Green Economy Development Limited
綠色經濟發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1315)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

AUDITED ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of the Company hereby announces its audited annual consolidated results ("Audited Results") for the year ended 31 March 2025, together with the corresponding 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

	Notes	2025 HK$'000	2024 HK$'000
Revenue	4	**2,833,486**	2,934,565
Cost of sales and services		**(2,774,846)**	(2,849,631)
Gross profit		**58,640**	84,934
Other income		**9,610**	8,568
Other gains and losses		**9,343**	25
Reversal of allowance for trade and bills receivables		**1,827**	1,993
Selling expenses		**(2,014)**	(4,327)
Administrative expenses		**(27,853)**	(43,020)
Profit from operations		**49,553**	48,173
Finance costs	6	**(27,441)**	(25,889)
Profit before tax		**22,112**	22,284
Income tax expenses	7	**(6,858)**	(4,078)
Profit for the year	8	**15,254**	18,206
Other comprehensive income for the year, net of tax:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(1,688)**	(6,877)
Other comprehensive income for the year, net of tax		**(1,688)**	(6,877)
Total comprehensive income for the year		**13,566**	11,329

	Notes	2025	2024
		HK$'000	HK$'000
Profit/(loss) for the year attributable to:			
Owners of the Company		**15,427**	18,221
Non-controlling interests		**(173)**	(15)
		15,254	18,206
Total comprehensive income for the year attributable to:			
Owners of the Company		**13,739**	11,344
Non-controlling interests		**(173)**	(15)
		13,566	11,329
		2025	2024
Earnings per share	10		
Basic (HK cents per share)		**2.51**	4.89
Diluted (HK cents per share)		**2.51**	4.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	**2025** **HK$'000**	2024 *HK$'000*
Non-current assets			
Property, plant and equipment		**154**	620
Goodwill		**320**	320
Right-of-use assets		**1,489**	2,728
Financial assets at fair value through profit or loss ("FVTPL")		**3,543**	4,379
		5,506	8,047
Current assets			
Inventories		**83,178**	70,787
Trade and other receivables	*11*	**238,880**	237,308
Contract assets		**110,224**	194,090
Financial assets at FVTPL		**369**	—
Amount due from a related party		**19,591**	19,591
Pledged bank deposits		**65,759**	63,349
Bank and cash balances		**144,101**	86,688
		662,102	671,813
Current liabilities			
Trade and other payables	*12*	**275,541**	300,534
Lease liabilities		**1,186**	2,480
Contract liabilities		**16,432**	41,030
Amounts due to related parties		**8,973**	11,573
Amount due to a director		**—**	2,330
Loans from a related party	*13*	**102,124**	102,124
Other loan		**200**	200
Current tax liabilities		**13,516**	9,455
		417,972	469,726
Net current assets		**244,130**	202,087
Total assets less current liabilities		**249,636**	210,134
Non-current liabilities			
Accruals and other payables	*12*	**487**	487
Lease liabilities		**337**	411
Loans from a related party	*13*	**105,000**	105,000
		105,824	105,898
NET ASSETS		**143,812**	104,236

	Notes	**2025** **HK$'000**	2024 *HK$'000*
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	*14*	**6,219**	4,500
Reserves		**141,787**	103,795
		148,006	108,295
Non-controlling interests		**(4,194)**	(4,059)
TOTAL EQUITY		**143,812**	104,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Green Economy Development Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law (Revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 1001, 10/F, China Huarong Tower, 60 Gloucester Road, Wan Chai, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS") and Interpretations. These consolidated financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Going concern basis

As at 31 March 2025, the Group held bank and cash balances of approximately HK$144,101,000, while the Group had outstanding loans from Mr. Wong Law Fai ("Mr. Wong"), a director of certain subsidiaries of the Company, amounted to approximately HK$207,124,000. These loans, payable by two subsidiaries, Magic Choice Holdings Limited ("Magic Choice") at HK$102,124,000 and Wan Chung Construction Company Limited ("Wan Chung") at HK$105,000,000, were originally due on 31 October 2025 and 30 September 2026, respectively.

This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

As set out in note 16(b), the Company entered into a Sale and Purchase Agreement and a Deed of Settlement on 19 June 2025 for the disposal of Prosper Ace Investments Limited (the "Target Company") and its subsidiaries, including Magic Choice and Wan Chung (the "Disposal"). Upon the successful completion of this Disposal, the Group will no longer be indebted to Mr. Wong. Up to the date of this announcement, the Disposal is still in progress and its completion is dependent on the fulfillment of all conditions precedent under the Sale and Purchase Agreement, including the approvals from the shareholders and the relevant authorities.

The directors of the Company have prepared these consolidated financial statements on a going concern basis, based on the assessment of the Group's cashflow forecasts for the 15 months ending 30 June 2026. The directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements for that period.

Should the Disposal not proceed, the directors of the Company considered the appropriateness of a going concern basis in the preparation of these consolidated financial statements of the Group based on the following mitigating measures, including but not limited to:

1. as set out in note 13 and note 16(c), the Group entered into agreements with Mr. Wong on 20 June 2025 to extend the maturity date for all outstanding loans to 30 September 2027, at an interest rate of 13% per annum; and

2. the Group had unutilised banking facilities of approximately HK$446,456,000 as at 31 March 2025, of which HK$48,849,000 is available for working capital purposes, subject to annual review by the banks.

Notwithstanding the above, a material uncertainty exists as to whether the Group will be able to continue as a going concern, which depends on the following:

a. the completion of the Disposal upon the fulfilment of all conditions precedent under the Sale and Purchase Agreement, including the approvals from the shareholders and the relevant authorities;

b. the Group's ability to renew or further extend the loans from Mr. Wong when they fall due on the extended maturity date of 30 September 2027; and

c. the Group's ability to draw upon its available banking facilities as and when needed, which is dependent on the continuous fulfilment of all loan covenants.

Should the Group be unable to operate as a going concern in the foreseeable future, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except the above, the directors of the Company (the "Directors") are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Supply chain management		
— Transportation service income	**37,889**	32,641
— Trading of materials	**2,414,584**	2,167,991
	2,452,473	2,200,632
— Building construction and other construction related business	**1,360**	1,963
— Alterations, renovation, upgrading and fitting-out works	**44,541**	116,177
— Property maintenance	**335,112**	615,793
	2,833,486	2,934,565

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products or service lines and geographical regions:

For the year ended 31 March	Trading of materials		Transportation service income		Building construction and other construction related business		Alterations, renovation, upgrading and fitting-out works		Property maintenance		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Primary geographical markets												
Hong Kong	**265,412**	158,583	**—**	—	**1,360**	1,963	**44,541**	116,177	**335,112**	615,793	**646,425**	892,516
The people's Republic of China (the "PRC") except Hong Kong	**2,149,172**	2,009,408	**37,889**	32,641	**—**	—	**—**	—	**—**	—	**2,187,061**	2,042,049
Revenue from external customers	**2,414,584**	2,167,991	**37,889**	32,641	**1,360**	1,963	**44,541**	116,177	**335,112**	615,793	**2,833,486**	2,934,565
Timing of revenue recognition												
Goods and services transferred at a point in time	**2,414,584**	2,167,991	**—**	—	**—**	—	**—**	—	**—**	—	**2,414,584**	2,167,991
Services transferred over time	**—**	—	**37,889**	32,641	**1,360**	1,963	**44,541**	116,177	**335,112**	615,793	**418,902**	766,574
Total	**2,414,584**	2,167,991	**37,889**	32,641	**1,360**	1,963	**44,541**	116,177	**335,112**	615,793	**2,833,486**	2,934,565

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and the expected timing of recognising revenue as follows:

	Construction contracts	
	2025	2024
	HK$'000	*HK$'000*
Within one year	**42,901**	706,227
More than one year but not more than two years	**—**	35,459
	42,901	741,686

The Group has applied the practical expedient in paragraph 121(b) of HKFRS 15 to its sales contracts for trading of materials and transportation services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts trading of materials and transportation services that had an original expected duration of one year or less.

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 such that the Group need not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

5. SEGMENT INFORMATION

As at 31 March 2025, the Group has four reportable segments as follows:

(a) Supply chain management — engaged in sales and provision of materials, the relevant transportation of materials and potential accessary services

(b) Building construction and other construction related business — engaged in provision of construction services

(c) Alterations, renovation, upgrading and fitting-out works — engaged in provision of alteration, renovation, upgrading and fitting-out works for public sectors

(d) Property maintenance — engaged in provision of maintenance works for public sectors

During the year ended 31 March 2025, the senior executive management revisited its internal reporting structure. For the purpose of resource allocation and performance evaluation, the previously reportable segments, "Trading of materials" and "Transportation services," have been combined into a new segment named "Supply chain management." As a result of this change, the comparative segment information for the year ended 31 March 2024 has been re-presented to align with the current year's presentation.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include unallocated administrative expenses, certain other income, other gains and losses, finance costs and income tax expenses. Segment assets do not include certain property, plant and equipment, certain right-of-use assets, financial assets at FVTPL, certain other receivables, amount due from a related party, pledged bank deposits and bank and cash balances. Segment non-current assets do not include financial assets at FVTPL. Segment liabilities do not include certain lease liabilities, amounts due to related parties, amount due to a director, loans from a related party, certain trade and other payables and current tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

(i) **Information about reportable segments profit or loss, assets and liabilities:**

	Supply chain management *HK$'000*	**Building construction and other construction related business** *HK$'000*	**Alterations, renovation, upgrading and fitting-out works** *HK$'000*	**Property maintenance** *HK$'000*	**Total** *HK$'000*
Year ended 31 March 2025					
Revenue from external customers	**2,452,473**	**1,360**	**44,541**	**335,112**	**2,833,486**
Segment profit	**25,124**	**356**	**2,896**	**32,731**	**61,107**
Interest revenue	**46**	**—**	**128**	**2,418**	**2,592**
Depreciation	**974**	**—**	**—**	**291**	**1,265**
Reversal of allowance for trade and bills receivables	**1,827**	**—**	**—**	**—**	**1,827**
Capital expenditure	**9**	**—**	**—**	**—**	**9**
At 31 March 2025					
Segment assets	**277,632**	**—**	**29,166**	**124,914**	**431,712**
Segment liabilities	**(111,531)**	**(1,573)**	**(23,222)**	**(29,813)**	**(166,139)**

	Supply chain management *HK$'000* (Re-presented)	Building construction and other construction related business *HK$'000*	Alterations, renovation, upgrading and fitting-out works *HK$'000*	Property maintenance *HK$'000*	Total *HK$'000*
Year ended 31 March 2024					
Revenue from external customers	2,200,632	1,963	116,177	615,793	2,934,565
Segment profit	37,580	1,711	13,508	33,979	86,778
Interest revenue	14	—	716	3,317	4,047
Depreciation	931	—	—	378	1,309
Allowance for trade and bills receivables	(1,993)	—	—	—	(1,993)
Capital expenditure	1,022	—	—	—	1,022
At 31 March 2024					
Segment assets	267,691	7,570	37,829	189,695	502,785
Segment liabilities	(115,312)	(2,783)	(51,128)	(150,383)	(319,606)

(ii) **Reconciliations of segment revenue and profit or loss:**

	2025	2024
	HK$'000	*HK$'000*
Revenue		
Consolidated revenue	**2,833,486**	2,934,565
Profit or loss		
Total profit or loss of reportable segments	**61,107**	86,778
Unallocated amounts:		
Other income	**6,956**	4,390
Other gains and losses	**9,343**	25
Administrative expenses	**(27,853)**	(43,020)
Finance costs	**(27,441)**	(25,889)
Consolidated profit before tax	**22,112**	22,284

Reconciliation of segment assets and liabilities:

	2025	2024
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**431,712**	502,785
Unallocated amounts:		
Unallocated head office and corporate assets	**235,896**	177,075
Consolidated total assets	**667,608**	679,860
Liabilities		
Total liabilities of reportable segments	**166,139**	319,606
Unallocated amounts:		
Unallocated head office and corporate liabilities	**357,657**	256,018
Consolidated total liabilities	**523,796**	575,624

(iii) Geographical information:

Information about the Group's non-current assets (excluding financial assets at fair value through profit or loss) by location of assets are detailed below:

	Non-current assets	
	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**1,624**	3,344
The PRC except Hong Kong	**339**	324
Consolidated total	**1,963**	3,668

(iv) Revenue from major customers:

	2025	2024
	HK$'000	*HK$'000*
Supply chain management segment		
Customer A	**559,296**	1,114,477
Customer C	**357,694**	—
Building construction and other construction related business and property maintenance segments		
Customer B	**348,884**	627,068

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest expenses on loans from a related party	**26,926**	25,402
Interest expenses on bank loans and other loans	**231**	269
Interest expenses on lease liabilities	**284**	218
	27,441	25,889

7. INCOME TAX EXPENSES

Income tax has been recognised in profit or loss as follows:

	2025	2024
	HK$'000	*HK$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**4,249**	3,957
Under-provision in prior years	**3**	—
	4,252	3,957
Current tax — PRC Enterprise Income Tax		
Provision for the year	**2,603**	132
Over-provision in prior years	**3**	(11)
	2,606	121
	6,858	4,078

Pursuant to the rules and regulations of the Cayman Islands, Republic of Seychelles and the British Virgin Islands, the Group is not subject to any income tax in these regions.

Under the two-tiered profits tax regime, Profits Tax rate for the first HK$2 million of assessable profits of qualifying group entity derived in Hong Kong will be taxed at 8.25% (2024: 8.25%), and profits above that amount will be subject to the tax rate of 16.5%. For the other subsidiaries operating in Hong Kong, Hong Kong Profit Tax has been provided at a rate 16.5% (2024: 16.5%) on the estimated assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the "EIT") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2024: 25%). Pursuant to relevant laws and regulations in the PRC, the effective EIT rate for a subsidiary which qualified as small and micro enterprises is 2.5% for assessable profits below RMB1 million and 5% for assessable profits between RMB1 million and RMB3 million for the year ended 31 March 2025 and 2024.

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration		
— Audit services	**1,655**	1,722
— Non-audit services	**220**	520
	1,875	2,242
Cost of services provided	**385,527**	719,434
Cost of inventories sold	**2,389,319**	2,130,197
Depreciation of property, plant and equipment	**433**	621
Depreciation of right-of-use assets	**2,269**	3,570
Gain on disposal of property, plant and equipment	**(169)**	(125)
Net foreign exchange loss	**175**	100
Expenses relating to short-term lease and leases of low value assets	**243**	246

9. DIVIDENDS

The directors do not recommend the payment for any dividend for the year ended 31 March 2025 (2024: Nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2025	2024
	HK$'000	*HK$'000*
Earnings for the purpose of calculating basic and diluted earnings per share	**15,427**	18,221
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**615,284**	372,736

As the effect of the Company's outstanding share options were anti-dilutive, the Company did not include the effect of such dilutive potential ordinary shares arising from the outstanding share options in the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share during the years ended 31 March 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade and bills receivables	**100,694**	83,631
Less: allowance	**(76)**	(1,907)
	100,618	81,724
Prepayments	**80,536**	89,873
Deposit to supplier	**45,854**	52,514
Other deposits	**2,015**	3,426
Deposit for performance bonds	**9,725**	9,771
Others	**132**	—
	138,262	155,584
	238,880	237,308

Note: As at 31 March 2025, approximately HK$92,000 (2024: HK$92,000) of deposits were pledged to certain insurance companies to secure the performance bonds.

The Group's trading terms with other customers are mainly based on the contract terms. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

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

	2025	2024
	HK$'000	*HK$'000*
0 to 90 days	**21,984**	70,453
91 to 180 days	**66,160**	448
181 to 365 days	**10,137**	10,193
Over 365 days *(note)*	**2,337**	630
	100,618	81,724

Note: Amount of HK$1,790,000 has been settled subsequently before the date of authorising of consolidated financial statements of 2025.

12. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**96,796**	78,744
Retention payables	**16,987**	19,244
	113,783	97,988
Accruals expense *(note)*	**12,126**	19,653
Accrued project cost	**121,781**	158,317
Other tax payables	**15,767**	16,671
Provision for unused annual leaves	**3,502**	3,502
Others	**9,069**	4,890
	162,245	203,033
Less: non-current portion	**(487)**	(487)
	161,758	202,546
	275,541	300,534

Note: Included in balance of which HK$152,000 (2024: HK$140,000) represents the interest payable on the other loans.

The ageing analysis of trade payables based on the date of receipt of goods or services consumed, is as follows:

	2025	2024
	HK$'000	*HK$'000*
0 to 90 days	**23,257**	48,224
91 to 180 days	**16,967**	—
181 to 365 days	**32,671**	15,026
Over 365 days	**23,901**	15,494
	96,796	78,744

13. LOANS FROM A RELATED PARTY

The loans from a related party were advanced by Mr. Wong to the Company's wholly-owned subsidiaries, namely Magic Choice and Wan Chung. The loans were unsecured and bear interest at 3.8% per annum and repayable in September 2021. In the event of default of repayment, the amounts in default were interest bearing at 2% per month.

On 19 September 2022, Magic Choice, Wan Chung and Mr. Wong entered into new agreements to refinance the balances of the aforementioned outstanding loans, under which Mr. Wong agreed to grant new loans in the amounts of approximately HK$102,124,000 and HK$105,000,000 to Magic Choice and Wan Chung, respectively. The applicable interest rate for each of the aforesaid loans was 9.8% per annum. The maturity dates of the loans to Magic Choice and Wan Chung were 18 September 2024 and 18 September 2025, respectively. The interests on both loans were repayable on the 18th day of each month (or the immediate following business day if such day is not a business day) until the maturity date of the loans.

On 28 June 2023, Magic Choice, Wan Chung and Mr. Wong entered into agreements to extend the maturity dates of loans to Magic Choice and Wan Chung for further one year at interest rate of 13% with immediate effect. The maturity dates of the loans to Magic Choice and Wan Chung were extended to 31 October 2024 and 30 September 2025, respectively. The maturity dates of the loans had been further extend to 31 October 2025 and 30 September 2026, respectively on 26 June 2024.

On 20 June 2025, Magic Choice, Wan Chung and Mr. Wong entered into agreements to further extend the maturity date of loans to Magic Choice and Wan Chung to 30 September 2027.

14. SHARE CAPITAL

	2025	2024
	HK$'000	*HK$'000*
Authorised:		
2,000,000,000 ordinary shares of HK$0.01 each (2024: 2,000,000,000 ordinary shares of HK$0.01 each)	**20,000**	20,000
Issued and fully paid:		
621,876,317 ordinary shares of HK$0.01 each (2024: 449,999,944 ordinary shares of HK$0.01 each)	**6,219**	4,500

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued	Nominal value of shares issued
		HK$'000
At 1 April 2023	8,999,998,994	18,000
Shares consolidation *(note (a))*	(8,549,999,045)	—
Share cancellation	(5)	—
Capital reduction *(note (b))*	—	(13,500)
At 31 March 2024 and 1 April 2024	449,999,944	4,500
Issuance of shares by rights issue *(note (c))*	171,876,373	1,719
At 31 March 2025	621,876,317	6,219

Note:

(a) On 6 April 2023, an extraordinary general meeting was held and approved the share consolidation on the basis that every twenty (20) issued and unissued ordinary shares at par value of HK$0.002 ("Existing Shares") each to be consolidated into one (1) consolidated share at par value of HK$0.04.

(b) On 8 December 2023, the capital reduction by and share sub-division every one (1) share at par value of HK$0.04 each to be sub-divided into four (4) shares at par value of HK$0.01 each was implemented upon all conditions precedent for the implementation as disclosed in the circular dated 3 March 2023, the announcement on 17 February 2023, 24 February 2023, 15 June 2023, 14 September 2023, 16 November 2023, 1 December 2023 and 7 December 2023 have been fulfilled.

(c) On 21 February 2024, the Board proposed to raise approximately HK$36,225,000 before deducting professional fee and other related expenses by issuing up to 224,999,972 new shares to the qualifying shareholders on the basis of two (2) rights shares for every one (1) share in issue (the "Rights Shares") at the subscription price of HK$0.161 per share (the "Rights Issue"). Upon the completion of the Rights Issue on 16 April 2024, the number of shares in issue of the Company was increased by 171,876,373, resulting in a credit to share capital and share premium by HK$1,719,000 and HK$24,253,000, respectively after netting of the related cost of approximately HK$1,700,000. Details of the Rights Issue are disclosed in the Company's announcements dated 21 February 2024 and 15 April 2024.

15. ACQUISITION OF SUBSIDIARIES

On 11 September 2024, the Group acquired 100% of the issued share capital of Runroc Holdings Limited ("Runroc") for a cash consideration of HK$87,000. Runroc was engaged in investment holding and trading business. Runroc owns 85% equity interest of a subsidiary which is principally engaged in trading business and starts to get involved with provision of iron ore pre-treatment and mixed ore processing services for various steel mills. The acquisition is part of the Group's strategy to expand its supply chain management business.

The fair value of the identifiable assets and liabilities of Runroc and its subsidiary at the date of acquisition is as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	**20**
Trade receivables	**15,352**
Prepayments, deposits and other receivables	**2,291**
Financial assets at FVTPL	**513**
Due from a director	**199**
Bank and cash balances	**2,772**
Inventory	**35**
Trade and other payables	**(18,217)**
Contract liabilities	**(2,240)**
	725
Portion shared by NCI	**(38)**
Gain on bargain purchase	**(600)**
Satisfied by:	
Cash	**87**
Net cash inflow arising on acquisition:	
Cash consideration paid	**(87)**
Cash and cash equivalents acquired	**2,772**
	2,685

The Group recognised a gain on bargain purchase of HK$600,000 in the business combination. The gain is included in other gain and loss. The business combination results in a gain on bargain purchase.

Runroc and its subsidiary contributed revenue of HK$193,737,000 and loss of HK$842,000 in the period between the date of acquisition and the end of the reporting period. If the acquisition had been completed on 1 April 2024, total Group revenue for the year would have been HK$466,067,000, and profit for the period would have been HK$12,312,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2024, nor is intended to be a projection of future results.

16. EVENT AFTER REPORTING PERIOD

(a) On 18 June 2025, the Company announced to subscribe up to HK$11,600,000 investor shares of Bayzed Health Group Inc. at its offer price in initial public offering. The details of the subscription is set out in the announcement date 18 June 2025.

(b) On 19 June 2025, the Company entered into a Sale and Purchase Agreement with a company wholly-owned by Mr. Wong (the "Purchaser"), pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of Prosper Ace Investments Limited (the "Target Company"), at a consideration of HK$1. The Target Company is a wholly-owned subsidiary of the Company. The Target Company and its subsidiaries (including Magic Choice, Wan Chung, Wan Chung Engineering Company Limited and Ki Ngai Construction Engineering Limited) (collectively referred to as the "Target Group") are principally engaged in building construction and other construction related business, alterations, renovation, upgrading and fitting-out works and property maintenance.

As the Company is indebted to the Target Group, on 19 June 2025, the Company entered into a Deed of Settlement with the Target Company and Mr. Wong. Pursuant to the Deed of Settlement, the Company shall settle the Current Accounts with the Target Company by (i) instructing Mr. Wong to pay to the Target Group for settlement of his outstanding debt with the Company; and (ii) the Company shall pay HK$15 million to the Target Company for the settlement of the remaining balance of the Current Accounts.

A shareholders' meeting will be convened to consider and, if thought fit, to pass the resolutions to approve the Sale and Purchase Agreement, the Deed of Settlement and the transactions contemplated thereunder.

Details of the above transactions and the conditions precedent under the Sale and Purchase Agreement are set out in the Company's announcement dated 19 June 2025.

Upon completion of the disposal of the Target Company and the completion of the Deed of Settlement, the Group will no longer be indebted to Mr. Wong.

(c) On 20 June 2025, Magic Choice, Wan Chung and Mr. Wong entered into agreements to further extend the maturity date of loans to Magic Choice and Wan Chung to 30 September 2027 at interest rate of 13% per annum with immediate effect.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of the Group

The Group recorded total turnover of approximately HK$2,833 million for the financial year ended 31 March 2025 ("Fy2025"), compared to turnover of approximately HK$2,935 million for the financial year ended 31 March 2024 ("Fy2024").

Although there was a decrease of gross profit of approximately HK$26.3 million, from approximately HK$84.9 million in Fy2024 to approximately HK$58.6 million in Fy2025, this was offset by the decrease of administrative expenses and selling expenses of approximately HK$17.5 million and increase in other gains and losses of approximately HK$9.3 million. Profit from operations was approximately HK$49.6 million in Fy2025 compared to approximately HK$48.2 million in Fy2024.

The segment results are discussed in the Review of Operations section below.

Basic earnings per share for Fy2025 is approximately HK2.51 cents (Fy2024: approximately HK4.89 cents).

The Board does not recommend any payment of dividends for Fy2025 (Fy2024: Nil).

Review of Operations

(i) ***Supply chain management***

Revenue for the segment for Fy2025, comprising income from trading of materials of HK$2,415 million and transportation service income of HK$38 million, was approximately HK$2,453 million (Fy2024: approximately HK$2,201 million).

Segment result decreased from the Fy2024 segment profit of approximately HK$37.6 million to segment profit approximately HK$25.1 million Fy2025 as there was decrease in profit margin recorded in the segment.

(ii) ***Building Construction***

Revenue for the building construction segment in Fy2025 was approximately HK$1.4 million (Fy2024: approximately HK$2 million).

Segment result decreased from segment profit approximately HK$1.7 million for Fy2024 to segment profit approximately HK$0.4 million for Fy2025.

Segment profit decreased was mainly attributed to more cost was recognized from a completed project.

(iii) ***Alterations, Renovation, Upgrading and Fitting-out ("A&A") Works***

Revenue for the A&A works segment in the Fy2025 was approximately HK$44.5 million (Fy2024: approximately HK$116 million) and segment profit was approximately HK$2.9 million (Fy2024: segment profit approximately HK$13.5 million).

The decrease in the segment revenue from A&A works was mainly attributable to the recognition of more revenue from several large scale A&A works projects in Hong Kong which were in full swing operation in the Fy2024.

Segment result decreased from segment profit HK$13.5 million in the Fy2024 to segment profit HK$2.9 million in Fy2025. The change was mainly contributed by more construction costs in the Fy2025 for operation of several large scale A&A works projects.

(iv) ***Property Maintenance***

Revenue for the property maintenance segment decreased from approximately HK$615.8 million in the Fy2024 to approximately HK$335.1 million in the Fy2025 and segment profit decreased from approximately HK$34.0 million in the Fy2024 to approximately HK$32.7 million in the Fy2025.

The property maintenance projects included maintenance works for public sectors. The decrease in segment revenue was mainly attributable to two large scale long term property maintenance contracts which contract period were expired on 31 March 2024 and 31 December 2024 respectively had contributed less segment revenue in the Fy2025 and no long term property maintenance contract was awarded in the Fy2025.

The decrease in segment profit was mainly attributable to more operating cost recognized in Fy2025 including safety precaution and quality control cost and also more subcontracting cost of the abovementioned large scale property maintenance projects incurred in Fy2025.

BUSINESS OVERVIEW AND PROSPECT

Supply chain management business

The Company currently involves in the supply chain of materials (e.g. iron ores) in various markets, the businesses of which involves sales and provision of materials, the relevant transportation of materials and potential accessary services (e.g. the mixing of iron ores).

I. **Rationality of the existence of trade agent market:** Given that domestic iron and steel enterprises purchase iron ore from foreign iron ore enterprises through a dual system, some qualified large steel enterprises implement the Benchmark Prices, while small unqualified steel enterprises adopt the Spot Prices that is higher than the Benchmark Prices. The international trade of iron ore is characterized by strong professionalism, frequent market fluctuations and unstable supply, which is extremely risky for buyers. Therefore, most small iron and steel enterprises entrust trader agents to import iron ore, and some large iron and steel enterprises with direct purchase agreements also entrust reputable trader agents to import iron ore, so as to ensure the stability of iron ore supply. This is the value of the existence of the iron ore trade agent market.

II. Industry Status and Trend

1. Policy factor: according to the Outline of 14th Five-Year Plan for the Development of Iron Ore Industry issued by China, it is clearly required that the growth of iron ore industry shall increase 70% by 2021, which have made each local government correspondingly introduce local policies to improve the industry penetration.

2. Economic factor: currently, the market size of iron ore has reached RMB500 billion, with a steady upward trend of the overall market. With the effective control of the epidemic, the demand for the iron and steel industry has increased, which was driven by gradual implementation of major national infrastructure projects and the recovery of the demand of downstream markets like automobile. It has increased the profit of the steel and improved the enthusiasm of the iron and steel enterprises to increase production, thereby generating strong demand for iron ores. The trade of iron ore and even the steel industry will continuously have a strong development under the effect of China's macro policies.

III. Development plan of the Company's business (partly selected from the business plan)

The Company's corporate development goal: we will establish a port of ore blending integration platform based on modern supply chain management. Through scientific blending of ore, the final blended ore products can meet the production demand of various steel enterprises, so as to provide stable raw material supply guarantee for iron and steel enterprises. The Company will strive to develop into a core supply chain enterprise of large domestic iron and steel enterprises. Through the advantages of call auction, the Company will save logistics costs in multiple logistics links such as import order, shipping, port yard, scientific ore blending and inland transshipment. In the future, the Company will become a professional iron ore product and service integrator and service and product agent in iron ore industry. It will develop a supply chain management software system with independent intellectual property rights, by using modern network information technology and listed company platform, so as to realize the integration of supply chain in the industry, optimize the cost, and achieve the smooth coordination of logistics, capital flow and information flow, as well as obtaining greater revenue from management services for the Company.

In the long run, the trading business will continue to generate income and contribute profit to the Group. Looking forward, the Group would continue to explore and strive to diversify and develop its trading businesses in 2025.

Construction related businesses

The lagging property market, high interest rates and aging construction manpower lead to a slowdown in the growth of the Hong Kong construction industry. Diminishing demand in the private sector and tightened public project expenditure make the market highly competitive. Owing to the continuous monetary tightening, building contractors are facing financial hardship while fierce price competition has further narrowed profit margins.

Shortage of skilled labour and soaring costs in maintaining quality and safe construction are still the two main risk factors for the construction business. Adoption of the latest technology in the construction industry is one of the ways to improve the works management and enhance overall cost control.

We will keenly focus on operational cost control in order to maintain liquidity and competitiveness in the market. Additionally, we will leverage our accumulated experience and understanding in the industry to explore other opportunities to reduce our business risks selectively.

Major Corporate Event

On 21 February 2024, the Board proposed to raise approximately HK$36.23 million before deducting professional fee and other related expenses by issuing up to 224,999,972 new shares to the qualifying shareholders on the basis of two (2) shares in issue for every one (1) rights share (the "Rights Shares") at the subscription price of HK$0.161 per share (the "Rights Issue").

On 16 April 2024, the Rights Issue was completed with applications in respect of a total of 171,876,373 Rights Shares received and 171,876,373 Rights Shares allotted and issued. The gross proceeds raised from the Rights Issue are approximately HK$27.67 million and the net proceeds from the Rights Issue after deducting the estimated expenses of approximately HK$1.7 million in relation to the Rights Issue are estimated to be approximately HK$25.97 million.

Details of the Rights Issue are disclosed in the Company's announcements dated 21 February 2024 and 15 April 2024.

Liquidity and Financial Resources

As at 31 March 2025, the current assets and current liabilities were stated at approximately HK$662.1 million (as at 31 March 2024: approximately HK$671.8 million) and approximately HK$418.0 million (as at 31 March 2024: approximately HK$469.7 million), respectively. The current ratio maintained at 1.58 times as at 31 March 2025 (as at 31 March 2024: 1.43 times). The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective period. As at 31 March 2025, the Group had total cash and bank deposits of approximately HK$209.9 million (as at 31 March 2024: approximately HK$150.0 million).

As at 31 March 2025, total interest-bearing loans amounted to approximately HK$207.3 million (as at 31 March 2024: approximately HK$207.3 million). The Group's net cash balance as at 31 March 2025 (the sum of pledged bank deposits, restricted cash and bank and cash less interest-bearing bank and other borrowings in current portion) was approximately HK$107.5 million (as at 31 March 2024: approximately HK$47.7 million).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. As at 31 March 2025, the Group had obtained credit facilities and trade finance facilities from various banks up to a maximum amount of approximately HK$69.5 million and US$50 million respectively (31 March 2024: approximately HK$69.5 million and US$50 million respectively) and approximately HK$12.0 million (31 March 2024: approximately HK$12.8 million) of the credit facilities has been utilized.

As at 31 March 2025, the gearing ratio of the Group was approximately 31.1% (as at 31 March 2024: approximately 30.5%). The gearing ratio is calculated by dividing total interest-bearing borrowings with total assets as at the reporting date multiplied by 100%. With its available bank balances and cash and existing available bank credit facilities for operating use, the Group has sufficient liquidity and financial resources to satisfy the financial requirements of its existing businesses.

Reference should also be made to the "going concern basis" in Note 2 to the consolidated financial statements for the year ended 31 March 2025 in this announcement.

Pledge of Assets

At the end of the reporting period, the following assets are pledged to banks and insurance companies to secure the banking facilities and performance bonds granted to the Group:

	31 March 2025 ***HK$'000***	31 March 2024 *HK$'000*
Pledged for securing the Group's banking facilities and performance bond		
Other receivables	**92**	92
Bank deposits	**65,759**	63,349
Total	**65,851**	63,441

Material Acquisitions

On 11 September 2024, Start Shinning Pte. Ltd., a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party of the Company for the sale and purchase of the entire issued share capital of Runroc Holdings Limited ("Target Company"), a company incorporated in the British Virgin Islands with limited liability which holds 85% of the equity interest in Rizhao

Zhongkuang New Energy Technology Co., Ltd.* (日照中礦新能源科技有限公司) ("Target Subsidiary"), a company established under the laws of the PRC with limited liability. The Target Company is principally engaged in investment holding and trading business and the Target Subsidiary is principally engaged in trading business and starts to get involved with provision of iron ore pre-treatment and mixed ore processing services for various steel mills (the "Acquisition").

The consideration of the Acquisition is HK$87,000 and the Acquisition was completed in 13 September 2024. Details of the Acquisition could be referred to the announcements of the Company dated 11 September 2024 and 14 October 2024.

Save as disclosed above, there was no material acquisition, disposal or loss of control of subsidiaries or associated companies or capital investment by the Group in Fy2025.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks relating to supply chain business segment

(i) The trading profit margin is relatively low and hence any significant impairment of trade receivables, and abnormal fluctuations of trading prices and exchange rates would affect the operating result of the Company.

(ii) Given that the shipping industry is a highly cyclical industry, and as a professional logistics operator, the Group undertakes various functions such as customer receipt, shipment, transportation, and distribution, it will accordingly bear transportation risks such as restrictions on navigation areas, cargo detention, and harsh weather conditions, as well as market price fluctuations. The management of the Company will minimise risks by strengthening relevant risk management.

Risks relating to constructions related segments

(i) The Group's construction works are labour-intensive in nature. In the event that there is a significant increase in the costs and demand of labour, the Group's staff cost and/or subcontracting cost will increase and thus lower its profitability. On the other hand, if the Group or its subcontractors fail to retain the Group's existing labour and/or recruit sufficient labour in a timely manner to cope with the Group's existing or future projects, the Group may not be able to complete the Group's projects on schedule and within budget, the Group's operations and profitability may be adversely affected.

(ii) The Group needs to estimate the time and costs involved in projects in order to determine the fee. There is no guarantee that the actual amount of time and costs would not exceed the Group's estimation during the performance of the jobs. The actual amount of time and costs involved in completing the jobs may be adversely affected by many factors, including adverse weather conditions, accidents, breakdown of machinery and equipment, unforeseen site conditions. Any material inaccurate estimation in the time and costs involved in a job may adversely affect the profit margin and results of operations of the Group.

(iii) The projects undertaken by the Group are mostly on a case by case basis. As such, our revenue derived from such projects is not recurring in nature and we cannot guarantee that our customers will provide us with new business after the completion of the current projects. The Group has to go through the competitive tendering process to secure new project works. In the event we are unable to maintain business relationship with existing customers or unable to price our tender competitively, our business and hence our revenue will be adversely affected.

Financial Risk

The Group adheres to prudent financial management principle in order to control and minimise financial and operational risks. The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar and Renminbi. The Group will, from time to time, review its foreign exchange position and market conditions to determine if any hedging is required. Similarly, the Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary.

Contingent Liabilities

Compensation to banks or insurance companies due to satisfactory performance to customers

Performance bonds amounting to approximately HK$9,334,000 (2024: approximately HK$12,979,000) were given by banks or insurance companies in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and these customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract works for the relevant customers. At the end of the reporting period, the directors do not consider it will be probable that a claim will be made against the Group under any of the above guarantees. The maximum liability of the Group at the end of the reporting period under such guarantees is the outstanding amount at that date.

Apart from as disclosed above, certain subsidiaries of the Company are defendants in certain claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote, after due consideration of each case and with reference to legal advice.

At the end of each reporting period, the Group had provided the following guarantees:

	31 March 2025 *HK$'000*	31 March 2024 *HK$'000*
Guarantees in respect of performance bonds in favor of its clients	**9,151**	12,796

Movement of incomplete contracts for the year ended 31 March 2025

	31 March 2024 *HK$'000*	**Contracts Secured** *HK$'000*	**Contracts Completed** *HK$'000*	**31 March 2025** *HK$'000*
Building Construction	—	—	—	—
Property Maintenance	1,229,787	—	(955,800)	273,987
Alteration, Renovation, Upgrading and Fitting-Out Works	139,038	46,552	(95,897)	89,693
	1,368,825	46,552	(1,051,697)	363,680

Employees and Remuneration Policies

As at 31 March 2025, the Group employed a total of 72 staff (as at 31 March 2024: 189 staff) which included Hong Kong and Mainland China employees. The total remuneration for staff was approximately HK$49.8 million for Fy2025 (Fy2024: approximately HK$90.8 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package consist of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

DIVIDEND

The Board does not recommend the payment of final dividend in respect of the year ended 31 March 2025 (2024: Nil). No interim dividend was declared for the six months ended 30 September 2024 (30 September 2023: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICE

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. During the year ended 31 March 2025, the Board had adopted the principles and the code provisions as set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference and made such terms of reference available on the websites of the Stock Exchange and the Company.

Save as disclosed below, during the year ended 31 March 2025, the Company had complied with the CG Code as set out in Appendix 14 to the Listing Rules.

Code Provision C.1.6

Under code provision C.1.6, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, two of the independent non-executive directors was unable to attend the Company's annual general meeting held on 27 September 2024.

Roles of the chairman and the chief executive

Under the code provision C.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing.

The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Chau Chit for the period from 1 April 2024 to 20 February 2025.

The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

Financial reporting, Risk management and internal control

The Company has engaged internal control consultant to conduct internal control reviews, has set up Risk Management Committee to assist the Board to oversee the risk management system carried out by the management on an ongoing basis, and has appointed a compliance officer to advise on and assist the Board in overseeing the compliance of laws and regulations by the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they had complied with the Model Code during the year ended 31 March 2025.

EVENT AFTER THE REPORTING PERIOD

(a) On 18 June 2025, the Company announced to subscribe up to HK$11,600,000 investor shares of Bayzed Health Group Inc. at its offer price in initial public offering. The details of the subscription is set out in the announcement date 18 June 2025.

(b) On 19 June 2025, the Company entered into a Sale and Purchase Agreement with a company wholly-owned by Mr. Wong (the "Purchaser"), pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of Prosper Ace Investments Limited (the "Target Company"), at a consideration of HK$1. The Target Company is a wholly-owned subsidiary of the Company. The Target Company and its subsidiaries (including Magic Choice, Wan Chung, Wan Chung Engineering Company Limited and Ki Ngai Construction Engineering Limited) (collectively referred to as the "Target Group") are principally engaged in building construction and other construction related business, alterations, renovation, upgrading and fitting-out works and property maintenance.

As the Company is indebted to the Target Group, on 19 June 2025, the Company entered into a Deed of Settlement with the Target Company and Mr. Wong. Pursuant to the Deed of Settlement, the Company shall settle the Current Accounts with the Target Company by (i) instructing ~Mr. Wong to pay to the Target Group for settlement of his outstanding debt with the Company; and (ii) the Company shall pay HK$15 million to the Target Company for the settlement of the remaining balance of the Current Accounts.

A shareholders' meeting will be convened to consider and, if thought fit, to pass the resolutions to approve the Sale and Purchase Agreement, the Deed of Settlement and the transactions contemplated thereunder.

Details of the above transactions and the conditions precedent under the Sale and Purchase Agreement are set out in the Company's announcement dated 19 June 2025.

Upon completion of the disposal of the Target Company and the completion of the Deed of Settlement, the Group will no longer be indebted to Mr. Wong.

(c) On 20 June 2025, Magic Choice, Wan Chung and Mr. Wong entered into agreements to further extend the maturity date of loans to Magic Choice and Wan Chung to 30 September 2027 at interest rate of 13% per annum with immediate effect.

Save as disclosed above, there is no other event after the reporting period that should be notified to the shareholders of the Company.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

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 the preliminary announcement have been agreed by the Company's auditor, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor 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 Hong Kong Institute of Certified Public Accountants (the "HKICPA") and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

EXTRACT OF AUDITOR'S REPORT (EMPHASIS OF MATTER)

Opinion

We have audited the consolidated financial statements of Green Economy Development Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements, as at 31 March 2025, the Group had bank and cash balances of approximately HK$144,101,000, while loans from a related party amounted to approximately HK$207,124,000, of which approximately HK$102,124,000 and HK$105,000,000 were originally due on 31 October 2025 and 30 September 2026, respectively.

This condition indicates the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

Our opinion is not modified in respect of this matter.

THE BOARD'S RESPONSE TO THE AUDITOR'S OPINION

The directors have estimated the Group's cash requirements by preparing a Group cashflow forecast for the 15 months ending 30 June 2026 on the basis that disposal of the Target Company and the Deed of Settlement will be completed and the Group will no longer be indebted to Mr. Wong. The directors are of the opinion that the Group has sufficient working capital for 15 months ending 30 June 2026.

The directors have also estimated the Group's cash requirements by preparing a Group cashflow forecast for the 15 months ending 30 June 2026 on the basis that disposal of the Target Company and the Deed of Settlement will not be completed. The directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for 15 months ending 30 June 2026, as the maturity dates of the loans to Magic Choice and Wan Chung are extended to 30 September 2027. After taking into account of the Group's bank deposits and cash balances amounting to HK$144,101,000 as at 31 March 2025, the Group's ability to generate operating cashflow and the extention arrangements with Mr. Wong, the available unutilised banking facilities of approximately HK$446,456,000, of which HK$48,849,000 is available be drawn down for working capital need, as at 31 March 2025, the directors therefore considered it is appropriate to adopt the going concern basis in preparing these consolidated financial statements.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters, including reviewing the interim financial information for the six months ended 30 September 2024 and the consolidated financial statements and annual results for the year ended 31 March 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://www.greeneconomy.com.hk) and the Stock Exchange's website (http://www.hkex.com.hk). The 2025 Annual Report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites on or before 31 July 2025.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, business partners, bankers and other business associates for their trust and support.

By Order of the Board
Green Economy Development Limited
TANG HONGYANG
Executive Director and Chief Executive Officer

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Zhu Feng, Mr. Tang Hongyang, Mr. Zhu Xiaodong, Mr. Chau Ting Sen, Mr. Su Junjie and Mr. Fung Ka Lun, and three independent non-executive Directors, namely Mr. Wong Wai Kwan, Mr. Zhang Shengman and Ms. Li Xiaoting.