From continuing and discontinued operations		
– Basic and diluted (<i>HK cents</i>)	<u>(6.60)</u>	<u>(6.90)</u>
From continuing operations		
– Basic and diluted (<i>HK cents</i>)	<u>(6.40)</u>	<u>(6.82)</u>
From discontinued operations		
– Basic and diluted (<i>HK cents</i>)	<u>(0.20)</u>	<u>(0.08)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		2025	2024
	NOTES	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		209,034	271,102
Right-of-use assets		5,720	10,901
Investment properties		107,268	110,142
Goodwill		226,961	249,374
Intangible asset		811	811
Financial assets at fair value through other comprehensive income		7,920	5,260
Regulatory deposits		205	205
		<u>557,919</u>	<u>647,795</u>
Current assets			
Inventory		5,927	3,682
Loans and interest receivables	13	245,744	311,896
Other loan and interest receivables		8,839	10,226
Trade and other receivables	12	344,921	387,508
Contract assets		322,638	307,394
Amounts due from an associate		278	186
Pledged bank deposit		–	16,229
Bank balances and cash			
– trust and segregated accounts		3,673	3,786
Bank balances and cash			
– general accounts		46,121	34,235
		<u>978,141</u>	<u>1,075,142</u>

		2025	2024
	NOTES	HK\$'000	HK\$'000
Current liabilities			
Trade and other payables	14	566,575	572,696
Contract liabilities		15,957	16,029
Lease liabilities		4,569	5,095
Trust loans		214,537	216,389
Short term loans		64,191	17,250
Bank loans		19,308	99,539
Tax liabilities		32,324	31,691
		<u>917,461</u>	<u>958,689</u>
Net current assets		<u>60,680</u>	<u>116,453</u>
Total assets less current liabilities		<u>618,599</u>	<u>764,248</u>
Non-current liabilities			
Lease liabilities		<u>1,526</u>	<u>6,176</u>
NET ASSETS		<u><u>617,073</u></u>	<u><u>758,072</u></u>
Capital and Reserves			
Share capital		209,150	209,150
Share premium and reserves		<u>374,799</u>	<u>509,914</u>
Equity attributable to owners of the Company		583,949	719,064
Non-controlling interests		<u>33,124</u>	<u>39,008</u>
TOTAL EQUITY		<u><u>617,073</u></u>	<u><u>758,072</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Pursuant to the approval by the shareholders at the special general meeting of the Company held on 6 May 2025, the name of the Company in English has been changed from “China Best Group Holding Limited” to “Hong Kong Robotics Group Holding Limited” and the secondary name of the Company in Chinese “港仔機器人集團控股有限公司” has been adopted and registered in Bermuda to replace its former Chinese name “國華集團控股有限公司”, which was adopted by the Company for identification purpose only but not registered in Bermuda.

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) New and amended standards adopted by the Group

In the current year, the Group has adopted the following new and revised HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”), and Interpretations) issued by HKICPA for the first time for the consolidated financial statements.

HKFRS 16	Amendments in relation to lease liability in a sale and leaseback
HKFRS 7 and HKAS 7	Amendments in relation to supplier finance arrangements
HKAS 1	Amendments in relation to classification of liabilities as current or non-current
HKAS 1	Amendments in relation to non-current liabilities with covenants
HK-int 5	Amendments in relation to amendments to HKAS 1

The Group concluded that the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the amounts reported and/or disclosures set out in the consolidated financial statements.

(b) **New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 April 2024 and not early adopted by the Group**

		Effective for accounting periods beginning on or after
HKAS 21	Amendments in relation to lack of exchangeability	1 January 2025
HKFRS 7 and HKAS 9	Amendments in relation to classification and measurement of financial instruments	1 January 2026
HKFRS 7 and HKAS 9	Amendments in relation to contracts referencing nature-dependent electricity	1 January 2026
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
HKFRS 10 and HKAS 28	Amendments in relation to sale or contribution of assets between an investor and its associate or joint venture	To be determined

		Effective for accounting periods beginning on or after
Annual Improvements to HKFRS Accounting Standards – Volume 11		
HKFRS 1	Hedge accounting by a first-time adopter	1 January 2026
HKFRS 7	Gain or loss on derecognition	1 January 2026
Guidance on implementing HKFRS 7	Disclosure of deferred difference between fair value and transaction price	1 January 2026
Guidance on implementing HKFRS 7	Introduction and credit risk disclosures	1 January 2026
HKFRS 9	Derecognition of lease liabilities	1 January 2026
HKFRS 9	Transaction price	1 January 2026
HKFRS 10	Determination of a ‘de facto agent’	1 January 2026
HKAS 7	Cost method	1 January 2026

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards but is not yet in a position to state whether these new standards and amendments to standards would have a material impact on its result of operations and financial position.

3. GOING CONCERN

The Group incurred a loss attributable to owners of the Company under its continuing operations of approximately HK\$133,971,000 for the year ended 31 March 2025. Further, the Group had not repaid trust loans of approximately HK\$214,537,000 and accrued interests of approximately HK\$50,957,000 thereon upon maturity on or before 31 March 2025 while it is still negotiating with the lender for extension of loan period. Therefore, it might be difficult for the Group to realise its assets and discharge its liabilities in a short time under the normal course of business. These consolidated financial statements have been prepared on a going concern basis as the Directors have performed an assessment of the Group's future liquidity and cash flows, taking into account the following relevant matters:

- (i) The Group is negotiating with the lender to repay the trust loans based on a mutually agreed repayment schedule.
- (ii) The Directors considered that even in any event that the Group could not reach a mutually agreed repayment schedule with the lender in future, it would not significantly affect the continuity of most of the Group's businesses. It is expected that value of securities pledged to the lender for the trust loans is sufficient to cover substantial portion of the trust loans, and the remaining portion of the trust loans could be settled by cash inflow generated from the Group's future operation.
- (iii) The Company has received a supporting letter from one of its substantial shareholders in relation to prospective financing of no less than HK\$50,000,000 to support the Group's business development in 12 months from the letter date.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Interest income from money lending	5,077	7,455
Brokerage commission and consultancy income from securities and future brokerage related services	–	45
Heating and cooling supply by geothermal energy	11,434	16,425
Construction contracting services fee income	72,235	102,734
Interior design service income	–	254
Project management service income	–	10,792
Heating supply and industrial steam income	9,948	51,928
Rental income	6,280	6,333
Data analytical service income	11,109	17,383
	116,083	213,349
Discontinued operations		
Provision of international air and sea freight forwarding services	–	1,621
Consultancy income from finance leases	–	–
	–	1,621
	116,083	214,970
Representing:		
– Continuing operations	116,083	213,349
– Discontinued operations	–	1,621
	116,083	214,970

	2025			2024		
	Continuing operations <i>HK\$'000</i>	Discontinued operations <i>HK\$'000</i>	Total <i>HK\$'000</i>	Continuing operations <i>HK\$'000</i>	Discontinued operations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contracts with customers (<i>Note</i>)	104,726	–	104,726	199,561	1,621	201,182
Revenue from other sources:						
– Interest income from money lending	5,077	–	5,077	7,455	–	7,455
– Rental income from investment properties	6,280	–	6,280	6,333	–	6,333
	<u>116,083</u>	<u>–</u>	<u>116,083</u>	<u>213,349</u>	<u>1,621</u>	<u>214,970</u>
Timing of recognition of revenue from contracts with customers:						
At a point in time	–	–	–	–	1,621	1,621
Over time	<u>104,726</u>	<u>–</u>	<u>104,726</u>	<u>199,561</u>	<u>–</u>	<u>199,561</u>
	<u>104,726</u>	<u>–</u>	<u>104,726</u>	<u>199,561</u>	<u>1,621</u>	<u>201,182</u>

Note:

Disaggregation of revenue from contracts with customers:

Year ended 31 March 2025

	Continuing operations								Discontinued operations	
	Trading of goods HK\$'000	Securities and futures brokerage HK\$'000	Property brokerage HK\$'000	Heating and cooling supply of geothermal energy HK\$'000	Building construction contracting HK\$'000	Customised technical support HK\$'000	Project management HK\$'000	Centralised heating HK\$'000	Finance leasing HK\$'000	Total HK\$'000
Geographic Markets										
Hong Kong	-	-	-	-	-	-	-	-	-	-
The People's Republic of China (the "PRC")	-	-	-	11,434	72,235	11,109	-	9,948	-	104,726
	-	-	-	11,434	72,235	11,109	-	9,948	-	104,726
Major Products/Services										
Financial services	-	-	-	-	-	-	-	-	-	-
Heating and cooling supply by geothermal energy	-	-	-	11,434	-	-	-	-	-	11,434
Building construction contracting services	-	-	-	-	72,235	-	-	-	-	72,235
Interior design services	-	-	-	-	-	-	-	-	-	-
Data analytical services	-	-	-	-	-	11,109	-	-	-	11,109
Project management services	-	-	-	-	-	-	-	-	-	-
Heating supply and industrial steam	-	-	-	-	-	-	-	9,948	-	9,948
	-	-	-	11,434	72,235	11,109	-	9,948	-	104,726
Timing of recognition of revenue from contracts with customers										
At a point in time	-	-	-	-	-	-	-	-	-	-
Over time	-	-	-	11,434	72,235	11,109	-	9,948	-	104,726
	-	-	-	11,434	72,235	11,109	-	9,948	-	104,726

Year ended 31 March 2024

	Continuing operations								Discontinued operations		Total
	Trading of goods <i>HK\$'000</i>	Securities and futures brokerage <i>HK\$'000</i>	Property brokerage <i>HK\$'000</i>	Heating and cooling supply of geothermal energy <i>HK\$'000</i>	Building construction contracting <i>HK\$'000</i>	Customised technical support <i>HK\$'000</i>	Project management <i>HK\$'000</i>	Centralised heating <i>HK\$'000</i>	International air and sea freight forwarding <i>HK\$'000</i>	Finance leasing <i>HK\$'000</i>	
Geographic Markets											
Hong Kong	–	45	–	–	–	–	–	–	–	–	45
PRC	–	–	–	16,425	102,734	17,637	10,792	51,928	–	–	199,516
Singapore	–	–	–	–	–	–	–	–	1,621	–	1,621
	<u>–</u>	<u>45</u>	<u>–</u>	<u>16,425</u>	<u>102,734</u>	<u>17,637</u>	<u>10,792</u>	<u>51,928</u>	<u>1,621</u>	<u>–</u>	<u>201,182</u>
Major Products/Services											
Financial services	–	45	–	–	–	–	–	–	–	–	45
International air and sea freight forwarding services	–	–	–	–	–	–	–	–	1,621	–	1,621
Heating and cooling supply by geothermal energy	–	–	–	16,425	–	–	–	–	–	–	16,425
Building construction contracting services	–	–	–	–	102,734	–	–	–	–	–	102,734
Interior design services	–	–	–	–	–	254	–	–	–	–	254
Data analytical services	–	–	–	–	–	17,383	–	–	–	–	17,383
Project management services	–	–	–	–	–	–	10,792	–	–	–	10,792
Heating supply and industrial steam	–	–	–	–	–	–	–	51,928	–	–	51,928
	<u>–</u>	<u>45</u>	<u>–</u>	<u>16,425</u>	<u>102,734</u>	<u>17,637</u>	<u>10,792</u>	<u>51,928</u>	<u>1,621</u>	<u>–</u>	<u>201,182</u>
Timing of recognition of revenue from contracts with customers											
At a point in time	–	–	–	–	–	–	–	–	1,621	–	1,621
Over time	–	45	–	16,425	102,734	17,637	10,792	51,928	–	–	199,561
	<u>–</u>	<u>45</u>	<u>–</u>	<u>16,425</u>	<u>102,734</u>	<u>17,637</u>	<u>10,792</u>	<u>51,928</u>	<u>1,621</u>	<u>–</u>	<u>201,182</u>

Trading of goods

Revenue from the trading of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales to customers are normally made with credit terms of 90 days.

Finance leasing

Consultancy income from finance leasing is recognised in the accounting period in which the services are rendered. The customers pay the consultancy service fee to the Group according to the payment schedules as stipulated in the contracts.

Securities and futures brokerage

Commission income on dealing in securities and futures contract is recognised on a trade date basis when the services are rendered, the amount for which can be reliably estimated and it is probable that the income will be received. The commission income is due on the settlement date of their respective trade dates, normally two or three business days after the respective trade date.

Consultancy income from securities and future brokerage related services is recognised in the accounting period in which the services are rendered. The customers pay the consultancy service fee to the Group according to the payment schedules as stipulated in the contracts.

Property brokerage

Commission income on dealing in property agency contract is recognised when the services are rendered, the amount for which can be reliably estimated and it is probable that the income will be received. The customers pay the commission income to the Group upon the sales of property is completed.

Consultancy income from property brokerage related services is recognised in the accounting period in which the services are rendered. The customers pay the consultancy service fee to the Group according to the payment schedules as stipulated in the contracts.

Heating and cooling supply by geothermal energy

Income from heating and cooling supply by geothermal energy is recognised when the services are rendered. The customers pay the fee according to the heating and cooling supply actually consumed.

Building construction contracting

The Group provides construction contracting services to the customers. When the progress towards complete satisfaction of the performance obligations of a construction contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a construction contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

Customised technical support

The Group provides customised technical support services which include building architecture and interior design services and data analytical services to the customer. Building architecture and interior design services income and data analytical services income are recognised when the services are rendered, the amount for which can be reliably estimated and they are probable that the income will be received. The customers pay the services income to the Group according to the payment schedules as stipulated in the contracts.

Project management

Revenue from the Group's project management business derived from entrusted construction and management services. Project management service income is recognised when the services are rendered, the amount for which can be reliably estimated and it is probable that the income will be received. The customers pay the service income to the Group according to the payment schedules as stipulated in the contracts.

Centralised heating

Heating supply and industrial steam income is recognised when the services are rendered. The customers pay the fee according to the heating and industrial steam actually consumed.

5. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the type of goods sold or services delivered or provided. The Directors have chosen to organise the Group around difference in products and services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- (a) Trading of goods segment engages in trading of products including but not limited to electronic appliance in the PRC;
- (b) Finance leasing segment engages in finance leasing of plant and machinery as well as providing consultancy services with respect of finance leasing in the PRC. Due to the failure of fulfillment of the licence requirements (details refer to note 15 (a)), this segment was discontinued during the year;
- (c) Money lending segment engages in money lending in Hong Kong;
- (d) Securities and futures brokerage segment engages in securities and futures dealing services as well as providing consultancy services with respect of securities and futures brokerage in Hong Kong;
- (e) Property investment segment engages in investments of properties for rental income and capital appreciation in the PRC;
- (f) Customised technical support segment engages in provision of building architecture and interior design services and data analytical services in the PRC;
- (g) Property brokerage segment engages in provision of property agency and consultancy service in the PRC;
- (h) Project management segment engages in entrusted construction and projects management services in the PRC;
- (i) Geothermal energy segment engages in provision of heating and cooling supply by geothermal energy to buildings in the PRC;
- (j) Building construction contracting segment engages in provision of building construction contracting service on project basis in the PRC; and

- (k) Centralised heating segment engages in the business of using coal-fired boilers to provide centralised heating, including industrial steam, through centralised pipe networks in the PRC. In July 2024, the Management Committee of Yuncheng Economic and Technological Development Zone* (運城經濟技術開發區管理委員會) (the “Yuncheng Management Committee”) served a notice dated 22 July 2024 to the Group and decided to unilaterally terminate the franchise agreement pursuant to the termination provisions thereof (the “Termination”). As a result, this segment has been suspended since 23 July 2024. The Group requested an administrative review against the Termination and it has been rejected by the Yuncheng Municipal People’s Government. The Group has then initiated an administrative litigation with the Peoples’ Court of Yanhu District in Yuncheng City* (運城市鹽湖區人民法院) against the Termination and the administrative litigation is still in the process of the first instance trial. Based on the PRC legal adviser’s opinion, the administrative litigation is subject to lengthy process and there is high uncertainty in obtaining the court order to withdraw the Termination. The Group disposed the centralised heating business subsequent to the end of the reporting period.

The following is an analysis of the Group’s revenue and results by reportable and operating segments.

Year ended 31 March 2025

	Continuing operations										Discontinued operations	
	Trading of goods HK\$'000	Money lending HK\$'000	Securities and futures brokerage HK\$'000	Property investment HK\$'000	Customised technical support HK\$'000	Property brokerage HK\$'000	Project management HK\$'000	Geothermal energy HK\$'000	Building construction contracting HK\$'000	Centralised heating HK\$'000	Finance leasing HK\$'000	Total HK\$'000
Revenue from external customers	–	5,077	–	6,280	11,109	–	–	11,434	72,235	9,948	–	116,083
Reportable segment profit/(loss)	(11,778)	(8,447)	(4,924)	1,044	1,932	(1,162)	(10,829)	(31,824)	3,739	(40,494)	(4,081)	(106,824)
Impairment loss on other loan and interest receivables												(1,254)
Unallocated corporate income												2,304
Unallocated corporate expenses												(36,473)
Loss before tax												(142,247)

Year ended 31 March 2024

	Continuing operations									Discontinued operations			Total
	Trading of goods HK\$'000	Money lending HK\$'000	Securities and futures brokerage HK\$'000	Property investment HK\$'000	Customised technical support HK\$'000	Property brokerage HK\$'000	Project management HK\$'000	Geothermal energy HK\$'000	Building construction contracting HK\$'000	Centralised heating HK\$'000	Finance leasing HK\$'000	International air and sea freight forwarding HK\$'000	
Revenue from external customers	-	7,455	45	6,333	17,637	-	10,792	16,425	102,734	51,928	-	1,621	214,970
Reportable segment profit/(loss)	(15,389)	(2,456)	(6,665)	241	6,521	(3,789)	(29,337)	(5,829)	(15,362)	(19,725)	(1,148)	(551)	(93,489)
Share of loss of associates													(9)
Gain on disposal of a subsidiary													205
Gain on disposal of associates													239
Unallocated corporate income													4,364
Unallocated corporate expenses													(39,721)
Loss before tax													(128,411)

Segment results represent the (loss from) profit earned by each segment without allocation of central administration costs, Directors' emoluments, depreciation of certain property, plant and equipment and right-of-use assets, gain on disposal of a subsidiary, gain on disposal of associates, net foreign exchange loss, loss on disposal of property, plant and equipment, impairment loss on other loan and interest receivables, interest expense on certain lease liabilities and trust loans, interest income from other loan receivables, bank interest income, dividend income and sundry income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

6. OTHER INCOME

	2025			2024		
	Continuing	Discontinued		Continuing	Discontinued	
	operations	operations	Total	operations	operations	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income from						
– bank	385	–	385	377	–	377
– other loans receivables	–	–	–	1,098	–	1,098
Government grant (<i>Note</i>)	22	–	22	3,510	2	3,512
Reversal of impairment loss						
on finance lease receivable	–	714	714	–	4,398	4,398
Gain on lease modification	34	–	34	–	–	–
Dividend income	–	–	–	1,972	–	1,972
Sundry income	1,885	–	1,885	917	–	917
	2,326	714	3,040	7,874	4,400	12,274

Note: During the year, the government grants received by the Group is mainly in relation to the subsidies on heating supply services provided by geothermal energy segment and centralised heating segment without condition (2024: approximately HK\$3,510,000).

7. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2025			2024		
	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000
Operating costs						
Cost of providing international air and sea freight forwarding services	–	–	–	–	1,031	1,031
Cost of providing securities and futures brokerage related services	–	–	–	1	–	1
Cost of providing property brokerage and consultancy services	1,013	–	1,013	1,595	–	1,595
Cost of heating and cooling supply by geothermal energy	11,465	–	11,465	13,134	–	13,134
Cost of providing construction contracting services	63,429	–	63,429	93,808	–	93,808
Cost of providing heating supply and industrial steam	7,955	–	7,955	64,120	–	64,120
Cost of providing project management service	135	–	135	3,376	–	3,376
Cost of providing data analytical services	3	–	3	1,560	–	1,560
	<u>84,000</u>	<u>–</u>	<u>84,000</u>	<u>177,594</u>	<u>1,031</u>	<u>178,625</u>
Staff costs						
Directors' emoluments	5,403	–	5,403	6,845	–	6,845
Other staff costs	27,184	245	27,429	35,308	890	36,198
Retirement benefits scheme contributions (excluding those for Directors)	5,850	43	5,893	7,841	156	7,997
Share-based payment – employees	1,680	–	1,680	2,919	–	2,919
	<u>40,117</u>	<u>288</u>	<u>40,405</u>	<u>52,913</u>	<u>1,046</u>	<u>53,959</u>

	2025			2024		
	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000	Continuing operations HK\$'000	Discontinued operations HK\$'000	Total HK\$'000
Finance costs						
Interest expense on lease liabilities	513	–	513	421	–	421
Interest expense on bank loans	1,892	–	1,892	4,062	–	4,062
Interest expenses on short-term loans	50	–	50	–	–	–
Interest expense on trust loans	22,720	–	22,720	26,148	–	26,148
	<u>25,175</u>	<u>–</u>	<u>25,175</u>	<u>30,631</u>	<u>–</u>	<u>30,631</u>
Other items						
Auditor's remuneration	1,100	–	1,100	1,300	–	1,300
Bad debts written off	869	–	869	5,907	–	5,907
Depreciation of property, plant and equipment	8,036	–	8,036	11,663	–	11,663
Depreciation of right-of-use assets	5,064	–	5,064	6,393	–	6,393
Net foreign exchange loss	28	–	28	127	–	127
Loss on disposal of property, plant and equipment	1,761	–	1,761	910	–	910
Repair and rectification costs (Note)	–	–	–	13,692	–	13,692
Share-based payment – consultants	344	–	344	117	–	117

Note: For the year ended 31 March 2024, a wholly-owned subsidiary of the Company, Shaanxi Jiangwei Construction Engineering Co., Ltd.* (陝西江威建築工程有限公司) (“Shaanxi Jiangwei”) was ordered by the local court to pay repair and rectification costs of approximately RMB12,568,000 (equivalent to approximately HK\$13,692,000) in relation to a construction project in Xiangshan, Ningbo.

8. INCOME TAX EXPENSE

	2025			2024		
	Continuing	Discontinued		Continuing	Discontinued	
	operations	operations	Total	operations	operations	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:						
PRC Enterprise Income Tax	<u>1,470</u>	<u>–</u>	<u>1,470</u>	<u>3,372</u>	<u>–</u>	<u>3,372</u>

Hong Kong Profits Tax has not been provided for the years ended 31 March 2025 and 2024 as the loss for the taxation purpose is estimated during both periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries, except for Beijing Shuwu Big Data Research Company Limited* (北京數巫大數據研究有限公司) (“Beijing Shuwu”), is 25%.

Beijing Shuwu, which is principally engaged in provision of financial information, solution and data analytical services in the PRC and qualified as high-tech enterprise that needs key support, is entitled to enjoy a lower tax rate of 15% pursuant to Article 28 of the EIT Law.

9. DIVIDEND

No dividend was paid or proposed for the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. LOSS PER SHARE

Basic loss per share

For continuing and discontinued operations

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$138,052,000 (2024: approximately HK\$131,062,000) and the weighted average number of ordinary shares of approximately 2,091,501,000 (2024: approximately 1,899,858,000).

For continuing operations

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of approximately HK\$133,971,000 (2024: approximately HK\$129,559,000) and the denominator used is the same as that detailed above for basic loss per share.

For discontinued operations

The calculation of basic loss per share from discontinued operations attributable to owners of the Company of HK0.20 cents (2024: basic loss per share: HK0.08 cents) is based on the loss for the year from discontinued operations attributable to owners of the Company of approximately HK\$4,081,000 (2024: approximately HK\$1,503,000) and the denominator used is the same as that detailed above for basic loss per share.

Diluted loss per share

The computation of diluted loss per share for the years ended 31 March 2025 and 2024 does not assume the exercise of the Company's outstanding share options because the exercise price of those shares is higher than the average market price of the Company's shares, and therefore, diluted loss per share is equal to basic loss per share.

11. FINANCE LEASE RECEIVABLES

All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	2025 HK\$'000	2024 HK\$'000
Finance lease receivables	40,788	41,849
Less: allowance for impairment of finance lease receivables	(40,788)	(41,849)
Finance lease receivables, net	<u>—</u>	<u>—</u>

As at 31 March 2025, there were a total 4 (2024: 4) outstanding finance leases, with outstanding principal amounts from approximately HK\$4,270,000 (2024: approximately HK\$4,306,000) to approximately HK\$18,726,000 (2024: approximately HK\$19,598,000), amounting to a total outstanding principal amount of approximately HK\$40,788,000 (2024: approximately HK\$41,849,000). To the best knowledge, information and belief of the Directors, all these corporate borrowers and their respective ultimate beneficial owners are independent of the Company and its connected persons (as ascribed under the Listing Rules).

Effective interest rates of the above finance leases is 6% (2024: 6%) per annum. As at 31 March 2025 and 2024, all the finance lease are secured by the leased assets, such as motor vehicle, plant and machinery leased and/or share pledges, and/or are guaranteed by individual who is the corporation's owner or connected person of the owner, and/or other corporation which is a related party to the corporate client.

As at 31 March 2025, finance lease receivables before allowance for impairment of approximately RMB38,024,000, equivalent to approximately HK\$40,788,000 (2024: approximately RMB38,680,000, equivalent to approximately HK\$41,849,000) were past due. For such overdue finance lease receivables, full impairment loss were made due to customers' default in payment and/or having severe liquidity problem. The Group had either taken legal actions against these customers or assessed the customers' latest operating and financial position by site visit and considered the legal opinion from independent legal advisers during impairment assessment. As a result, the entire overdue amount of finance lease receivables approximately RMB38,024,000 (equivalent to approximately HK\$40,788,000) remained fully impaired as at 31 March 2025 (31 March 2024: approximately RMB38,680,000, equivalent to approximately HK\$41,849,000).

Management closely monitors the credit quality of finance lease receivables. As at 31 March 2025, the age of the finance lease receivables was over three years (2024: over three years) based on the effective dates of the relevant lease contracts.

12. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables arising from trading business	168,383	169,836
Less: allowance for impairment	(168,383)	(169,836)
	–	–
Trade receivables arising from finance leasing business	4,774	4,815
Less: allowance for impairment	(4,774)	(487)
	–	4,328
Trade receivable arising from project management business	41,888	42,249
Less: allowance for impairment	(5,149)	(5,193)
	36,739	37,056
Trade receivable arising from centralised heating business	1,167	945
Less: allowance for impairment	(32)	–
	1,135	945
Trade receivable arising from customised technical support business	13,480	21,386
Trade receivable arising from property brokerage business	2,842	2,894
Trade receivables arising from the securities and futures brokerage business	225	227
Trade receivable arising from geothermal energy business	1,948	1,292
Trade receivable arising from property investment business	–	1,446
Trade receivable arising from building construction contracting business	14,355	15,129
Prepayments	68,748	88,635
Value-added tax recoverable	2,809	3,834
Deposits and other receivables	66,981	73,506
Receivables from disposal of a subsidiary	23,027	23,226
Construction deposits	112,632	113,604
	344,921	387,508

The Group allows an average credit period normally ranging from 30 days to 180 days (2024: 30 days to 180 days) to its customers. The following is an aged analysis of trade receivables (net of allowance for doubtful debt) presented based on the invoice date or the payment date as stated in the respective contracts at the end of the reporting period, which approximates the respective revenue recognition date.

	Trading business HK\$'000	Finance leasing business HK\$'000	Geothermal energy business HK\$'000	Building construction contracting business HK\$'000	Centralised heating business HK\$'000	Project management business HK\$'000	Customised technical support business HK\$'000	Property brokerage business HK\$'000	Property investment business HK\$'000
2025:									
Within 30 days	-	-	357	-	-	-	-	-	-
31 – 60 days	-	-	-	-	-	-	-	-	-
61 – 90 days	-	-	-	4,290	-	-	-	-	-
Over 90 days	-	-	1,591	10,065	1,135	36,739	13,480	2,842	-
	<u>-</u>	<u>-</u>	<u>1,948</u>	<u>14,355</u>	<u>1,135</u>	<u>36,739</u>	<u>13,480</u>	<u>2,842</u>	<u>-</u>
2024:									
Within 30 days	-	-	-	-	116	622	-	-	571
31 – 60 days	-	-	-	-	110	622	-	-	571
61 – 90 days	-	-	-	-	239	622	-	-	304
Over 90 days	-	4,328	1,292	15,129	480	35,190	21,386	2,894	-
	<u>-</u>	<u>4,328</u>	<u>1,292</u>	<u>15,129</u>	<u>945</u>	<u>37,056</u>	<u>21,386</u>	<u>2,894</u>	<u>1,446</u>

The settlement term of trade receivables arising from the securities brokerage business are two trade days after the trade execution date. The trade receivables from futures brokers are repayable on demand which represent amounts deposited for trade execution purpose.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK\$70,499,000 (2024: HK\$82,393,000) which were past due at the end of the reporting period and for which the Group has not provided for doubtful debt. The Group does not hold any collateral over these balances.

The aging analysis of trade receivables that were past due but not impaired based on the invoice date or the payment date as stated in the respective contracts at the end of reporting date, which approximately the respective revenue recognition date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	357	687
31 – 60 days	–	681
61 – 90 days	4,290	543
Over 90 days	<u>65,852</u>	<u>80,482</u>
	<u><u>70,499</u></u>	<u><u>82,393</u></u>

Trade receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on the past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable.

Trade receivables that were neither past due nor impaired related to customers for whom there was no recent history of default.

The allowances of impairment recognised as at 31 March 2025 are mainly as follows:

- (1) In January 2023, two customers of the Group's trading business, namely, Shenzhen Wu Feng Ying Technology Co., Ltd.* (深圳市五豐盈科技有限公司) ("Wu Feng Ying") and Shenzhen Feng Lei Industrial Co., Ltd.* (深圳市風雷實業有限公司) ("Feng Lei"), were found deregistered. All sales to Wu Feng Ying and Feng Lei were guaranteed by Shenzhen Shi Jia Hao Commercial Operation Co., Ltd.* (深圳市世佳豪商業運營有限公司) ("Shi Jia Hao", together with Wu Feng Ying, Feng Lei and their respective ultimate beneficial owners referred as the "Defaulted Persons"). In February 2023, Shi Jia Hao was also found deregistered. Further details are set out in the Company's announcement dated 23 March 2023. The Group had engaged the PRC legal adviser and initiated court proceedings against the ultimate beneficial owners of Wu Feng Ying, Feng Lei and Shi Jia Hao (the "Defendants") in front of the courts located at Shenzhen. For the civil proceedings in relation to Feng Lei (the "Feng Lei Civil Proceedings"), the Group received a civil ruling (民事裁定書) from Luohu District People's Court in Shenzhen (深圳市羅湖區人民法院) in October 2023 adjudicating in favor of the Group. For the civil proceedings in relation to Wu Feng Ying, the Group proceeded the lawsuit to Shenzhen Intermediate People's Court (深圳市中級人民法院) in May 2024. In December 2024, the Group signed the settlement agreement (the "Settlement Agreement") with the ultimate beneficial owners of Wu Feng Ying and Shi Jia Hao to agree that the ultimate beneficial owner of Shi Jia Hao will settle the outstanding balance due from Wu Feng Ying of approximately RMB133,298,000 by instalments until June 2027. The lawsuit to Shenzhen Intermediate People's Court (深圳市中級人民法院) was cancelled after the execution of the Settlement Agreement. Having consulted with the PRC legal adviser, the possibility of collecting overdue amounts owed by the Defaulted Persons is subject to (i) the traceability and possibility in enforcement of the assets or properties of the Defendants under the Feng Lei Civil Proceedings; and (ii) the actual performance of contractual obligations under the Settlement Agreement by the ultimate beneficial owner of Shi Jia Hao. Despite the courts' judgement and the Settlement Agreement, the Group does not have concrete information about traceable and enforceable assets or properties of the Defendants for the time being. Considering high uncertainty, impairment loss on the entire amount due from the Defaulted Persons of approximately RMB156,973,000 (equivalent to approximately HK\$168,383,000) had been recognised in the Group's consolidated financial statements for the year ended 31 March 2023 and remained unchanged for the year ended 31 March 2025.

- (2) One of the Group's customers under real estate related businesses, namely, Ningbo Tiegong Real Estate Co., Ltd.* (寧波鐵工置業有限公司) ("Ningbo Tiegong") was filed a winding-up petition by its creditors on the ground of insolvency and the court appointed a manager for its liquidation accordingly. As at 31 March 2025, the total amount before allowance for impairment due by Ningbo Tiegong was approximately RMB83,142,000 (equivalent to approximately HK\$89,185,000), representing (i) receivables under building construction contracting business in amount of approximately RMB52,008,000 (equivalent to approximately HK\$55,788,000) in nature of construction debts; and (ii) contract assets in amount of approximately RMB31,134,000 (equivalent to approximately HK\$33,397,000) in nature of construction debt. Base on the liquidation status of Ningbo Tiegong, the result of lawsuits against Ningbo Tiegong and the manager of liquidation, and the estimated value of assets of Ningbo Tiegong available for liquidation, the Group had recognised the impairment loss of approximately RMB8,189,000 (equivalent to approximately HK\$8,784,000) on contract assets. For the remaining receivables due by Ningbo Tiegong of approximately RMB74,593,000 (equivalent to approximately HK\$80,401,000), taking into account (i) their nature of construction debts which could enjoy the priority to recover the debts and (ii) additional guarantee and collaterals provided by the shareholder of Ningbo Tiegong, the Directors considered that no further impairment loss is necessary.

13. LOANS AND INTEREST RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loans receivables:		
Secured	40,000	40,000
Unsecured	<u>306,754</u>	<u>358,462</u>
	346,754	398,462
Interest receivables	43,873	46,995
Less: allowance for impairment of loan and interest receivables	<u>(144,883)</u>	<u>(133,561)</u>
Loans and interest receivables, net	<u><u>245,744</u></u>	<u><u>311,896</u></u>
Analysed for reporting purposes as current assets	<u><u>245,744</u></u>	<u><u>311,896</u></u>

As at 31 March 2025, there were a total of 15 (2024: 15) outstanding loans, out of which 7 (2024: 7) loans were loans to individuals and 8 (2024: 8) loans were loans to corporations, with principal amount per loan ranging from HK\$3,101,000 (2024: HK\$3,101,000) to approximately HK\$40,000,000 (2024: approximately HK\$44,093,000). Loans to the largest customer and top 5 customers constituted approximately 12% and 52% (2024: approximately 10% and 50%) of the total outstanding principal and interest amount of the loans respectively as at 31 March 2025. To the best knowledge, information and belief of the Directors, all these borrowers and their respective ultimate beneficial owners (in case of corporate clients) are independent of the Company and its connected persons (as ascribed under the Listing Rules).

The loans to individuals in aggregate amount of approximately HK\$112,388,000 (2024: approximately HK\$144,282,000) are unsecured and unguaranteed. Considering the corporation is in the nature of limited liability, the loans to corporations in aggregate amount of approximately HK\$234,366,000 (2024: approximately HK\$254,180,000) are either secured or guaranteed. Among the loans to corporations, one loan in the amount of HK\$40,000,000 (2024: HK\$40,000,000) is secured by a segregated portfolio account of an investment fund and the remaining loans in the total amount of approximately HK\$194,366,000 (2024: approximately HK\$214,180,000) are backed by guarantees respectively provided by individual who is the corporation's owner or connected person of the owner, and/or other corporation which is a related party to the corporate borrower.

The loans advanced to the borrowers under the Group's money lending business normally had loan periods from 6 to 54 months (2024: 6 to 54 months). The loans provided to borrowers bore interest rate ranging from 8%–15% per annum (2024: 8%–15% per annum), depending on the individual credit evaluations of the borrowers. These evaluations focus on the borrowers' financial background, individual credit rating, current ability to pay, and take into account information specific to the borrowers as well as the guarantees and/or security from the borrowers (where necessary). The loans provided to borrowers are repayable in accordance with the loan agreements, in which the principal amounts are repayable on maturity and the interests are repayable half-yearly, yearly or on maturity.

The following is an aged analysis of loans and interest receivables (net of allowance for impairment), presented based on the dates which loans are granted to borrowers and interests are accrued.

	2025	2024
	HK\$'000	HK\$'000
Within 90 days	–	12,791
91 – 180 days	–	896
181 – 365 days	224	1,673
Over 365 days	245,520	296,536
	245,744	311,896

As at 31 March 2025, loans and interest receivables before allowance for impairment of approximately HK\$390,627,000 (2024: approximately HK\$397,810,000) were past due. Included in the carrying amount of the above loans and interest receivables as at 31 March 2025, receivables of approximately HK\$144,883,000 (2024: HK\$133,561,000) which impairment was made based on the expected credit loss assessed with reference to an assessment performed by independent professional qualified valuer. During the year ended 31 March 2025, impairment of approximately HK\$11,322,000 (2024: HK\$7,492,000) has been made for loans and interest receivables of which the related credit risks increased. The Group assessed the credit risks associated with loan and interest receivable of each borrower by assigning the credit rating with reference to the repayment track record, the financial position and market benchmark to compute the impairment ratio (or expected credit loss ratio). Details are as follows:

Borrowers	Principal <i>HK\$'000</i>	Interest receivables <i>HK\$'000</i>	Impairment ratio	Impairment	Impairment	Impairment
				loss as at 1 April 2024 <i>HK\$'000</i>	loss recognised/ (reversed) for the year <i>HK\$'000</i>	loss as at 31 March 2025 <i>HK\$'000</i>
	(a)	(b)	(c)	(d)	(e)=(f)-(d)	(f)=(a+b) x c
Category A	63,628	5,243	100%	68,871	–	68,871
Category B	79,336	4,803	43.5%-48.3%	45,337	(7,243)	38,094
Category C	203,790	33,827	3.1%-17.5%	19,353	18,565	37,918
				<u>133,561</u>	<u>11,322</u>	<u>144,883</u>

Borrowers	Principal <i>HK\$'000</i>	Interest receivables <i>HK\$'000</i>	Impairment ratio	Impairment	Impairment	Impairment
				loss as at 1 April 2023 <i>HK\$'000</i>	loss recognised/ (reversed) for the year <i>HK\$'000</i>	loss as at 31 March 2024 <i>HK\$'000</i>
	(a)	(b)	(c)	(d)	(e)=(f)-(d)	(f)=(a+b) x c
Category A	63,628	5,243	100%	68,871	–	68,871
Category B	79,336	4,803	46.0%-60.1%	44,116	1,221	45,337
Category C	255,498	36,949	1.2%-14.8%	12,423	6,930	19,353
Category D	–	–	N/A	659	(659)	–
				<u>126,069</u>	<u>7,492</u>	<u>133,561</u>

In computing the impairment ratio (or expected credit loss ratio), the Group performed the following procedures:

- (a) to identify categories of loans and interest receivables with the same or similar credit risks by considering the following factors:
 - (1) whether the borrower and guarantor (if applicable) is in bankruptcy and/or has ceased the operation in case of corporate client;
 - (2) whether the borrower has settled the principal and/or interest during the year;
 - (3) whether the principal has been defaulted;
 - (4) whether the borrower can provide supporting documents to demonstrate its or his solvency;
 - (5) whether the borrower is a public figure; and
 - (6) whether the borrower can provide other indications of recoverability.

The main characteristic of each category is as follows:

Category A:	Borrower(s) and guarantor (if applicable) have been in bankruptcy and/or ceased the operation in case of corporate client.
Category B:	Borrower(s) defaulted the principal repayment upon maturity and could not provide supporting documents to demonstrate its or his solvency.
Category C:	Borrower(s) defaulted the principal repayment upon maturity but could be able to provide supporting documents to demonstrate its or his solvency or is a public figure.
Category D:	Borrower(s) did not default the principal repayment upon maturity and had settled some principal and/or interest during the year.

- (b) to estimate the expected settlement date of each borrower;
- (c) to assess a loss given default of the respective categories;
- (d) to assess the probability of default rates of each borrower;
- (e) to adjust the probability of default rates by forward-looking factors such as the GDP movements; and
- (f) to compute impairment ratio (or expected credit loss ratio) after considering the discount factor for impairment loss assessment.

Subsequent to the end of the reporting period, the amount of HK\$3,000,000 (2024: approximately HK\$3,100,000) were settled. The remaining past due amount of approximately HK\$242,744,000 (2024: approximately HK\$261,149,000) are due from several borrowers with whom the Group is negotiating practicable repayment terms and schedules. Accordingly, the Directors considered that no further impairment loss is necessary. Save for the aforesaid secured loans, the Group does not hold collateral over other balances.

14. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables arising from securities and futures brokerage business	3,899	4,013
Trade payables arising from property brokerage business	1,432	436
Trade payables arising from geothermal energy business	30,641	48,827
Trade payables arising from centralised heating business	66,401	62,094
Trade payables arising from building construction contracting business	256,220	239,676
Accrued charges	14,813	15,119
Consideration payables	6,000	18,000
Advance from subcontractor	73,629	92,930
Trust loans interest payable	50,957	28,644
Other payables	62,583	62,957
	566,575	572,696

For trade payables arising from the securities and futures brokerage business, no aging analysis is disclosed for the Group's margin and cash clients as these clients were carried on an open account basis, the aging analysis does not give additional value in the view of the nature of business of securities brokerage.

For trade payables arising from property brokerage business, no aging analysis is disclosed as the Group is yet to receive invoices at the end of the reporting period. The payables is accrued based on the monthly statements agreed with the respective agents. According to the relevant agency contracts, the invoices will be billed in the following month and the settlement terms is within 3 business days from the invoices date.

For trade payables arising from geothermal energy business, centralised heating business and building construction contracting business, they are mainly accrued and settled based on the progress of performance and the settlement obligation as stipulated in the respective contracts. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an aged analysis of trade payables from geothermal energy business, centralised heating business and building construction contracting business presented based on the invoice date and/or the settlement obligation as stipulated in the respective contracts at the end of the reporting period:

	Geothermal energy business <i>HK\$'000</i>	Centralised heating business <i>HK\$'000</i>	Building construction contracting business <i>HK\$'000</i>
2025			
Within 30 days	47	–	8,461
31 – 60 days	268	–	2,789
61 – 90 days	–	–	430
Over 90 days	<u>30,326</u>	<u>66,401</u>	<u>244,540</u>
	<u>30,641</u>	<u>66,401</u>	<u>256,220</u>
	Geothermal energy business <i>HK\$'000</i>	Centralised heating business <i>HK\$'000</i>	Building construction contracting business <i>HK\$'000</i>
2024			
Within 30 days	80	5,230	901
31 – 60 days	15	9,621	–
61 – 90 days	17	4,742	20,868
Over 90 days	<u>48,715</u>	<u>42,501</u>	<u>217,907</u>
	<u>48,827</u>	<u>62,094</u>	<u>239,676</u>

15. DISCONTINUED OPERATIONS

- (a) During the year, Shenzhen Rongjinda Equipment Leasing Co., Ltd.* (深圳市融金達設備租賃有限公司) (“Rongjinda”) (formerly known as Rongjinda Finance Lease Company Limited* (融金達融資租賃有限公司)) failure to fulfill regulation requirements of operating finance leasing business and was demanded by the government authority to amend its business scope for prohibition of such operation. Accordingly, the Group discontinued its finance leasing business.

Rongjinda is a reportable segment of the Group – finance leasing. This segment engages in finance leasing of plant and machinery as well as providing consultancy services with respect of finance leasing in the PRC. This segment is separately reported with the comparative figures restated accordingly.

The results of the discontinued operations (finance leasing) for the year ended 31 March 2025, which have been included in consolidated profit or loss, are as follows:

	2025	2024
	HK\$'000	HK\$'000
Revenue:		
– Consultancy income from finance leases	—	—
Operating costs:		
– Cost of providing Consultancy income from finance leases	—	—
	—	—
Other income	714	4,398
Administrative and other expenses	(186)	(670)
Staff costs	(288)	(539)
Gain on disposal of a subsidiary	—	205
Share of loss of associates	—	(9)
Impairment loss on finance lease receivables	—	(4,337)
Impairment loss on trade and other receivables	(4,321)	—
Loss before tax	(4,081)	(952)
Income tax expense	—	—
Loss for the year	(4,081)	(952)

- (b) In January 2024, the Group entered into a share transfer agreement with an independent third party to dispose 93% equity interest in Jet Air (Singapore) Private Limited (“Jet Air Singapore”) at a consideration of SGD1 (approximately HK\$6). The disposal was completed on 16 January 2024 and the Group ceased to hold interest in Jet Air Singapore. Upon completion of the disposal transaction, the Group discontinued its international air and sea freight forwarding services.

Jet Air Singapore is a reportable segment of the Group – international air and sea freight forwarding services. This segment engages in the provision of international air and sea freight forwarding and logistic services to customers in Singapore. This segment is separately reported with the comparative figures restated accordingly.

The results of the discontinued operations (international air and sea freight forwarding services) for the year ended 31 March 2024, which have been included in consolidated profit or loss, are as follows:

	2024 HK\$'000
Revenue:	
– Provision of international air and sea freight forwarding services	1,621
Operating costs:	
– Cost of providing international air and sea freight forwarding services	(1,031)
	590
Other income	2
Administrative and other expenses	(118)
Staff costs	(507)
Loss on disposal of a subsidiary	(518)
Loss before tax	(551)
Income tax expense	–
Loss for the year	(551)

The results of the discontinued operations for the year ended 31 March 2025, which have been included in consolidated profit or loss, are as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue:		
– Consultancy income from finance leases	–	–
– Provision of international air and sea freight forwarding services	–	1,621
	–	1,621
Operating costs:		
– Cost of providing Consultancy income from finance leases	–	–
– Cost of providing international air and sea freight forwarding services	–	(1,031)
	–	(1,031)
	–	590
Other income	714	4,400
Administrative and other expenses	(186)	(788)
Staff costs	(288)	(1,046)
Net loss on disposal of subsidiaries	–	(313)
Share of loss of associates	–	(9)
Impairment loss on finance lease receivables	–	(4,337)
Impairment loss on trade and other receivables	(4,321)	–
Loss before tax	(4,081)	(1,503)
Income tax expense	–	–
Loss for the year	<u>(4,081)</u>	<u>(1,503)</u>

16. CONTINGENT LIABILITIES/LITIGATIONS

- (a) A wholly-owned subsidiary of the Company, Huaihua Qinneng Technology Development Co., Ltd* (懷化勤能科技開發有限公司) (“Huaihua Qinneng”) was under dispute with Beijing Aoke Ruifeng New Energy Co., Ltd * (北京奧科瑞豐新能源股份有限公司) (“Beijing Aoke”) regarding the value of assets of approximately RMB18,850,000 which were transferred from Beijing Aoke to the Group. Such assets, mainly consisting of plant and machinery, were utilised in the Group’s centralised heating business operated by Yuncheng Baoshihua Regional Energy Technology Co., Ltd.* (運城寶石花區域能源科技有限公司) (“Yuncheng Baoshihua”). Yuncheng Baoshihua is wholly-owned by Huaihua Qinneng. Beijing Aoke won the case in the arbitration proceedings for claiming back, inter alia, the value of the transferred assets and applied for the court’s enforcement. The Intermediate People’s Court of Yuncheng* (運城市中級人民法院) (“The Intermediate People’s Court”) ordered Huaihua Qinneng to enforce the arbitration award and to, inter alia, freeze entire equity interests in Yuncheng Baoshihua held by Huaihua Qinneng. The Group has accounted for the value of the transferred assets in its consolidated financial statements but has not yet agreed on the settlement plan with Beijing Aoke. In September 2024, the Group received a notice from The Intermediate People’s Court in which it was required to provide information for evaluation of total value of all the equity interests and income of Yuncheng Baoshihua. The Group has filed an objection with The Intermediate People’s Court and the relevant objection has not yet been responded. As at the date of this announcement, since the Group has disposed the entire equity interest in Beijing Yuehai Enterprise Management Co., Ltd.* (北京岳海企業管理有限公司) which wholly owns Huaihua Qinneng and Yuncheng Baoshihua (the “Disposal”), the Directors consider that the Group’s obligation to settle the disputed amounts to Beijing Aoke is released accordingly.
- (b) Certain suppliers of geothermal energy business brought lawsuits to the court against Henan Province Baoshihua Geothermal Energy Development Co., Ltd.* (河南省寶石花地熱能開發有限公司) (“Henan Province Baoshihua”) and Wujixian Baoshihua Geothermal Energy Development Co., Ltd.* (無極縣寶石花地熱能開發有限公司) (“Wujixian Baoshihua”) (both being non-wholly owned subsidiaries of the Company) and Xian Baoshihua Energy Development Co., Ltd.* (西安寶石花能源科技集團有限公司) (“Xian Baoshihua”) (a wholly-owned subsidiaries of the Company) with total contracts sum of approximately RMB26,371,000. As there were contract disputes with such suppliers, Henan Province Baoshihua, Wujixian Baoshihua and Xian Baoshihua did not pay the suppliers even though the payment has been due. After receiving the judgement from the courts, Henan Province Baoshihua and Wujixian Baoshihua have settled approximately RMB2,430,000 in total and the remaining outstanding contracts sum of approximately RMB23,941,000 have been accrued in trade payables arising from geothermal energy business as at 31 March 2025. Due to the abovementioned lawsuits, the assets of Wujixian Baoshihua and Xian Baoshihua totaling approximately RMB3,000 were freezed as at 31 March 2025. The Directors are of the view that these lawsuits and the frozen assets do not have material impact on the Group’s financial position and operation.
- (c) A wholly-owned subsidiary of the Company, Shaanxi Jiangwei, has also been involved in a number of lawsuits with total contracts sum of approximately RMB45,560,000. As there were contract disputes with suppliers under building construction contracting business, Shaanxi Jiangwei did not pay the suppliers even though the payment has been due. After receiving the judgement from the courts, Shaanxi Jiangwei has paid the suppliers approximately RMB6,254,000 in total and the remaining outstanding contracts sum of approximately RMB39,306,000 have been accrued in trade payables arising from building construction contracting business as at 31 March 2025. Due to the abovementioned lawsuits, the assets of Shaanxi Jinagwei amounted to approximately RMB116,000 were freezed as at 31 March 2025. The Directors are of the view that these lawsuits and the frozen assets do not have material impact on the Group’s financial position and operation.

- (d) Yuncheng Baoshihua, has also been involved in a number of lawsuits with total contracts sum of approximately RMB40,619,000. Given contract disputes with suppliers under centralised heating business and uncertainty of the final and conclusive result of the objection against the Termination (as detailed in note 5(k)). Yuncheng Baoshihua did not pay the suppliers even though the payment had been due. After receiving the judgement from the courts, Yuncheng Baoshihua has paid the suppliers approximately RMB880,000 in total and the remaining outstanding contracts sum of approximately RMB39,739,000 have been accrued in trade payables arising from centralised heating business as at 31 March 2025. Given the Disposal as set out in note 16(a), the Directors are of the view that the Group is no longer subject to the aforementioned liabilities.
- (e) A wholly-owned subsidiary of the Company, Shanghai Xuanmei Property Agency Company Limited* (上海軒美房地產經紀有限公司) (“Shanghai Xuanmei”), has been involved in a number of with total contracts sum of approximately RMB1,063,000. As there were contract disputes with agents under property brokerage business, Shanghai Xuanmei did not pay the agents even though the payment had been due. The outstanding contracts sum of approximately RMB1,063,000 have been accrued in trade payables arising from property brokerage business as at 31 March 2025. The Directors are of the view that these lawsuits do not have material impact on the Group’s financial position and operation.

17. EVENT AFTER THE REPORTING PERIOD

- (a) On 30 April 2025, the Board resolved to grant share options to certain employees to subscribe for a total of 92,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company, pursuant to the share option scheme adopted by the Company on 1 September 2021. The exercise price is HK\$1.04 per ordinary share.
- (b) On 26 May 2025, the Group entered into a sale and purchase agreement with independent third parties to dispose the entire equity interest in China Best Financial Holdings Limited at a consideration of approximately HK\$9 million. Its wholly-owned subsidiaries are principally engaged in regulated financial services, including the provision of securities brokerage service and asset management service. The disposal was completed on 6 June 2025.
- (c) On 23 June 2025, the Group entered into an equity transfer agreement with an independent third party to dispose of the entire equity interest in the subsidiaries engaged in centralized heating business (the “Disposal Group”) at cash consideration of RMB32 million and agreed to repay the amounts due to the Disposal Group of approximately RMB7.7 million. The Disposal was completed on 25 June 2025. Details are set out in the Company’s announcement dated 23 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

	Year ended 31 March	
	2025	2024
	<i>HK\$'M</i>	<i>HK\$'M</i>
Financial Results Highlight		
Continuing operations		
Revenue	116.1	213.3
Total operating costs	(84.0)	(177.6)
Total expenses	(96.8)	(150.7)
Net loss before tax and non-controlling interests		
– from continuing operations	(138.2)	(126.9)
– from discontinued operations	(4.1)	(1.5)
Loss for the year attributable to owners of the Company		
– from continuing operations	(134.0)	(129.6)
– from discontinued operations	(4.1)	(1.5)
	(138.1)	(131.1)
As at 31 March		
	2025	2024
	<i>HK\$'M</i>	<i>HK\$'M</i>
Extract of Financial Position		
Total assets	1,536.1	1,722.9
Total liabilities	(919.0)	(964.9)
Net current assets	60.7	116.5
Bank balances and cash-general accounts	46.1	34.2
Net assets	617.1	758.1

OVERVIEW

For the year ended 31 March 2025, the Group's revenue was approximately HK\$116.1 million, representing a decrease of 45.6% as compared with approximately HK\$213.3 million last year. The significant decrease in the Group's revenue for the year was mainly attributable to sluggishness in its real estate related businesses under the prevailing real estate market conditions in the PRC and the business suspension of the centralised heating business as detailed below. To mitigate the impact of sharp decline in its revenue, the Group endeavoured to enhance costs control measures during the year. As a result, the net loss attributable to owners of the Company was slightly increased from approximately HK\$131.1 million in last year to approximately HK\$138.1 million in current year, representing an increase of approximately 5.3%.

BUSINESS AND FINANCIAL REVIEW

Building Construction Contracting Business

The Group acquired a company, which is principally engaged in building construction contracting on project basis in the PRC, in May 2020. For the year ended 31 March 2025, the Group provided building construction contracting services for residential and commercial construction projects mainly located in Xi'an, Shaanxi Province and Zhangjiakou, Hebei Province with total construction areas of approximately 184,000 square meters. The following table sets forth the movement of backlog of the construction projects during the years:

	Year ended 31 March	
	2025	2024
	<i>HK\$'M</i>	<i>HK\$'M</i>
Opening value of backlog	666.5	856.3
Value of new projects	7.3	—
Value decreased due to revising of projects amount	—	(78.9)
Value recognised based on the percentage of completion during the year	<u>(78.7)</u>	<u>(110.9)</u>
Closing value of backlog	<u>595.1</u>	<u>666.5</u>

Note: The abovementioned value is inclusive of the PRC value added tax of 9%.

For the year ended 31 March 2025, the revenue of the Group's building construction contracting business amounted to approximately HK\$72.2 million (2024: approximately HK\$102.7 million) and the gross profit of approximately HK\$8.8 million (2024: approximately HK\$8.9 million) was made. The Group recorded a profit of approximately HK\$3.7 million (2024: loss of approximately HK\$15.4 million) in this segment.

Project Management Business

The Group has commenced to provide project management services in the PRC since July 2020. According to the project management contracts, the Group's project management team is principally engaged in management of major aspects of a construction project on yearly basis, such as, project engineering, cost control, administration and human resources. In view of the overall downturn in the real estate industry in the PRC, the Group has tightened its credit assessment for new customers in real estate related businesses. As a result, the Group has yet to solicit any reliable new customer during the year after the existing contracts were completed. For the year ended 31 March 2025, no revenue of the Group's project management business was generated (2024: approximately HK\$10.8 million). Segment loss of approximately HK\$10.8 million was incurred in this segment (2024: approximately HK\$29.3 million).

Customised Technical Support Business

After the Group acquired a group of companies in August 2021 which are principally engaged in the provision of financial information, solutions and data analytical services to customers in finance and property related field in the PRC, the Group combined such newly acquired business with its building architecture and interior design business so as to provide customised technical support services to customers in the PRC. Same as project management business, the Group was unable to realise any new building architecture and interior design business during the year after the existing contracts were completed. In respect of the data analytical services, the Group launched products of system and platform to certain real estate companies and business management companies.

For the year ended 31 March 2025, the revenue of the Group's customised technical support business amounted to approximately HK\$11.1 million (2024: approximately HK\$17.6 million) and the gross profit of approximately HK\$11.1 million was recorded (2024: approximately HK\$16.1 million). Segment profit of approximately HK\$1.9 million was achieved (2024: approximately HK\$6.5 million).

Property Brokerage Business

The Group has been engaged in provision of residential and commercial property brokerage and consultancy services in the PRC since June 2019. The major places of business activities are in Xi'an, Shaanxi Province of the PRC. During the year, the local real estate transactions and deals were still sluggish in light of weakening market sentiment. For the year ended 31 March 2025, no revenue of the Group's property brokerage business was generated (2024: nil). Corresponding loss of approximately HK\$1.2 million was incurred in this segment (2024: approximately HK\$3.8 million).

Geothermal Energy Business

The Group acquired a group of companies, which are principally engaged in developing and utilising geothermal energy in provision of heating and cooling supply to various buildings located in residential areas in the PRC, in March 2020. Currently, the major places of business activities are in Xi'an, Shaanxi Province and Henan Province of the PRC with 15 drilling platforms, 6 heat exchange construction sites and total pipeline network area of approximately 1.8 million square meters covering 14 districts. The typical heating supply season in the PRC is from November of a year to March of the next year. During non-heating supply period of the year, the Group provides cooling supply by geothermal energy to cope with special needs from certain districts.

For the year ended 31 March 2025, the revenue of the Group's geothermal energy business amounted to approximately HK\$11.4 million (2024: approximately HK\$16.4 million) and the gross loss was approximately HK\$0.03 million (2024: gross profit of approximately HK\$3.3 million). Given the lower-than-expected growth in business expansion, an impairment loss of approximately HK\$21.8 million (2024: nil) on goodwill for the geothermal energy business was recognised in the year ended 31 March 2025 with reference to the valuation result conducted by an independent professional valuer. Corresponding segment loss of approximately HK\$31.8 million was incurred in this segment (2024: approximately HK\$5.8 million).

Property Investment Business

The Group acquired a group of companies in January 2019 which mainly hold the investment properties in the PRC for rental income and capital appreciation. For the year ended 31 March 2025, the rental income generated from such investment properties amounted to approximately HK\$6.3 million (2024: approximately HK\$6.3 million). Corresponding profit of approximately HK\$1.0 million (2024: approximately HK\$0.2 million), after deduction of unrealised fair value loss of approximately HK\$1.9 million on the Group's investment properties with reference to the valuation result conducted by an independent professional valuer, was made in this segment. As at 31 March 2025, the fair value of the investment properties was approximately HK\$107.3 million (2024: approximately HK\$110.1 million).

Trading Business

As disclosed in the Company's announcement dated 23 March 2023, the Group's two major trading customers deregistered which caused severe difficulties in carrying on the Group's trading business. During the year, the Group was reviewing the internal control and risk management in respect of the trading business, formulating possible business model and discussing with potential business partners. As such, no revenue of the Group's trading business was generated (2024: nil) for the year ended 31 March 2025. The Group recorded a loss of approximately HK\$11.8 million in this segment (2024: approximately HK\$15.3 million).

Money Lending Business

The Group holds a money lenders licence in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides loan facilities to prospective customers including enterprises and individuals. The Group earns interest income from the provision of such loan facilities. The money lending customers are mainly referrals from the business partners/existing clients of the Group and business contacts of the Group's senior management, who are high net worth individuals or companies engaged in various industries including investment fund, trader of hi-tech equipment, investor of tourism-related activities, etc. This segment has begun to generate returns to the Group since April 2016. For the year ended 31 March 2025, the revenue of the Group's money lending business amounted to approximately HK\$5.1 million (2024: approximately HK\$7.5 million). Taking into account credit risks associated with borrowers, the Group assessed their respective financial position and solvency as well as considered the assessment result conducted by an independent professional valuer. Accordingly, an impairment loss of approximately HK\$11.3 million (2024: approximately HK\$7.5 million) on loans and interest receivable was recognised in the year ended 31 March 2025. Corresponding segment loss of approximately HK\$8.4 million was incurred (2024: approximately HK\$2.5 million).

Securities and Futures Brokerage Business

The Group has been providing brokerage services for securities and futures traded on exchanges in Hong Kong and major overseas countries since August 2017. Due to the gradual saturation of the market for SFC licensed corporations in the financial services industry and the intensifying competition with the other market players, the operating results of the regulated financial services business of the Group was lower than those expected at the time when the licensed corporations were acquired by the Group in August 2017. Subsequent to the end of the reporting period, the Group has disposed securities brokerage business. The Group still has been negotiating with certain independent third parties for the potential disposal of futures brokerage business so as to reallocate and concentrate resources to other potential business. For the year ended 31 March 2025, no revenue of the Group's securities and futures brokerage business was generated (2024: approximately HK\$0.05 million). Corresponding segment loss of approximately HK\$4.9 million was incurred (2024: approximately HK\$6.7 million).

Centralised Heating Business

The Group started the centralised heating business after becoming the reorganisation investor of a company, which is principally engaged in the business of providing the heat and steam supply services in the licensed area of Yuncheng, Shanxi through centralised pipe networks, in September 2020. The Group was further granted an exclusive license for the provision of centralised heating service in Yuncheng City for 30 years from 1 January 2021. In July 2024, the Management Committee of Yuncheng Economic and Technological Development Zone* (運城經濟技術開發區管理委員會) (the “Yuncheng Management Committee”) served a notice dated 22 July 2024 to the Group and decided to unilaterally terminate the franchise agreement pursuant to the termination provisions thereof (the “Termination”). As a result, the Group’s centralised heating business has been suspended and no revenue has been generated since 23 July 2024. The Group requested an administrative review against the Termination and it has been rejected by the Yuncheng Municipal People’s Government. The Group has then initiated an administrative litigation with the Peoples’ Court of Yanhu District in Yuncheng City* (運城市鹽湖區人民法院) against the Termination and the administrative litigation is still in the process of the first instance trial. Based on the PRC legal adviser’s opinion, the administrative litigation is subject to lengthy process and there is high uncertainty in obtaining the court order to withdraw the Termination. In order to realise the value of the Group’s past investment in the centralized heating business, optimize the allocation of resources, and strengthen financial support for the development of other business of the Group, the Group disposed the centralised heating business subsequent to the end of the reporting period (the “Disposal”).

For the year ended 31 March 2025, the revenue from the provision of steam supply services before the business suspension amounted to approximately HK\$9.9 million (2024: approximately HK\$51.9 million) and the gross profit of approximately HK\$2.0 million (2024: gross loss of approximately HK\$12.2 million) was achieved. Considering the expected loss on the Disposal of approximately HK\$48.8 million, an impairment loss of approximately HK\$39.4 million (2024: nil) on property, plant and equipment utilised for the Group’s centralised heating business was accounted for in the year ended 31 March 2025. The Group recorded a loss of approximately HK\$40.5 million (2024: approximately HK\$19.7 million) in this suspended segment.

Finance Leasing Business (classified as “Discontinued Operation”)

As disclosed in the 2023/24 annual report, the Group has no plan to develop new business cooperation in this segment. The Group mainly endeavoured to follow up with existing clients for debts collection. During the year, the Group was unable to fulfill regulation requirements of operating finance leasing business and was demanded by the government authority to amend its business scope for prohibition of such operation. Accordingly, this business segment was discontinued and there was no revenue from finance leasing for the year ended 31 March 2025 (2024: nil). The segment loss from this discontinued operation of approximately HK\$4.1 million was incurred (2024: approximately HK\$1.1 million).

Freight Forwarding Business (classified as “Discontinued Operation”)

As disclosed in the 2023/24 annual report, the Group entered into a share transfer agreement in January 2024 to dispose of its freight forwarding business in Singapore. Upon completion of the aforesaid disposal, the Group has been no longer engaged in the freight forwarding business. For the year ended 31 March 2025, there was no revenue of the Group’s freight forwarding business (2024: approximately HK\$1.6 million).

BUSINESS UPDATES

Reference is made to the voluntary announcement and the supplementary announcement of the Company dated 5 March 2025 and 28 March 2025 respectively, regarding the formation of a joint venture company by way of restructuring to develop business operations related to humanoid robot intelligence technology and products. In late March 2025, the restructuring of the joint venture was completed, with senior management personnel progressively deployed. Meanwhile, R&D, operation and service teams have been established. As of the date of this announcement, the joint venture and its PRC subsidiary have a workforce of nearly 20 personnel, the majority of whom are technical staff. In April 2025, the joint venture submitted an application for admission to the Hong Kong Science Park and has successfully obtained the eligibility for admission, with plans to officially settle in July 2025. During this period, the joint venture has advanced solutions for multiple application scenarios of humanoid robots, including security scenarios, healthcare communities, health care and intelligent education, among others. In respect of the aforementioned business development directions, the Group has respectively signed cooperation framework agreements or reached cooperation intentions with several partners, including (i) the People’s Government of Haiyong Town, Haimen District, Nantong City, (ii) a subsidiary of a company listed on the Stock Exchange that is engaged in property management in Hong Kong, (iii) a company listed on the Shenzhen Stock Exchange that is engaged in great healthcare industry in Mainland China, and (iv) a subsidiary of a company listed on the Stock Exchange that is engaged in financial leasing, and continues to negotiate on specific cooperation details.

Reference is made to the voluntary announcement and the supplementary announcement of the Company dated 10 March 2025 and 15 April 2025 respectively, regarding the formation of a joint venture company by way of restructuring to jointly develop AI education application solutions, as well as the R&D, production, sales and operation and maintenance of AI education intelligent hardware (educational robots). In April 2025, the joint venture was established in Beijing, and meanwhile, the promotion of the business model for educational robots was carried out in Henan, Shaanxi, Guangdong, Sichuan and other regions. Based on the design schemes of educational robot products, the Group has gradually formed its business model.

Reference is made to the voluntary announcement of the Company dated 24 March 2025, regarding the construction of the “HK Robotics HealthCare and Wellness Demonstration Park Project” in Haiyong Town, Haimen District, Nantong, Jiangsu Province. As of the date of this announcement, the Group has submitted the conceptual design of the project to the local government for approval. The government is assisting the Group in negotiating the overall planning of the robot healthcare demonstration park with the park and surrounding property owners, and facilitating the implementation of supporting services around the demonstration park.

Reference is made to the voluntary announcement of the Company dated 29 July 2024, regarding the signing of a strategic framework agreement with China Radio and Television Ningxia Network Co., Ltd.* (中國廣電寧夏網絡有限公司) (“China Radio and Television”) in relation to a strategic cooperation covering the development of artificial intelligence, various computing power services and advanced computing infrastructure. The Group’s technical team conducted a comprehensive inspection of the facilities such as the computer rooms of China Radio and Television in Zhongwei City and proposed technical improvement plans. Meanwhile, business contacts were made with several large model companies in China, but due to difficulties in reaching a consensus on the business model, the relevant cooperation ultimately failed to proceed to the implementation stage.

OUTLOOK

As of the date of this announcement, the Company has changed its name to “Hong Kong Robotics Group Holding Limited”. The change of the Company’s name is primarily intended to more clearly demonstrate the Group’s commitment to transforming into the cutting-edge business fields of robotics and artificial intelligence. Taking Hong Kong as a pivot, the Group will radiate to global markets and strive to become a “pioneer in the civilianization of humanoid robots” and a “leader in intelligent scenario solutions”. Through technological innovation and industrial integration, the Group will promote the deep penetration of robotics technology from the industrial field into scenarios such as life services, health care, and educational scientific research.

In terms of the development of artificial intelligence and robotics business: (i) In Hong Kong, the Group plans to gradually enter the deployment of humanoid robot application scenarios in the second half of 2025, and will implement humanoid robot products with signed partners to achieve commercial use; and (ii) In mainland China, the Group also plans to first roll out educational robot products in selected target provinces in the second half of 2025. The overall business model will, in accordance with the national policies on AI education, unite content providers, local educational enterprises, and financial institutions to form a full-industry chain implementation model. Meanwhile, the Group expects to complete the formal project establishment of the “HK Robotics HealthCare and Wellness Demonstration Park Project” and successfully sign operation service agreements for the demonstration park, including the sales of healthcare robots.

Regarding the development of existing real estate-related service business, as the domestic real estate market continues to consolidate and decline, the Group will raise the selection threshold for related projects and adopt a more prudent strategy to seek future development opportunities. One possible direction is to explore the field of “themed real estate” in conjunction with the new business of artificial intelligence and robotics, that is, to provide corresponding services for robot healthcare related real estate projects. In addition to the “HK Robotics HealthCare and Wellness Demonstration Park Project” on Chongming Island, the Group also intends to negotiate similar projects with the governments of the Greater Bay Area, Tianjin, Zhejiang and other regions.

LIQUIDITY AND CASH FLOW RESOURCES

As at 31 March 2025, the equity and net current assets of the Group amounted to approximately HK\$617.1 million (2024: approximately HK\$758.1 million) and approximately HK\$60.7 million (2024: approximately HK\$116.5 million) respectively. On the same date, the Group had bank balances and cash of approximately HK\$46.1 million (2024: approximately HK\$34.2 million) and the current ratio was 1.07 (2024: 1.12). As at 31 March 2025, the Group had (i) secured trust loans of approximately HK\$214.5 million (2024: approximately HK\$216.4 million) bearing fixed interest rate at 12% per annum which have not been repaid upon maturity and are subject to negotiation with the lender for extension of loan period, (ii) secured bank loans of approximately HK\$19.3 million (2024: approximately HK\$99.5 million) bearing fixed interest rates ranged from 3.0% to 4.9% per annum and to be repaid from September 2025 to March 2026, (iii) unsecured short-term loan from an independent lender of approximately HK\$2.1 million (2024: approximately HK\$3.2 million) bearing fixed interest rate at 6% per annum and to be repaid on demand, (iv) interest-free and unsecured advance payments from independent third parties and subcontractors of approximately HK\$40.6 million (2024: approximately HK\$11.4 million) and approximately HK\$73.6 million (2024: approximately HK\$92.9 million) respectively to be repaid on demand, (v) interest-free and unsecured short-term loan from an independent third party of approximately HK\$18.1 million to be repaid on demand (2024: interest free and secured short-term loan from an independent third party of approximately HK\$2.6 million to be repaid on demand), and (vi) unsecured short-term loan from a shareholder of approximately HK\$3.3 million bearing fixed interest rate at 4% per annum and to be repaid by November 2025 (2024: nil).

As at 31 March 2025, the gearing ratio of the Group was approximately 0.24 (2024: approximately 0.25). The gearing ratio is measured on the basis of the total amount of interest bearing and interest free borrowings/advance payments over the amount of total assets. As at 31 March 2025, the total amount of interest bearing and interest free borrowings/advance payments and the amount of total asset of the Group amounted to approximately HK\$371.5 million (2024: approximately HK\$426.0 million) and approximately HK\$1,536.1 million (2024: approximately HK\$1,722.9 million) respectively.

The Group has readily available financial resources for both general working capital purposes and existing business operation.

PLEDGE OF ASSETS

As at 31 March 2025 and 2024, none of the Group's securities was pledged to brokers to secure the margin loan. As at 31 March 2025, certain flats of the investment properties held by the Group were pledged to banks to secure the bank loans borrowed by the Group (2024: bank deposit of RMB15.0 million (equivalent to approximately HK\$16.2 million) and investment properties of RMB101.8 million (equivalent to approximately HK\$110.1 million) held by the Group were pledged to banks to secure the bank loans borrowed by the Group).

CAPITAL EXPENDITURE

During the year ended 31 March 2025, the Group incurred approximately HK\$9.3 million (2024: approximately HK\$7.6 million) as capital expenditure mainly in respect of plant and equipment situated in the PRC.

CAPITAL COMMITMENTS

As at 31 March 2025 and 2024, the Group had no material capital commitment.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2025, the Group held financial assets at fair value through other comprehensive income of approximately HK\$7.9 million (2024: approximately HK\$5.3 million) which represented unlisted equity securities in Hong Kong. No financial assets at fair value through profit or loss were held as at 31 March 2025 (2024: nil). During the year ended 31 March 2025, the Group recorded a fair value gain of approximately HK\$2.7 million on securities investments that are not held for trading in other comprehensive income (2024: fair value loss of approximately HK\$3.5 million).

The Board acknowledges that the performance of the equities may be affected by the degree of volatility in the stock market and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the equities, the Board will continue to closely monitor the performance of its investment portfolio (if any) from time to time.

As at 31 March 2025, the Company did not hold any significant investments in an investee company with a value of 5% or more of the Company's total assets.

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition or disposal (including the acquisition or disposal of subsidiaries and associated companies) for the year ended 31 March 2025.

FUND RAISING ACTIVITIES

The Company did not conduct any fund raising activities in relation to issue of equity securities during the year ended 31 March 2025.

As at 31 March 2025, the amount of approximately HK\$4.4 million out of the net proceeds from the Company's rights issue, which was completed on 21 September 2023, remained unused and is expected to be utilised as intended on or before 31 March 2026 for the capital contribution of certain subsidiaries of the Company for the purposes of exploring and developing big data and digital-related businesses.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's monetary assets and transactions are principally denominated in Hong Kong dollars, Renminbi and US dollars. During the year ended 31 March 2025, there was no significant fluctuation in the exchange rates of Hong Kong dollars and US dollars whereas Renminbi had a downward adjustment, resulting in an exchange loss of approximately HK\$2.0 million recognised as other comprehensive expense of the Group. The Group will take a prudent approach against any impact arising from the fluctuation in exchange rates but currently is not engaged in any derivative activities and not committed to any financial instruments to hedge its balance sheet exposure.

EMPLOYEE AND HUMAN RESOURCES POLICY

As at 31 March 2025, the Group had 99 staff (2024: 279 staff). The total staff cost incurred for the year ended 31 March 2025 was approximately HK\$40.1 million (2024: approximately HK\$52.9 million). The remuneration of employees was determined with reference to the qualification and experience of individual staff member, market circumstances and the Group's performance. In accordance with the Listing Rules, the staff of the Company's accounting and financial reporting function have adequate training programmes and budget.

Pursuant to a share option scheme adopted on 1 September 2021 (the “2021 Share Option Scheme”), the Board may grant options to, among other, directors (including non-executive directors and independent non-executive directors) and employees of the Company and any of its subsidiaries or associated companies, to subscribe for shares of the Company. During the year ended 31 March 2025, no options were granted under the 2021 Share Option Scheme.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) PERFORMANCE

The Group continually reviews its ESG efforts, corporate governance and risk management practices with the aim to create and deliver sustainable value to all its stakeholders. The Group has been looking for opportunities to reduce the consumption of resources in order to minimise the impact on the environment. Details of the Group’s ESG efforts will be set out in its 2024/25 annual report.

FINAL DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 March 2025 (2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the year ended 31 March 2025 (2024: Nil).

REVIEW OF FINANCIAL INFORMATION

The Board has established the audit committee of the Company (the “Audit Committee”) in accordance with the Listing Rules. The Audit Committee currently comprises Ms. Yin Meiqun, Mr. Liu Tonghui and Mr. Ye Jianmu, the three independent non-executive Directors. A summary of duties and work of the Audit Committee will be set out in the “Corporate Governance Report” in the 2024/25 annual report.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters. The Audit Committee has reviewed the financial results of the Group for the year ended 31 March 2025.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by ZHONGHUI ANDA CPA Limited 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 ZHONGHUI ANDA CPA Limited on this announcement.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, saved as disclosed below, none of the Directors is aware of any information that would reasonably indicate that the Company was not in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules during the year ended 31 March 2025.

Under the code provision C.1.6 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One independent non-executive directors namely, Mr. Ye Jianmu, was unable to attend the Company's adjourned annual general meeting held on 10 September 2024 due to his other business commitments.

Under the code provision D.2.5 of the CG Code, the Group should have an internal audit function. However, due to the size of the Group and for cost effectiveness consideration, the Group currently does not have an internal audit function. Instead, the Audit Committee is responsible for a review on the internal control system annually. The review covers major financial, operational controls in rotation basis and also the risk management functions. The Group continues to review the need for an internal audit function annually.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and maintaining the Group's risk management and internal control systems to safeguard shareholders' investment and reviewing the effectiveness of such systems on an annual basis under the code provision D.2.1 of the CG Code.

The Group has adopted and followed a series of internal control procedures to regulate the money lending business to ensure a comprehensive risk management, so as to safeguard the interests of the Company and its shareholders, including (i) credit risk assessment by the business team, (ii) formulation of the preliminary business proposal by the business team, (iii) assessment by the risk control and compliance department, (iv) credit approval, and (v) ongoing monitoring of loan recoverability and loan collection.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made on all Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 September 2025 to Monday, 8 September 2025 (both days inclusive), during which no transfer of shares will be registered. In order to qualify to be shareholders of the Company to attend and vote at the annual general meeting to be held on Monday, 8 September 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited (effective from 15 July 2025) at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 1 September 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement containing the results of the Group for the year ended 31 March 2025 is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hkrobotics.ai>) respectively. The 2024/25 annual report and notice of annual general meeting of the Company will be despatched to the shareholders (if applicable) and made available on the above websites in due course.

By Order of the Board
Hong Kong Robotics Group Holding Limited
Mr. Qin Jie
Executive Director and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises one non-executive Director, namely, Mr. Li Mengzhe (Chairman), three executive Directors, namely, Ms. Wang Yingqian (Deputy Chairman), Mr. Qin Jie (Chief Executive Officer) and Mr. Li Haitao, and three independent non-executive Directors, namely, Mr. Liu Tonghui, Ms. Yin Meiqun and Mr. Ye Jianmu.

* *For identification purposes only.*