CHERISH SUNSHINE INTERNATIONAL LIMITED
承輝國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1094)

2024/25
ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Yang Hua *(Joint Chairman and Chief Executive)* *DBE*
(appointed on 28 August 2024)
Mr. Zhou Xiangtao *(Joint Chairman)* *MBA*
(appointed on 9 September 2024)
Mr. Sze Kam Shing, Alan *CFA, CPA, MFin*
(appointed on 9 September 2024)
Ms. Wu Siyuan *MSc, BSc*
(retired as Chairman and Executive Director on 28 August 2024)
Mr. Shi Qiang *MBA, LL.B*
(retired as Executive Director and Chief Executive on 28 August 2024)
Ms. He Qian *CPA (PRC), EMBA, BAcc*
(ceased on 9 September 2024)

Non-executive Directors

Ms. Liu Qian *EMBA, MA, BEng*
(ceased on 9 May 2024)
Mr. Li Shun *ACG, HKACG, CGMA, MSc, BA*
(retired on 28 August 2024)
Mr. Li Guanghua *EMBA, BEng*
(ceased on 9 May 2024)

Independent Non-executive Directors

Ms. Deng Hua *LL.M, LL.B*
Mr. Zhao Zhijiao *BSc*
(appointed on 9 September 2024)
Mr. He Zhi *CPA (PRC)*
(appointed on 31 March 2025)
Mr. Zhong Dengyu *CPA (PRC)*
(ceased on 31 March 2025)
Ms. Yang Xiaoyan *BA, MBA*
(ceased on 9 September 2024)

BOARD COMMITTEES

Audit Committee

Mr. He Zhi *(Chairman)*
(appointed on 31 March 2025)
Ms. Deng Hua
Mr. Zhao Zhijiao
(appointed on 9 September 2024)
Mr. Zhong Dengyu
(ceased as Chairman on 31 March 2025)
Ms. Yang Xiaoyan
(ceased on 9 September 2024)

Remuneration Committee

Ms. Deng Hua *(Chairman)*
(re-designated as Chairman on 9 September 2024)
Mr. Zhao Zhijiao
(appointed on 9 September 2024)
Mr. He Zhi
(appointed on 31 March 2025)
Ms. Yang Xiaoyan
(ceased as Chairman on 9 September 2024)
Mr. Zhong Dengyu
(ceased on 31 March 2025)

Nomination Committee

Ms. Deng Hua *(Chairman)*
(appointed as Chairman on 28 August 2024)
Mr. Zhao Zhijiao
(appointed on 9 September 2024)
Mr. He Zhi
(appointed on 31 March 2025)
Ms. Wu Siyuan
(ceased as Chairman on 28 August 2024)
Ms. Yang Xiaoyan
(ceased on 9 September 2024)
Mr. Zhong Dengyu
(ceased on 31 March 2025)

AUTHORISED REPRESENTATIVES

Mr. Sze Kam Shing, Alan (as to Listing Rules)
(appointed on 27 September 2024)
Mr. Lau Man Kit *(as to Companies Ordinance)*
Ms. Wu Siyuan (as to Listing Rules)
(ceased on 28 August 2024)
Mr. Li Shun (as to Listing Rules)
(ceased on 27 September 2024)

COMPANY SECRETARY

Mr. Sze Kam Shing, Alan
(appointed on 13 September 2024)
Mr. Li Shun
(ceased on 27 September 2024)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM 1179
Hamilton HM EX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Unit 807, Block 9
No. 1818-2 Wenyi West Road
Yuhang Street, Yuhang District
Hangzhou, Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 705, 7/F
Nam Wo Hong Building
148 Wing Lok Street
Sheung Wan
Hong Kong

AUDITOR

Crowe (HK) CPA Limited
(Certified Public Accountants and Registered Public Interest Entity Auditor)

LEGAL ADVISERS

As to Hong Kong law
Chiu & Partners
Pillsbury Winthrop Shaw Pittman LLP

As to Bermuda law
Conyers Dill & Pearman

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Hangzhou

STOCK CODE

1094

WEBSITE

www.sunshine1094.com

Chairman's Statement

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Cherish Sunshine International Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present to you this annual report of the Group for the year ended 31 March 2025 (the "**Year**").

BUSINESS PERFORMANCES

For the Year, Cherish Sunshine International Limited has experienced a difficult and challenging year. The cooling down of the real estate market had driven down the value of the properties which brought significant negative financial impact to the Group's financial performance. The recoverability issue of certain customers caused significant provision and impairment on receivables. The Company's business in computing power centre and photovoltaic power plant was delayed due to the uncertain relationship between the People's Republic of China ("**PRC**") and the United States of America ("**US**"), which caused fair value loss on those financial assets. These factors contributed to significant loss for the Year.

Due to the excessive investment in the solar power industry in the PRC in recent years, the industry has been saturated. The excess supply for Engineering, Procurement and Construction ("**EPC**") business in the solar power industry caused the significant drop in revenue from provision of EPC services during the year.

In addition, the Group is also facing a more and more challenging business environment in the information technology industry and macro-economy wise. For example, the harsher and stricter restrictions imposed by the US government on the exportation of global information technology to the PRC further pushed domestic entities and users to focus on adopting softwares and hardwares that are made in China. That presents a huge challenge that demands companies like the Group to deploy more resources and increase its inputs into the development of new software versions to suit the needs to our governmental and corporate clients.

Despite the above mentioned difficulties and challenges, the public procurement business of the Group has been performing satisfactorily. The Group has been working on upgrading the public procurement platform with China made products and achieved encouraging progress during the Year. The new version of public procurement platform is expected to launch in mid of 2025 and provide enhanced user experience to customers. The management considers that the public procurement business will be steady in the foreseeable future as the financial situations of the public sector and the overall economy are stabilized.

Management Discussion and Analysis

I. BUSINESS REVIEW

The Year remained as a challenging year for the Group. The international trading business and the general market sentiment were disturbed by the wars in various parts of the world and the increasingly tense geopolitical relationships between the major economies. Domestically, while China's macro-economic gross domestic product ("**GDP**") growth was steady, the general business community remained cautious about the future economy prospect. The Group was facing unprecedented challenges and difficulties and has been working hard to overcome the problems. For the Year, the Group had a contraction in overall business volume. The public procurement business is the traditional business that the Group engaged in over 15 years. The public procurement platform requires upgrading to provide better user experience to customer. During the Year, the Group devoted significant financial and human resources for software upgrading and data processing. On the other hand, the financial conditions of the governmental clients were unfortunately worsening, due to the adverse impact brought by the cooling real estate market nationwide. Against this background and foreseeable future market trend, the management holds a cautious view about the future public procurement software business and its contribution to the Group's overall financial performance, and as a result is actively exploring new growth paths. For further details, please refer to the paragraph headed "Business Prospects" on page 24 of the same section.

Over the Year, the Group recorded a decrease in total revenue of approximately 87.4% to approximately HK$98.3 million from the total revenue of approximately HK$782.2 million of the previous year. No matter core business or new business sector, all business segments show a revenue decline. Fortunately, the overall gross profit margin achieved by the Group during the Year improved and reached to approximately 28.7% as compared with approximately 7.6% for the previous year. This was mainly due to absence of a larger amounts of revenue from trading business, which had a lower profit margin. The management was satisfied with the successful strategy implementation of its strategy to penetrate deeper and wider into other business segments for better return. Despite business performance being worse than previous year, the Group continued to make more preparations for its future role in the new energy business and core IT business. For example, one more subsidiary has been granted the Grade II certificate of general contractor for electricity power construction projects by the Administration of Office for Housing and Urban and Countryside Construction of Zhejiang Province (浙江省住房和城鄉建設廳) in the PRC, enabling the Group to undertake small to medium-size electricity-related projects in the PRC with the capacity of up to 200 megawatts per project. Another example is IT service team in Hubei Province has provided cloud signature service to the local customers. It is an innovative electronic signature technology to enable effortless integration with electronic bidding systems by centralizing expert e-signatures in the cloud, allowing seamless on-demand deployment during bid evaluation processes. In coming year, the team targets to do research and development on AI-driven solutions such as AI-powered bid proposal generation and automated compliance vetting for tender documents with a view to encouraging customers to use IT platform more deeply.

One problem the Group has observed is the increasing credit risk associated with the supply chain in relation to the Group's provision of procurement services. Procurement services is one of the principal business activities of the Group involving large amount of monetary transactions. The management is concerned about and closely monitoring the worsening liquidity conditions of the industry players which is becoming a common problem faced by many businesses in the country. To mitigate the potential risks associated with the Group's business, the Group has, on the one hand, taken actions such as increasing its credit provisions to account for future potential losses. On the other hand, the management has also become more selective and cautions in choosing its business partners.

Provision of procurement services and other IT services

During the Year, the Group recorded a revenue of approximately HK$61.1 million for provision of procurement services and other IT services, representing a decrease of approximately 67.9% as compared to the year ended 31 March 2024 ("**Corresponding Prior Year**"). The revenue from provision of procurement services contributed approximately HK$45.1 million to the total revenue of this segment, representing a decrease of approximately 71.8% as compared to Correspondence Prior Year. The decrease is mainly due to the completion of two significant Engineering, Procurement and Construction ("**EPC**") projects which recognised revenue in Corresponding Prior Year. Market competition keeps on keen. The number of projects that can generate income to the Group has decreased significantly. The Group still needs to invest more resources to seize more market share under the keen market competition. The IT services contributed approximately HK$16.0 million to the total revenue of this segment, representing a decrease of approximately 47.9% as compared to Correspondence Prior Year, mainly due to the decrease in revenue from platform license, IT maintenance and consultancy services. The Group believes the IT business segment will be improved when China made products are launched in the mid of 2025 and replace foreign technology based IT softwares of the existing customers.

Trading business

The trading revenue decreased to approximately HK$19.0 million during the Year, representing a decrease of approximately 96.6% as compared to Corresponding Prior Year. The profit margin of the trading business is keeping low and in line with the market trend. The management believes that this segment should be scaled back in favor of focusing on other more profitable businesses.

Rental income

During the Year, the rental income of the Group decreased by approximately 12.3% to HK$13.5 million as compared with HK$15.3 million for the Corresponding Prior Year. Part of the decrease of the rental revenue for the Year against FY23/24 was due to the depreciation of Renminbi (RMB) against Hong Kong dollars, the presentation currency of the Group. Aside of the foreign exchange impact, the revenue for the Year denominated in RMB had decreased by approximately 6% as compared to that for FY23/24. The reason for the decrease is during the Year the Group entered into an operation agreement with a lease contractor which has exclusive rights to operate lease business of the investment property of the Group for 5 years. In each lease period, the Group would receive a fixed fee but lower than annual rental income from self-operated. However, the Group believes that this would enable the Group to do more operating cost saving in lease business and provide a steady cash inflow to the Group.

Provision of energy management contracting services

The provision of the energy management contracting services recorded a revenue of approximately HK$4.7 million during the Year, representing a decrease of approximately 55.5% as compared to Corresponding Prior Year. The decrease is mainly due to completion of certain contracting services without renewing new service contracts. During the Year, the Group recorded approximately HK$0.7 million revenue from carbon neutrality consulting services under this segment. The management expects the carbon neutrality consulting business to grow in the next few years.

II. FINANCIAL REVIEW

Operational Performance

1. Revenue

Revenue of the Group for the Year was HK$98,252,000 (FY23/24: HK$782,180,000).

The revenue for the Year included (i) revenue from provision of procurement services and other IT services of approximately HK$61,083,000, accounting for approximately 62.2% of the total revenue (FY23/24: HK$190,476,000, 24.4%); (ii) revenue from trading business of approximately HK$19,008,000, accounting for approximately 19.3% of the total revenue (FY23/24: HK$565,796,000, 72.3%); (iii) rental income of approximately HK$13,454,000, accounting for approximately 13.7% of the total revenue (FY23/24: HK$15,340,000 2.0%); and (iv) revenue from energy management contracting business of approximately HK$4,707,000, accounting for approximately 4.8% of the total revenue (FY23/24: HK$10,568,000, 1.3%).

2. Cost of sales and services rendered

Cost of sales and services rendered for the Year was approximately HK$70,074,000 (FY23/24: HK$722,666,000). The decrease in cost of sales and services rendered was in line with the reduction of revenue. Through number of projects and transactions reduced, the Group recorded fewer material costs reflecting our purchases to meet orders of customers under the trading business segment and fewer technical and human resources consumed for new contracts in the segments of provision of procurement services and other IT services and energy management contracting business.

3. Gross profit

Gross profit for the Year was approximately HK$28,178,000 (FY23/24: HK$59,514,000). Despite a decrease in the gross profit, the gross profit margin for the Year was 28.7%, representing an increase of 21.1 percentage points as compared to the gross profit margin of 7.6% for FY23/24.

The increase in gross profit margin was mainly attributable to the decreased proportion of revenue generated from the trading business, where in line with industry norm, a lower profit margin prevailed. The decrease in proportion of those businesses therefore caused the increase in overall profit margin in spite of the significant decrease in gross profit in absolute value. Profit margin in other segments such as provision of other IT services showed small improvement, however the impact is insignificant to the total gross profit.

4. *Other income and gains/(losses)*

The other income and gains/(losses) for the Year mainly comprised government grant and interest income. The account balance for the Year was a gain of approximately HK$2,032,000, as compared to a gain of HK$7,250,000 for FY23/24. The decrease was mainly contributed by an one-off government grant of approximately HK$6,528,000 recorded in last year, while no such income was recognised during the year.

5. *Administrative expenses*

The administrative expenses for the Year was approximately HK$40,492,000 (FY23/24: HK$55,747,000). The administrative expenses mainly comprised staff cost, legal and other professional fees, depreciation for property, plant and equipment and right-of-use assets and general office expenses. The overall administrative expenses reduced by 27.4% thanks to the execution of more stringent costs controlling measures on certain operational expenses and re-organisation of human resources.

6. *(Impairment loss)/reversal of impairment loss for intangible assets*

As at 31 March 2025, based on the valuation conducted by an independent qualified professional valuer, the Group made an impairment loss for intangible assets, which amounted to approximately HK$7,897,000 (FY23/24: a reversal of impairment loss of HK$3,711,000) arising from a decrease in the recoverable amount of intangible assets, given the fact that the Group's revenue on sales of authentication keys and the related services dropped significantly from approximately HK$9,282,000 last year to approximately HK$5,719,000 this year under the keen market competition, a prudent view is therefore adopted in projecting our procurement platform services income and expansion of customers' base in the PRC in coming few years. The valuation is determined by Valplus Consulting Limited, an independent professional valuer, based on value in use calculation, which is the approach consistent with last year, which based on the financial budgets approved by the management covering a five-year period and a pre-tax discount rate of approximately 28.8%.

7. *Impairment loss for trade and other receivables and contract assets*

During the year ended 31 March 2025, the Group undertook extensive efforts to recover outstanding debts demonstrating a commitment to engaging in sustained good-faith negotiations with debtors. Despite these efforts, the financial difficulties encountered by these debtors, particularly those within the photovoltaic power sector, have substantially hindered recovery initiatives. During the year, 47 customers are conducting business in photovoltaic power industry.

The photovoltaic industry in the People's Republic of China is facing unprecedented challenges, exacerbated by significant economic downturns and ongoing market-oriented pricing reforms. These factors have led to a substantial decline in profitability for many enterprises, straining their financial stability and impeding their ability to maintain healthy cash flow. Consequently, this environment has not only affected the debtors' operational capabilities but has also disrupted the overall cash flow chain within the industry. During the period, management of the Group became aware of the following:

1) There was a significant oversupply issue resulting in intense price competition and increased inventory levels. Leading companies in the photovoltaic industry, such as LONGi Green Energy Technology Company Limited, experienced significant performance deterioration in 2024, revenue declining from approximately RMB129.5 billion in 2023 to approximately RMB82.6 billion, and profit before tax shifting from approximately RMB12.0 billion to loss before tax of approximately RMB10.2 billion, partly due to insufficient market demand to absorb excess capacity, leading to inventory accumulation and financial pressure. Similarly, another leading company, Trina Solar Co., Ltd. decreased from approximately RMB113.4 billion in 2023 to approximately RMB80.3 billion in 2024, with profit before tax turning from approximately RMB6.5 billion to loss before tax of approximately RMB3.7 billion. These trends indicate structural issues in the industry, as insufficient demand fails to resolve the oversupply issue in the short term, and intense price competition is expected to persist.

2) New regulatory policies – 《分佈式光伏發電開發建設管理辦法》("**Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation**") and 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》("**Notice on Deepening Market-Oriented Reform of Renewable Energy Feed-in Tariffs to Promote the High-Quality Development of Renewable Energy**") (collectively the "**New Regulations**") were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing the profitability of the photovoltaic industry. These were consistent with the findings in Frost & Sullivan's industry report.

   As a result, the anticipated recovery timelines have extended beyond initial expectations. Recognising these circumstances, the Group has remained proactive in its approach, allocating resources to understand and adapt to the evolving landscape. The Group's commitment to finding viable solutions reflects its dedication to preserving its financial interests while navigating the complexities of the current market environment. Legal action will only be considered as a last resort, and solely in cases where the anticipated recoverable amount justifies the associated legal costs, ensuring that the interests of the Group and its shareholders are safeguarded. The Group maintains active dialogue with the debtors to explore all viable avenues for recover.

To reflect a fair impairment assessment, the Group appointed an independent professional valuer, namely Valplus Consulting Limited (2024: Masterpiece Valuation Advisory Limited) to evaluate the outstanding balances in trade and other receivables, The expected loss calculation has been made using provision matrix approach, by reference to the expected loss rates are based on actual loss experience over the past 2 years. The calculation reflects the probability-weighted outcome of expected credit losses and is adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and also forward-looking information including the Group's view of economic conditions over the expected lives of the receivables. The Group has recognised net impairment losses of approximately HK$25,133,000 (2024: HK$1,766,000) for trade receivables, HK$2,369,000 (2024: HK$416,000) for contract assets, and HK$20,435,000 (2024: reversal of impairment losses of HK$78,000) for other receivables. For detail of the impairment assessment, please refer to Note 6(b) to the consolidated financial statements.

Moving forward, the Group is unwavering in its resolve to explore every reasonable commercial avenue for debt recovery. While it will prioritize negotiated settlements wherever feasible, legal action will only be considered as a last resort, strictly in cases where the anticipated recoverable amount justifies the associated legal costs. The Group continues to maintain open lines of communication with debtors, reflecting a collaborative approach aimed at exploring all possible avenues for recovery while safeguarding the interests of the Group and its shareholders.

8. Fair value loss on investment properties

Based on the valuation report prepared by Valplus Consulting Limited, an independent professional valuer, the Group assessed the fair value of its investment properties in PRC using income capitalisation approach at the end of the reporting period which is the approach consistent with last year. During the year, the Group entered into an operation agreement with a lease contractor which has exclusive rights to operate lease business of the investment property of the Group for 5 years at a fixed charge annually. Notwithstanding this approach could enable the Group to have a stable cash flow under the austere property market in the PRC, such fixed charge was lower than market rental and caused an adverse effect on future income generated from the asset, hence its fair value at the end of the reporting period is dropped to approximately HK$175,232,000. The Group recognised a fair value loss on investment properties of approximately HK$56,356,000 (FY23/24: HK$20,461,000). This loss exerted significant pressure on the Group's financial performance for the year.

9. Finance costs

Finance costs for the Year was approximately HK$7,741,000 (FY23/24: HK$6,725,000). They were interests on convertible bonds, interests on bank and other borrowings and interests on lease liabilities. The increase in finance costs is mainly due to increase in interest payments to bank and other borrowings. During the Year, more borrowings of the Group were in place as compared to that of FY23/24, and therefore the Group incurred more interest payments resulting in the increase in finance costs.

10. Income tax credit

Income tax credit of the Group for the Year amounted to approximately HK$15,091,000 (FY23/24: HK$11,290,000). Tax credit made for the Year mainly represented a reversal of deferred taxation on land appreciation tax of our properties located in Wuhan, Hubei Province, the PRC, such tax credit made was due to a significant drop in fair value of the investment properties, and recognition of provision for PRC Enterprise income tax.

11. (Loss)/profit for the Year

Loss for the Year amounted to approximately HK$123,906,000 (FY23/24: a profit of HK$804,000). The loss made for the Year was mainly due to increase in impairment losses for intangible assets, trade and other receivables and contract assets and fair value loss on investment properties. In comparison with FY23/24, there is a huge decrease in the profits attributable to owners and the major reasons are fair value of investment properties was significantly declined in the second half of the Year and impairment on the group's assets were significantly made for the Year.

Financial Position

1. Liquidity and capital structure

As at 31 March 2025, the Group had restricted bank deposits of approximately HK$2,062,000 (31 March 2024: 61,593,000) and cash and cash equivalents of approximately HK$19,367,000 (31 March 2024: HK$6,309,000). As at 31 March 2025, cash, bank deposits and restricted deposit of the Group mentioned above totally approximately HK$21,429,000 (31 March 2024: HK$67,902,000) of which HK$5,665,000 (31 March 2024: HK$66,981,000) were denominated in RMB. The total assets of the Group amounted to approximately HK$538,006,000 (31 March 2024: HK$727,927,000), the total equity amounted to approximately HK$193,036,000 (31 March 2024: HK$295,310,000), the total liabilities amounted to approximately HK$344,970,000 (31 March 2024: HK$432,617,000). The assets-liabilities ratio (total assets over total liabilities) was 1.56:1 (31 March 2024: 1.68:1), the current ratio (current assets over current liabilities) was 0.79:1 (31 March 2024: 1.26:1 (restated)) and the gearing ratio (total bank and other borrowings and convertible bonds over total equity) was 0.89:1 (31 March 2024: 0.42:1).

2. Funding and treasury policies

The Group's funding and treasury policies aim to ensure that it has adequate financial resources to support its businesses and investment activities, while managing its financial risks in a prudent and efficient manner. The Group maintains a diversified funding base and manages its financial risks, including interest rate risk and foreign exchange risk, through the use of financial instruments and risk management strategies. The Group also seeks to maintain a healthy balance sheet and strong liquidity position to enhance its financial flexibility and resilience.

3. *Structure of interest-bearing bank and other borrowings*

As at 31 March 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK$147,293,000 (31 March 2024: HK$100,211,000) which were all denominated in RMB (31 March 2024: all denominated in RMB). As at 31 March 2025, interest-bearing bank and other borrowings of approximately HK$146,363,000 were wholly repayable within one year or settled on demand (31 March 2024: HK$46,334,000).

As at 31 March 2025, interest-bearing bank borrowings with principal amounts of HK$67,446,000 were arranged at effective interest rates of 4.95% per annum which are ranging at 1-Year Loan Prime Rate ("**LPR**") quoted by National Interbank Funding Centre plus 1.3% per annum to 1-Year LPR plus 1.5% per annum. Except for the portion of bank borrowings of approximately HK$19,270,000 with a fixed 1-Year LPR adopted throughout the loan period, the 1-Year LPR of the remaining portion of bank borrowings of approximately HK$48,176,000 shall be adjusted at the anniversary of the respective loan drawdown dates. In addition, all interest-bearing bank borrowings were secured by a charge over the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network Technology Limited ("**Gongcai Network**"), a wholly-owned subsidiary of the Company. Furthermore, such facilities were also guaranteed free of charge by Ms. Liu Luoxiu ("**Ms. Liu**") and Mr. Zou Yuwen ("**Mr. Zou**", the spouse of Ms. Liu), whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 31 March 2025. Given that the investment property is currently seized by a court in PRC under the case with another borrower, the relevant bank, as a lender, could exercise its right to demand the Group to repay bank borrowings of approximately HK$67,446,000 immediately. Hence, the whole principal amount was classified as short-term bank borrowings. Furthermore, an interest-bearing bank borrowing with principal amount of approximately HK$48,867,000 was arranged at effective interest rate of ranging from 4.6% to 6.5% per annum, repayable within one year and secured by certain properties in PRC and guaranteed free of charge by a son of Ms. Liu and Mr. Zou without any security.

In respect of other borrowings, an amount of HK$1,803,000 was recognized at amortised cost using effective interest rate of 9.18% p.a. during the year. It represents payable to a lease contractor which is offering a right to a subsidiary of the Group to occupy certain office space of the property of which the lease contractor has operation right to run lease operation. For remaining other borrowings in total of approximately HK$29,176,000, they are interest-free, repayable within one year and unsecured, except the amount of HK$13,596,000 which is secured by the Group's investment properties. For the secured other borrowing of approximately HK$13,596,000, the Group failed to repay this amount to the lender on time during the year and the lender filed a statement of claim against the Group. Recently, they reached a settlement agreement that the loan would be paid by installments and fully settled by end of October 2025. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to loan clearance date. Details of this case are set out in the section "Litigations and contingent liabilities" to this report.

4. *Prepayment for goods and services*

As at 31 March 2025, the Group had prepayments for goods and services amounting to approximately HK$150,459,000 (31 March 2024: HK$300,867,000) in relation to the provision of EPC services, and the provision of procurement services in respect of goods with regards to new solar power related EPC projects. Such projects include different solar projects at various locations of PRC, such as projects at Zhanjiang City of Guangdong Province, Heshan County of Guangxi Province, Binzhou City of Shaanxi Province, Lianyungang City of Jiangsu Province, and so on. Since those projects would be over 1 gigawatt in aggregate in terms of power capacity upon completion, the total value of investment injected into those new solar power construction projects would be in billions of RMB. The need for procurement services and the total purchase value of materials for those projects will therefore be significant. Being one of the procurement service providers to those large projects, in order to secure the customers and suppliers, the Group has to carry out its job along the supply chain of the EPC projects, under which various prepayments for the procurement of materials required for different projects were made.

During the year, prepayments in aggregate of approximately HK$1,270,000 were made for the above mentioned projects or other new projects. As at 31 March 2025, approximately HK$32,285,000 had been utilised and settled upon completion of some projects. For some other projects where the projects construction had come across various problems, such as the need to obtain additional or new governmental approvals leading to prolonged delays in the projects, the management of the Group had decided to pull out and negotiated with the relevant parties, such as suppliers, for a refund of the prepayment made. During the year, the relevant suppliers did a refund through payments or debt assignment arrangement of approximately HK$118,560,000. During the period subsequent to 31 March 2025 and as at the date of this annual report, approximately HK$53,980,000 had been refunded or utilised, which is a proof of the Group's proactive expansion on its sales network. The management of the Group are closely monitoring the projects' progress and will take actions timely when necessary such as requesting the refunds of the prepayments. Alternatively, the Group may request the delivery of the goods equaling to the value of the prepayments so that the Group may resell them in return for cash or utilise them in other projects or potential projects of the Group.

III. OTHER ISSUES

1. Significant investment, material acquisition and disposal of subsidiaries and future material investments or capital and assets acquisition plan

a) Pursuant to a joint venture agreement and a capital increase agreement made on 21 August 2024 and 6 September 2024, Hangzhou Chenghui New Energy Limited, a wholly-owned subsidiary of the Company, invested a 19% equity interest of Ruoqiang Huiheng Industrial Group Company Limited ("**Ruoqiang Huiheng**"), a joint venture established in the PRC. Total capital contribution of RMB53,200,000 was made by the Company in September 2024. This equity investment represents approximately 10.6% of the Group's total assets value as at 31 March 2025. Its fair value at 31 March 2025 was approximately HK$43,900,000. During the Year, Ruoqiang Huiheng has not contributed any profit sharing to the Group. No dividend income was recognised in the Year. Ruoqiang Huiheng is principally engaged in the provision of super power computing service and generation and provision of electricity in the PRC with initial plan to construct computing power centre in the PRC. The management of the Group considered that this investment presents a good opportunity for the Group to achieve two objectives in the promising and fast developing information technology and new energy industries, namely, (i) upgrading its information technology services level; and (ii) expanding its presence in the new energy, such as solar power, industry which the Group has all along been engaging in by providing EPC services. Since this investment was considered as material, the Group's management has implemented strict monitoring on Ruoqiang Huiheng's operations and market conditions. During the Year, management of the Group identified certain news in the market that the escalation of United States of America ("**US**") export control policies on chips to China would be enacted, which was subsequently effective on 9 April 2025 (the "**Escalated Export Control Policies**"). Under the Escalated Export Control Policies, it required a leading chip provider, namely NVIDIA Corporation to obtain an export license for exporting chips to China which was deemed to be unattainable due to the ongoing U.S. initiated tariff war and political environment. This resulted in uncertainty in chip supply, significantly disrupting Ruoqiang Huiheng's supercomputing plant development plans. In light of these developments, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implications of the Escalated Export Control Policies over Ruoqiang Huiheng's business. According to the industry report, it is confirmed that certain news of the Escalated Export Control Policies were existed in the market in early 2025, and it is reasonable that a slowdown in expansion was a commercially prudent strategy to minimise further financial exposure. The management adopted the professional advise that the Group shall work with business partner to slowdown its expansion to minimise further financial exposure at this stage.

b) Pursuant to a joint venture agreement on 21 August 2024, Hangzhou Chenghui New Energy Limited, a wholly-owned subsidiary of the Company, invested a 19% equity interest of Qujing Huiheng Investment Company Limited ("**Qujing Huiheng**") for an initial investment of approximately RMB24,700,000 which was paid by the Group in September 2024. The equity investment represents approximately 4.9% of the Group's total assets value as at 31 March 2025. Its fair value at 31 March 2025 was approximately HK$20,380,000. During the Year, Qujing Huiheng has not contributed any profit sharing to the Group. No dividend income was recognised in the Year. Qujing Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with initial plan to construct photovoltaic power plant in the PRC. Since the investment was made, the Group's management has implemented strict monitoring on Qujing Huiheng's operations and market conditions. During the period, management of the Group became aware of new regulatory policies – 《分布式光伏發電開發建設管理辦法》("Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation") and 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》("Notice on Deepening Market-Oriented Reform of Renewable Energy Feed-in Tariffs to Promote the High-Quality Development of Renewable Energy") (collectively the "**New Regulation**") were released on 7 January 2025 and 27 January 2025 respectively. After the New Regulations took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Regulations, the electricity price for surplus electricity will be linked to the spot market, potentially reducing the profitability of Qujing Huiheng's projected profitability. In response, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implication of New Regulations over Qujing Huiheng's business. According to the industry report's view, it justified the management's decision to work with business partner to slowdown expansion in Qujing Huiheng with a view to mitigating potential losses.

Save for those disclosed above and in this report, there were no other significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies during the Period and there is no plan for material investments or capital assets as at the date of this report.

2. Pledge of assets

As at 31 March 2025, the Group had a bank borrowing of RMB63,000,000 (equivalent to approximately HK$67,446,000) from a bank in the PRC which was secured by the pledging of the Group's buildings, investment properties, certain right-of-use assets and the entire equity interest of Gongcai Network. The borrowing is also guaranteed by Ms. Liu and Mr. Zou free of charge, whereas Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.7% of the Company's issued ordinary shares as at 31 March 2025, while Mr. Zou is the spouse of Ms. Liu.

In addition, the Group had other borrowing of RMB12,700,000 (equivalent to approximately HK$13,596,000) which was secured by the pledging of the Group's investment properties.

3. Litigations and contingent liability

(i) On 8 January 2024, the People's Court of Wuhan Donghu New Technology Development Zone ("**People's Court of Wuhan Donghu**") sent a summons and related filing materials (the "**Materials**") to Gongcai Network. According to the Materials, Nanchang Nanfei Fire Protection Equipment Manufacturing Co., Ltd. ("**Plaintiff 1**") requested Gongcai Network, and China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., the main project developer of an EPC project, to repay approximately RMB9,144,000 together with a penalty for late payment in respect of a purchase order for fixing stands. The fixing stands were materials used in a 100 megawatt photovoltaic power station project in Daishan County, Zhejiang Province, the PRC and procured by Gongcai Network. Gongcai Network had instructed its business department to negotiate with Plaintiff 1. On 25 March 2025, Gongcai Network has entered into mediation agreement with Plaintiff 1 that Gongcai Network would pay a total amount of RMB7,340,000 by 31 October 2025 to settle this case. As at 31 March 2025, the Group had recognised a payable to the Plaintiff 1 of approximately RMB7,340,000 in the consolidated financial statements.

(ii) On 22 February 2024, a civil lawsuit was brought by Ningbo Zhongchun Hi-Tech Co., Ltd. (the "**Plaintiff 2**") against Hangzhou Chenghui Engineering Technology Co., Ltd. ("**Hangzhou Chenghui**"), a wholly-owned subsidiary of the Company, in regard of a procurement order of pile foundation for a construction contract. Plaintiff 2 claimed that it had completed the shipments to Hangzhou Chenghui and claimed against Hangzhou Chenghui for the outstanding amount of approximately RMB3,433,000 and interest for the overdue payment. On 19 November 2024, both parties had made mediation agreement. Hangzhou Chenghui has settled the claim balance through arrangement of debt assignment to Jiangsu Rongmo Technology Development Co., Ltd. ("**Jiangsu Rongmo**") during the year. The case was closed.

(iii) On 27 September 2024, Suzhou Industrial Park People's Court sent a summons and related filing materials (the "**Related Materials**") to Gongcai Network. According to the Related Materials, Zhu Yanfang (the "**Plaintiff 3**") filed a statement of claim against Gongcai Network for a breach of loan agreement due to failure in repayment of loan in amount of RMB14,000,000 on time and requested Gongcai Network to repay the loan principal together with a penalty and professional fees for late payment. The first hearing of the legal proceeding was conducted on 5 November 2024 and a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC temporarily. Two mutual agreements between Plaintiff 3 and Gongcai Network was made subsequently. Gongcai Network will repay to Plaintiff 3 the sum of approximately RMB14,781,000 by installments no later than 31 October 2025. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to loan clearance date. Subsequent to 31 March 2025, the Plaintiff filed another application to Suzhou Industrial Park People's Court that (i) remaining portion of the Group's investment properties with an aggregate fair value of approximately HK$103,734,000 (2024: N/A); (ii) property, plant and equipment, representing a building portion, of approximately HK$1,381,000 (2024: N/A); and (iii) the relevant leasehold lands of approximately HK$7,417,000 (2024: N/A), had been seized by the court. As at 31 March 2025, the Group had paid installment and recognised the loan borrowing and overdue interest and professional fees of approximately RMB13,481,000 in the consolidated financial statements in view of the above.

(iv) In January 2025, Hangzhou Chenghui, a wholly owned subsidiary of the Company received a summon from Hefei High-tech Industrial Development Zone People's Court, Anhui Province in regard of failing to pay a procurement contract amount on time. According to the materials, Sungrow Power Supply Co., Ltd (the "**Plaintiff 4**") requested Hangzhou Chenghui to honor a payment for balance of RMB4,147,000 and a late charge of approximately RMB608,000 for a procurement contract with contract sum of RMB9,830,000. After the first hearing on 10 February 2025, the Plaintiff 4 and Hangzhou Chenghui had mediation agreement on 20 May 2025. Both parties agreed that the Plaintiff 4 accepted a payment of approximately RMB2,633,000 from China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd. which is a customer of Hangzhou Chenghui and the Defendant 3 as stated below in the third paragraph and the remaining amount of approximately RMB1,514,000 together with legal expenses of approximately RMB112,000 will be paid by Hangzhou Chenghui by installments no later than 31 October 2025. At 31 March 2025, the Group had recognised a trade payable of RMB4,147,000 in the consolidated financial statements in view of the above.

(v) On 21 March 2025 and 7 March 2025, Hangzhou Chenghui, a wholly owned subsidiary of the Company received a lawsuit from Hangzhou Chengjing Industrial Co., Ltd. (the "**Plaintiff 5**") in respect of material sales contract 1 with contract sum of approximately RMB30,334,000 and material sales contract 2 with contract sum of approximately RMB32,154,000 respectively. According to the both contracts effected on 23 March 2024 and 25 March 2024, Hangzhou paid 20% of the sums as deposit and issued two bill payables to the Plaintiff 5 for the remaining amount of approximately RMB25,724,000 and RMB24,267,000. Later on, there was dispute over goods receipt for both contracts between the Plaintiff 5 and Hangzhou Chenghui and the bills were not honored accordingly. In this connection, the Plaintiff 5 claimed a repayment of approximately RMB26,582,000 against Hangzhou Chenghui for the material sales contract 1 and filed the claim with Hangzhou Intermediate People's Court. It has accepted the case. The first hearing is rescheduled to 4 September 2025. For the material sales contract 2, the Plaintiff 5 has filed a lawsuit with Hangzhou Xihu District People's Court and claimed a repayment of approximately RMB28,186,000 against Hangzhou Chenghui. The case has been accepted by the court and in stage of mediation. As at 31 March 2025, the Group has recognised the bill payables in amount of approximately RMB49,991,000 and provision for claim in amount of approximately RMB6,757,000 in the consolidated financial statements.

(vi) On 10 March 2025, a former employee ("**Plaintiff 6**") of the Group took legal proceedings against Guocai (Beijing) Technology Limited ("**Guocai (Beijing)**") and Guocai (Hubei) Technology Limited ("**Guocai (Hubei)**") and filed a claim with Chaoyang District People's Court of Beijing for payments of employee compensation. Guocai (Beijing) is a non-wholly owned subsidiary of the Company, and Guocai (Hubei) is a wholly-owned subsidiary of the Company. The first hearing was conducted on 2 July 2025 and the case is now pending for a judgement. On 21 April 2025, another former employee ("**Plaintiff 7**") of the Group did an arbitration application with Hangzhou Yuhang District Labor and Personnel Dispute Arbitration Committee against Zhejiang Chenghui Industrial Holding Group Limited ("**Zhejiang Chenghui**"), a wholly-owned subsidiary of the Company, in relation to demanding a payment of staff salaries. The first hearing was conducted on 16 June 2025 and the case is pending for a judgement. In respect of the above cases, the Group has recognised a provision in total of approximately RMB3,788,000 in the consolidated financial statements for the year ended 31 March 2025.

During the Year, the Company has also launched the following lawsuits against certain of its customers:

On 8 March 2024, Gongcai Network filed a civil lawsuit at People's Court of Wuhan Donghu against Yancheng Zhuozhouyong Trading Co., Ltd., Cai Kouzhang, Chen Xuerong, Cai Kouzhong (collectively the "**Defendants Group 1**") in regard of a contract dispute with contract sum of approximately RMB23,870,000. Gongcai Network claimed that it had completed all shipments of fixing stands to Defendants Group 1 and requested Defendants Group 1 to honor the contract and repay the remaining contract sum of approximately RMB8,880,000 and interest for the overdue payment. On 25 March 2025, Gongcai Network entered into civil mediation agreement with the Defendents Group 1 that the Defendents Group 1 would pay a total amount of RMB7,567,000 by 30 September 2025 to settle this case. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from the Defendant Group 1 of approximately RMB7,567,000.

On 27 March 2024, Hangzhou Chenghui filed a civil lawsuit at Hangzhou Yuhang District People's Court, Zhejiang Province ("**Yuhang District Court**") against Jiangsu Rongmo, Shen Jing, Chen Xuerong, Cai Kaozhong (collectively the "**Defendants Group 2**") in regard of a dispute of purchase contract for pile foundation supply. Confirmation for the order shipments was signed and agreed by Hangzhou Chenghui and Jiangsu Rongmo in December 2023. Hangzhou Chenghui did not receive the remaining contract sum of approximately RMB5,003,000 at the agreed time. Hence, the Group took legal action against Defendants Group 2. Yuhang District Court accepted this case and conducted mediation works. Based on civil mediation letter issued by Yuhang District Court on 29 October 2024, Jiangsu Rongmo accepted the claim. And it finally settle the amount through undertaking three account payables of the Group totalling RMB5,003,000 during the year and this case was closed.

On 7 February 2025, Hangzhou Chenghui filed a civil lawsuit at Yuhang District Court against China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd. (the "**Defendant 3**") in regard of a procurement contract with contract sum of approximately RMB26,333,000. While all shipments and goods inspection were completed, the Defendant 3 had paid a total of approximately RMB23,700,000 to Hangzhou Chenghui and the outstanding balance of approximately RMB2,633,000 remains unsettled even it has been informed several payment requests. Therefore, Hangzhou Chenghui requested the Defendant 3 to honor the payment and is liable for a penalty of approximately RMB404,000. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from the Defendant Group 3 of approximately RMB2,633,000. On 20 May 2025, the case was settled through a mutual agreement made between both parties and the plaintiff 4 as state in above point (iv). According to the agreement, Hangzhou Chenghui accepted the Defendant 3 to pay a total of approximately RMB2,633,000 to the Plaintiff 4 at a specified time on its behalf to close the case. Finally, the Defendant 3 has paid that amount to the Plaintiff 4 in early June 2025.

The Group has probably performed impairment assessment on the relevant trade receivables under the ECL model, and substantially recorded the relevant trade payables against all the above plaintiffs.

Based on the advice of the Group's PRC legal adviser, the Group recognised provision for litigation of approximately RMB6,757,000 (or equivalent to approximately HK$7,288,000) (2024: Nil) for the cases abovementioned as at 31 March 2025 and recognised provisions in total of approximately RMB3,788,000 (or equivalent to approximately HK$4,085,000) (2024: Nil) for the legal proceedings/ arbitration filed by Plaintiff 6 and the Plaintiff 7 in relation to demand for payments of staff salaries and employee compensation.

As a result of the abovementioned cases certain investment properties of the Group with an aggregate fair value of approximately HK$43,616,000 (2024: Nil) as at 31 March 2025 had been seized by the relevant court in the PRC and, certain bank deposits of the Group of approximately RMB1,926,000 (or equivalent to approximately HK$2,062,000) (2024: RMB1,025,000 (or equivalent to approximately HK$1,105,000)) as at 31 March 2025 were temporarily frozen as disclosed in Notes 19 and 26(a) to the consolidated financial statements respectively.

4. Foreign exchange exposure

During the Year, the Group mainly earned revenue in RMB and incurred costs mainly in Hong Kong dollars and RMB. The Group does not foresee any real significant risk caused by exchange rate fluctuation to its financial health in the near future. However, any permanent or significant changes in RMB against Hong Kong dollars may still have an impact on the Group's presentation of financial results in the future. The management will monitor the foreign exchange risk and may adopt appropriate hedging policy when necessary.

5. Staff and remuneration policy

The Group determines staff remuneration in accordance with market terms, individual qualifications and performances. Remuneration of Directors are determined and from time to time reviewed by the Board based on the recommendations from the remuneration committee of the Company with reference to the Group's operating results, individual performance and comparable market statistics. Staff recruitment and promotion is based on individuals' merit and their development potential for the positions offered. As at 31 March 2025, the Group employed approximately 96 employees (as at 31 March 2024: 180), and the total remuneration of employees (including the Directors) was approximately HK$29,209,000 for the Year (31 March 2024: HK$49,342,000). During the Year, according to the Company's share option scheme and share award plan, no share options and awarded shares previously granted were vested to Directors and eligible employees due to unfulfillment of the relevant vesting conditions of the share option scheme and the share award plan. To enhance the expertise of our employees, the Group also provides them on-the-job training and sponsors them to attend external training courses and seminars.

6. Rights Issue

On 18 October 2022, in order to satisfy the funding needs of the Group for the Group's business expansion, the Company proposed to conduct rights issue of not more than 201,366,286 rights shares (the "**Rights Share(s)**") at the subscription price of HK$0.63 per Rights Share on the basis of five (5) Rights share for every eight (8) existing shares of the Company in issue (the "**Rights Issue**"). An underwriting agreement was entered into between the Company and Eastmount Global Limited, a substantial shareholder of the Company, as the underwriter to the Rights Issue on 18 October 2022 (the "**Underwriting Agreement**"). Pursuant to the Underwriting Agreement, the Rights Issue had been conducted on a fully underwritten basis. A placing agreement (the "**Placing Agreement**") had also been entered into between the Company and Eddid Securities and Futures Limited as the placing agent (the "**Placing Agent**") on the same day, pursuant to which the Placing Agent has agreed to procure placee(s), on a best effort basis, to subscribe for unsubscribed Rights Shares. An aggregate of 189,907,953 new shares were allotted and issued by the Company on 8 February 2023 as a result of the Rights Issue. Among all 189,907,953 new shares issued, Eastmount Global Limited, as the underwriter, had performed its underwriting obligation under the Underwriting Agreement and took up 123,596,678 Rights Shares that were unsubscribed and were not placed by the Placing Agent.

The Rights Shares had been offered for subscription at the subscription price of HK$0.63 per Rights Share. The gross proceeds from the Rights Issue were approximately HK$119.6 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK$117.1 million. The net price per Rights Share is therefore HK$0.62. The Rights Shares (when allotted, fully paid or credited as fully paid and issued) rank pari passu in all respect among themselves and with the shares of the Company in issue as at the date of allotment and issuance. The closing price of the shares as quoted on the Stock Exchange on 18 October 2022, being the date of publication of the announcement in relation to the Rights Issue, was HK$0.73 per share. On 15 January 2024, taking into consideration of the adverse and ongoing uncertain market condition of the Hong Kong property sector, the management of the Company was of the view that it was not the best timing for the Company to make property investment in Hong Kong as it might lead to potential losses to the Group and its shareholders. As such, the Board resolved to change and reallocate the use of the unutilised net proceeds originally intended for property investment of approximately HK$23.4 million, such that (i) approximately HK$20.0 million will be used for the pursuance of strategic acquisitions of businesses engaging in energy management contracting ("**EMC**") services; and (ii) the remaining HK$3.4 million will be reallocated as the general working capital of the Group.

The utilisation of the net proceeds from the Rights Issue has been summarised as follows:

		Approximate percentage of total net proceeds	Original allocation of net proceeds	Revised allocation of net proceeds	Amount utilised up to 31 March 2025	Balance as at 31 March 2025	Expected timeline for utilisation
			HK$'000	HK$'000	HK$'000	HK$'000	
1)	Research and development of the procurement service software	5%	5,855	–	5,855	–	N/A
2)	Procurement services	50%	58,550	–	58,550	–	N/A
3)	Trading business	10%	11,710	–	11,710	–	N/A
4)	Investment in office properties in Hong Kong	–	23,420	(23,420)	–	–	N/A
5)	General working capital	18%	17,565	3,420	20,985	–	N/A
6)	Acquisition of EMC business	17%	–	20,000	–	20,000	By the end of 2025
			117,100	–	97,100	20,000	

As at 31 March 2025, the net proceeds of approximately HK$70.2 million were used for paying orders for procurement services business and trading business; approximately HK$5.9 million were used for research and development of the procurement service software; and approximately HK$21.0 million were used for payment to suppliers and operating expenses as intended.

Further details of the Rights Issue and change in use of proceeds are set out in the announcements of the Company dated 18 October 2022, 29 November 2022, 20 December 2022, 7 February 2023 and 15 January 2024 and the prospectus of the Company dated 6 January 2023.

7. Issue of new shares

To enhance the Group's financial capability to expand new energy business while also support the development of its procurement services and working capital, on 19 August 2024, the Company and subscribers who are not less than six subscribers, entered into a subscription agreement, pursuant to which the subscribers has agreed to subscribe for, and the Company has agreed to allot and issue 98,752,000 ordinary shares under general mandate (being approximately 20% of the existing issued share capital of the Company as at the date of the agreement, being approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares) at the subscription price of HK$0.4405 per share. The aggregate nominal value of the subscription shares is approximately HK$9,875,000. The closing price on 19 August 2024 was HK$0.550. Through several times of extension of long stop date and revising placing price, a total of 98,752,000 ordinary shares at the subscription price of HK$0.433 were placed to eight subscribers on 26 September 2024. To the best knowledge of the Directors, the Placees (and where relevant, their ultimate beneficial owners) are third parties independent of the Company and its connected persons. None of the Placees has become a controlling shareholder or a substantial shareholder of Company immediately upon completion of the Placing. The net proceeds from the subscription are approximately HK$42.4 million. The net price per the new shares is therefore HK$0.4333. In line with the intention as disclosed in the announcement of the Company dated 26 September 2024, approximately HK$16.9 million will be been utilised for investment into new energy related projects, approximately HK$16.9 million for the expansion and development of the procurement services provided by the Group, and approximately HK$8.6 million for the replenishment of the general working capital of the Group. On 16 May 2025, the Board considered artificial intelligence is the future of technology, and that the market of intelligent services will continue to grow in next decade. Accordingly, the Board resolved to change the use of the approximately HK$16.9 million originally allocated for expansion and development of the procurement services provided by the Group to investment into intelligent service related projects.

The utilisation of the net proceeds from the issue of shares has been summarised as follows:

Use of Net Proceeds	Original allocation	Utilised amount as at the 31 March 2025	Unutilised Net Proceeds as at 31 March 2025	Revised allocation of the Unutilised Net Proceeds	Updated expected timeline for utilisation after the change in the use of proceeds *(Note)*
	HK$'000	HK$'000	HK$'000	HK$'000	
Investment into new energy related projects	16,900	–	16,900	16,900	By the end of 2025
For expansion and development of the procurement services	16,900	–	16,900	–	
General working capital	8,600	8,600	–	–	
Investment into intelligent service related projects	N/A	N/A	N/A	16,900	By the end of 2025
Total	42,400	8,600	33,800	33,800	

Note: The updated expected timeline for utilising the Unutilised Net Proceeds after the change in use of proceeds is based on the best estimation of the present and future business market situations made by the Group. It may be subject to further changes based on the future development of the market conditions.

8 Going concern assessment

The Group reported a net loss of approximately HK$123,906,000 during the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK$69,945,000. As at the same date, the Group held cash and cash equivalents of approximately HK$19,367,000 against current bank and other borrowings of approximately HK$108,502,000, which were repayable on demand. Furthermore, as at the date of approval for issue of these consolidated financial statements, a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC pursuant to a creditor's claim, of such the details are set out in Notes 19, 31(v) and 39(v) to the consolidated financial statements.

In view of these circumstances, the directors of the Company have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The directors of the Company have reviewed the Group's cash flow forecast prepared by the management, which covers a period of twenty-four months from 31 March 2025, and take into consideration of the following plans and measures: (a) The Group will take more stringent cost controls; (b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these consolidated financial statements as per a credit facility agreement (the "**Facility**") entered into on 5 August 2025 with a limited partnership which is related to the Group (the "**Financier**") with a valid period of three years from the date of the Facility. The directors of the Company satisfied with their due diligence by reviewing the proof of funding and financial statements provided by the Financier, and also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date approval for issue of these consolidated financial statements, the Group had not drawn down any amounts under the Facility; and (c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

Based on the above circumstances, the Company's auditor – Crowe (HK) CPA Limited ("**Crowe**") expressed its concern by drawing attention in the paragraph headed "Material Uncertainty Related to Going Concern" in its auditor's report, and the audit committee and the board of directors reviewed such paragraph and agreed with Crowe's view.

The board of directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twenty-four months from 31 March 2025. Accordingly, the board of directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

9. Event after the reporting period

Save as disclosed elsewhere in this annual report, there are no other material events subsequent to the end of the Year.

IV. BUSINESS PROSPECTS

Although the Group faced tough business operational environment during the Year, the Group strived to look for new business opportunities to support its future growth. Leveraging on the Group's deep understanding of and long term presence in the information technology industry, the Group is exploring the AI-related business via a joint venture with a NVIDIA solution advisor partner in the PRC. The Group is also exploring the business opportunity of EPC business of telecommunication tower and may involve in the construction, maintenance and operation of base station ancillary facilities. Apart from the above mentioned businesses, the Group is exploring other business opportunities and hopes to open new income avenues to support the long term growth for its shareholders.

However, the Group remains cautious in starting new businesses. Due to uncertain economic and geopolitical situations, the credits of business partners of the Group in its upper and lower business chain are worsened. The Group will strengthen its risk management and control system to better safeguard its economic benefits when exploring into new businesses. More internal control measures shall be implemented within the Group to better monitor and control both financial and non-financial risks. The Group shall strive to take these actions to counter balance and mitigate the risks from the future potential problems that might arise from its operational partners who might be facing an increasing liquidity risks under the current macroeconomic situation just like many other businesses.

Biography of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Yang Hua, aged 51, has been appointed as an executive Director, Chairman of the Board and Chief Executive of the Company since 28 August 2024. Mr. Yang obtained his Doctoral Degree in Business Economics from Tarlac State University in April 2015 and a Doctoral Degree equivalent academic qualification majoring in Finance from the Collage of Economic and Business Administration of Beijing Normal University in May 2015. Mr. Yang further completed a postdoctoral research project at California State University Monterey Bay in March 2020. Mr. Yang has over 20 years of working experience in the finance and banking industry, and had worked in some major banks in China such as Ping An Bank Co., Ltd (平安銀行股份有限公司) and China Guangfa Bank Co., Ltd (廣發銀行股份有限公司). Prior to joining the Group, Mr. Yang was the senior partner of Daisy Financial Group (雛菊機構), a large asset management company in PRC from September 2020 to July 2024, with his last position being the chairman of Beijing Daisy Corporate Finance Limited (北京雛菊財務顧問有限公司), a subsidiary of Daisy Financial Group. Before joining Daisy Financial Group, Mr. Yang worked for Baoshang Bank Co., Ltd (包商銀行股份有限公司) from June 2015 to August 2020 with his last position as the president of the strategic industries financing department. Mr. Yang is a member of the China Zhi Gong Party (中國致公黨).

Mr. Zhou Xiangtao, aged 44, has been appointed as an executive Director and Joint Chairman of the Board since 9 September 2024. Mr. Zhou graduated from Wuhan University with a Bachelor's Degree in Applied Chemical Engineering in June 2001. He further obtained a Master of Business Administration from Central University of Finance and Economics in June 2014. Mr. Zhou has over 15 years of experience in the new energy industry. From July 2009 to May 2020, he worked in Beijing Energy Holding Co., Ltd (北京能源集團有限責任公司), with his last position serving as a senior manager of the business planning department. From June 2020 to October 2020, he served as the general manager of the business planning department of Beijing Energy International Holding Co., Ltd. (formerly known as United Photovoltaics Group Limited), a company listed on the Stock Exchange (Stock Code: 686) ("**Beijing Energy**") and was later promoted and served as the manager of the M&A Finance Centre in Hong Kong of Beijing Energy until June 2022. Since August 2022, he has been investment manager of the Cross-border Capital Markets Department of Far East Horizon Capital Co., Ltd. (遠東宏信資本有限公司).

Mr. Sze Kam Shing, Alan, aged 37, has been appointed as an executive Director and chief financial officer since 9 September 2024. He was further appointed as the company secretary of the Company on 13 September 2024 and the authorised representative of the Company under Rule 3.05 of the Listing Rules on 27 September 2024. Mr. Sze obtained from The Chinese University of Hong Kong a Bachelor of Science in Quantitative Finance, in June 2010. He further obtained a Master's Degree in Finance from The University of Hong Kong in August 2016. Mr. Sze worked in the audit department of Deloitte Touche Tohmatsu from September 2010 to May 2013. He joined the Ming Hing Group (明興集團) and Minghing Financial Group (明興金融集團) in June 2013, firstly serving as the finance director of Wealth Leading Limited (和信有限公司), and was then internally promoted to Minghing Financial Holdings Limited (明興金融控股有限公司) and served as their finance director from October 2016 to June 2019. In July 2019, he was further internally transferred to Minghing Financial Services Limited (明興金融服務有限公司) and served as their finance director until March 2020. From April 2020 to August 2024, Mr. Sze served as the financial controller of iClick Interactive Asia Group Limited, a company listed on Nasdaq (Nasdaq: ICLK) (subsequently changed name to Amber International Holding Limited (Nasdaq: AMBR)). Mr. Sze is a Chartered Financial Analyst (CFA), a Certified Public Accountant (CPA) of the Hong Kong Institute of Certified Public Accountants, a Certified Financial Risk Manager (FRM) and a Certified Energy Risk Professional (ERP) of the Global Association of Risk Professionals.

Independent non-executive Directors

Ms. Deng Hua, aged 42, joined the Company in August 2022 as an independent non-executive Director and she is a member of the Audit Committee, and the chairman of the Nomination Committee and Remuneration Committee. Ms. Deng graduated from the East China Normal University (華東師範大學) in June 2004 with a Bachelor's Degree in laws and further obtained a Master Degree in laws in July 2007. Ms. Deng has been a qualified lawyer in the PRC since 2010. Ms. Deng started her career as a PRC lawyer in the Shanghai office of Allbright Law Offices (上海市錦天城律師事務所) (the "**Firm**") from September 2010 and has many years of experience in the practice areas of capital markets, mergers and corporate finance. She is currently a senior partner of the Firm.

Mr. He Zhi, aged 53, joined the Company in March 2025 as an independent non-executive Director and he is a member of the Nomination Committee and Remuneration Committee, and the chairman of the Audit Committee. Mr. He graduated from Yangzhou University in 1995 with a bachelor's degree in economics. Mr. He has been a certified public accountant, a certified public valuer and a registered tax agent in the PRC since 2001. From January 1998 to December 2020, Mr. He worked as a manager in Wuxi Anxin Accounting Firm* (無錫安信會計師事務所) and Wuxi Baoguang Accounting Firm* (無錫寶光會計師事務所), and worked as a partner in Wuxi Wende Zhixin United Accounting Firm* (無錫文德智信聯合會計師事務所) and Wuxi Fangsheng Accounting Firm* (無錫方盛會計師事務所). Since January 2021, Mr. He has worked as a partner in Jiangsu Sugang Accounting Firm (Wuxi branch)* (江蘇蘇港會計師事務所無錫分所).

Mr. Zhao Zhijiao, aged 39, joined the Company in September 2024 as an independent non-executive Director and he is a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Zhao graduated from the University of Hong Kong with a Bachelor's degree in Actuarial Science in June 2008. Mr. Zhao holds a quasi-actuary qualification and has a chartered financial analyst qualification. From December 2008 to June 2011, Mr. Zhao served as an investment officer of Innovative Pharmaceutical Biotech Limited (formerly known as United Gene High-Tech Group Limited), a company listed on the Stock Exchange (Stock Code: 0399), he later served as the assistance manager of the same company from July 2011 to September 2011. In October 2011, Mr. Zhao joined BHL Solar Technology Company Limited, a subsidiary of Renewable Energy Trade Board Corporation, as executive assistance to the chief executive officer and was later promoted to deputy general manager of the investment and finance department from December 2012 to June 2013. From July 2013 to September 2014, he served as deputy general manager of the investment and finance department of New Light Technology Limited, a wholly-owned subsidiary of Beijing Energy. From October 2014 to September 2017, he worked at Ferson Limited, a wholly-owned subsidiary of China Ruifeng Renewable Energy Holdings Limited (中國瑞風新能源控股有限公司, a company listed on the Stock Exchange (Stock Code: 527), and his last position was assistant to the chief investment officer. He served as chief Investment Officer of Changfeng Financial Holdings Co., Ltd. (長風金融控股) since December 2019. He has also been a director of Goldcat Open-ended Fund Company (德奕開放式基金公司) since September 2024.

SENIOR MANAGEMENT

The executive Directors and the non-executive Directors are regarded as senior management of the Group.

COMPANY SECRETARY

Mr. Sze Kam Shing, Alan ("**Mr. Sze**") the biography of whom has been set out on page 25 of this annual report, is the company secretary of the Company with effect from 13 September 2024.

* *The English translation is for identification purpose only*

Corporate Governance Report

The Board appreciates the importance of good corporate governance standards to the achievement of corporate strategy and value creation to the Company. The Board is committed to following high level of corporate governance standards to its risk management and internal control.

COMPLIANCE WITH THE LISTING RULES AND CORPORATE GOVERNANCE PRACTICES

The Stock Exchange issued the corporate governance code ("**CG Code**") as set out in part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), which provides code provisions and recommends best practices for corporate governance practices by listed companies. During the Year, the Company has complied with the CG Code.

Although the Company considered that it has the structures and systems to satisfy the applicable requirements of the code provisions of the CG Code that was in force during the Year, the Company still has room for improvement and will continuously enhance the corporate governance practice throughout the Group and ensure further measures to be put in place by reference to the recommended best practices whenever suitable and appropriate.

CODE OF CONDUCT 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 C3 to the Listing Rules (the "**Model Code**") as the code of conduct for securities transactions by Directors and the relevant employees of the Group. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Year.

BOARD

Composition

As at the date of this annual report, the Board consists of 3 executive Directors and 3 independent non-executive Directors.

Executive Directors
Mr. Yang Hua *(Joint Chairman and Chief Executive)*
Mr. Zhou Xiangtao *(Joint Chairman)*
Mr. Sze Kam Shing, Alan

Independent non-executive Directors
Ms. Deng Hua
Mr. Zhao Zhijiao
Mr. He Zhi

Attendance of the Directors at the Board and general meetings

For the Year, 13 Board meetings and 1 general meeting have been held. Details of the attendance of the Directors are as follows:

Board members	Number of meetings attended/ Number of meetings held: Board meetings	General meetings
Executive Directors		
Mr. Yang Hua *(Joint Chairman and Chief Executive) (appointed on 28 August 2024)*	9/9	1/1
Mr. Zhou Xiangtao *(Joint Chairman) (appointed on 9 September 2024)*	6/6	0/0
Mr. Sze Kam Shing, Alan *(appointed on 9 September 2024)*	6/6	0/0
Ms. Wu Siyuan *(retired on 28 August 2024)*	4/4	0/1
Mr. Shi Qiang *(retired on 28 August 2024)*	2/4	0/1
Ms. He Qian *(ceased on 9 September 2024)*	6/7	0/1
Non-executive Directors		
Ms. Liu Qian *(ceased on 9 May 2024)*	0/1	0/0
Mr. Li Shun *(retired on 9 September 2024)*	6/6	1/1
Mr. Li Guanghua *(ceased on 9 May 2024)*	0/1	0/0
Independent non-executive Directors		
Ms. Deng Hua	12/13	1/1
Mr. Zhao Zhijiao *(appointed on 9 September 2024)*	6/6	0/0
Mr. He Zhi *(appointed on 31 March 2025)*	0/0	0/0
Mr. Zhong Dengyu *(ceased on 31 March 2025)*	13/13	1/1
Ms. Yang Xiaoyan *(ceased on 9 September 2024)*	4/7	1/1

Mr. Yang Hua (being appointed as an executive Director on 28 August 2024), Mr. Zhou Xiangtao (being appointed as an executive Director on 9 September 2024), Mr. Sze Kam Shing (being appointed as an executive Director on 9 September 2024), Mr. Zhao Zhijiao (being appointed as an independent non-executive Director on 9 September 2024) and Mr. He Zhi (being appointed as an independent non-executive Director on 31 March 2025), had obtained legal advice referred to in Rule 3.09D of the Listing Rules on 27 August 2024 and 31 March 2025 respectively, from a law firm qualified to advise on Hong Kong laws. Each of them had confirmed that he understood all the obligations and requirements under the Listing Rules applicable to him in his capacity as a Director, as well as the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Apart from the above Board meetings and general meetings, a meeting between the chairman and the independent non-executive Directors without the presence of other Directors was also held during the Year.

Responsibilities of the Board and management

The Board reviews and approves important corporate matters such as business strategies, major investments, mergers and acquisitions and so on. The Board has overall responsibility in monitoring the process of corporate reporting and internal control system throughout the Group. The corporate reporting standards are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance and compliance practices with the Listing Rules, the Securities and Futures Ordinance (the "**SFO**") and other applicable regulations are delegated to the risk and compliance control department as well as the company secretarial department. The management of the Company reviews and briefs the reporting systems with the executive Directors regularly and the Audit Committee and the Remuneration Committee at least annually.

To strengthen the risk management and coordination among different departments and the internal communication between the management team and the Board, the Company set up an operational management committee which consisted the Chairman and the Chief Executive of the Company and other management officers from different departments to deal with the business operational and management matters that are potentially of significance to the Company. The operational management committee holds meetings according to operational needs and reports to the Board for matters worthy of its attention or approval in accordance with its terms of reference.

Save as disclosed in the section headed "**Biography of Directors and Senior Management**", there is no financial, business, family or other material/relevant relationship between the members of the Board.

Continuous professional development of Directors

According to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the Year, Directors participated in continuous professional development by reading the study materials of the Listing Rules, attending training sessions provided by the Company and the external compliance professionals on topics including, among others, (i) the updated Listing Rules with regards to the ESG reporting and disclosure requirements; and (ii) internal control and corporate governance practice with reference to Appendix 14 of Listing Rules.

	Type of Continuous Professional Development	
Name of Director	**Attending Training Sessions, and In-house Briefings**	**Reading Materials and Updates**
Executive Directors		
Mr. Yang Hua *(Joint Chairman and Chief Executive) (appointed on 28 August 2024)*	✓	✓
Mr. Zhou Xiangtao *(Joint Chairman) (appointed on 9 September 2024)*	✓	✓
Mr. Sze Kam Shing, Alan *(appointed on 9 September 2024)*	✓	✓
Ms. Wu Siyuan *(retired on 28 August 2024)*	✓	✓
Mr. Shi Qiang *(retired on 28 August 2024)*	✓	✓
Ms. He Qian *(ceased on 9 September 2024)*	✓	✓

Name of Director	Type of Continuous Professional Development: Attending Training Sessions, and In-house Briefings	Type of Continuous Professional Development: Reading Materials and Updates
Non-executive Directors		
Ms. Liu Qian *(ceased on 9 May 2024)*	✓	✓
Mr. Li Shun *(retired on 9 September 2024)*	✓	✓
Mr. Li Guanghua *(ceased on 9 May 2024)*	✓	✓
Independent non-executive Directors		
Ms. Deng Hua	✓	✓
Mr. Zhao Zhijiao *(appointed on 9 September 2024)*	✓	✓
Mr. He Zhi *(appointed on 31 March 2025)*	✓	✓
Mr. Zhong Dengyu *(ceased on 31 March 2025)*	✓	✓
Ms. Yang Xiaoyan *(ceased on 9 September 2024)*	✓	✓

Furthermore, each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has an appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant statutory requirements.

CHAIRMAN AND CHIEF EXECUTIVE

As at the date of this annual report, Mr. Yang Hua is serving as the Joint Chairman of the Board and Chief Executive of the Company, whereas Mr. Zhou Xiangtao is serving as the Joint Chairman of the Board.

Mr. Yang Hua was appointed as the chief executive and the chairman of the Board on 28 August 2024 and become the joint chairman when Mr. Zhou Xiangtao was appointed as the joint chairman on 9 September 2024. The roles of the Joint Chairman are clearly defined and segregated. Mr. Yang Hua primarily focuses on the daily operations and management of the Group. Mr. Zhou Xiangtao primarily focuses on the strategic planning and the development of corporate culture of the Group. Through the supervision of the Board and the Board committees, balance of power and authority can be ensured. Therefore, the Board believes that it is in the best interests of the Company for Mr. Yang Hua to assume the roles of chief executive and the joint chairman until such time as the Board considers that such roles should be assumed by different individuals.

The Company considered its prevailing structures and systems to be satisfactory in terms of ensuring its compliance with the CG code and will continuously enhance the corporate governance standards throughout the Group and ensure further measures to be put in place by reference to the recommended best practices whenever suitable and appropriate.

NON-EXECUTIVE DIRECTORS

The term of office under service contracts of all the non-executive Directors (including independent non-executive Directors) are three years from their respective dates of appointment and subject to retirement by rotation in accordance with the Bye-laws.

INDEPENDENT NON-EXECUTIVE DIRECTORS

As at the date of this annual report, the Company met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Pursuant to Rule 3.13 of the Listing Rules, the Company has received written confirmation from each of the independent non-executive Directors confirming his or her independence from the Company, and considers all of the independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

BOARD INDEPENDENCE

The Board understands that independent views and input are vital elements to good corporate governance, the Company strives to ensure independent views and input are available to the Board, including, among others, (i) allowing individual Director direct access to advice from the management team as well as external independent professional advisers of the Company, where necessary; and (ii) arranging meetings between independent non-executive Directors and Chairman of the Board or external auditors, allowing the independent non-executive Directors to express their own views and raise any issues or irregularities which they have noted and may have an impact on the Company, and also for them to provide constructive advice to the Board accordingly.

BOARD COMMITTEES

There are three committees established under the Board, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

Role and function

The terms of reference of the Audit Committee, which is available on the websites of the Company and the Stock Exchange, follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants, and have been updated on terms no less exacting those set out in the code provisions under the CG Code. Audit Committee must meet, at least twice a year, with the Company's external auditors.

The functions of the Audit Committee include but not limited to the following:

- making recommendation to the Board on the appointment, resignation and removal of external auditor and their fees and governing the relationship with the external auditors;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards;

- ensuring co-ordination between internal audit function and external auditors of the Group, and ensuring that the internal audit function of the Group is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- reviewing the financial statements, interim and annual results of the Group and the significant financial reporting judgments contained therein;

- discussing with the external auditor problems and issues of significance during the annual audit of the Group; and

- overseeing the financial reporting system, risk management and internal control systems of the Company.

Composition

As at the date of this annual report, the Audit Committee comprises three members as follows:

Mr. He Zhi *(Chairman)*
Ms. Deng Hua
Mr. Zhao Zhijiao

Mr. He Zhi, Ms. Deng Hua and Mr. Zhao Zhijiao are independent non-executive Directors. Mr. He Zhi possesses recognised professional qualification in accounting and has proven experience in audit and accounting.

Attendance record

For the Year, two Audit Committee meetings had been held. Details of the attendance of the Audit Committee members are as follows:

Audit Committee members	**Number of meetings attended/ Number of meetings held**
Mr. He Zhi *(Chairman) (appointed on 31 March 2025)*	0/0
Ms. Deng Hua	2/2
Mr. Zhao Zhijiao *(appointed on 9 September 2024)*	0/0
Mr. Zhong Dengyu *(ceased on 31 March 2025)*	2/2
Ms. Yang Xiaoyan *(ceased on 9 September 2024)*	2/2

Summary of the work done

The work done by the Audit Committee for the Year included:

- reviewed the interim results of the Group for the six months ended 30 September 2024, and annual results of the Group for the year ended 31 March 2024;

- discussed with the management of the Company over the completeness, fairness, adequacy and compliance of accounting standards and policies of the Group in the preparation of the interim financial statements for the six months ended 30 September 2024 and annual financial statements for the year ended 31 March 2024;

- reviewed and discussed with the external auditors over the financial reporting of the Company; and

- reviewed adequacy and effectiveness of risk management and internal control system, and monitor the internal audit function maintained within the Group.

Each Audit Committee meeting was supplied with the necessary financial information of the Group for the Audit Committee members to consider, review and assess matters of significance arising from the work conducted.

The audited consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee.

Remuneration Committee

Role and function

The terms of reference of the Remuneration Committee, which is available on the websites of the Company and the Stock Exchange, follow the code provisions under the CG Code. The Remuneration Committee shall meet at least once a year. The functions of the Remuneration Committee include but not limited to the following:

- making recommendations to the Board on the Company's policy and structure of remuneration for all Directors and senior management;

- establishing and applying a formal and transparent procedure for developing remuneration policy for Directors and senior management to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration;

- making recommendations to the Board on the remuneration packages of all Directors and senior management;

- ensuring levels of remuneration of Directors commensurate with their qualifications and competencies, and that such remuneration is sufficient to attract and retain Directors and senior management; and

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Composition

As at the date of this annual report, the Remuneration Committee comprises three members as follows:

Ms. Deng Hua *(Chairman)*
Mr. Zhao Zhijiao
Mr. He Zhi

Ms. Deng Hua, Mr. Zhao Zhijiao and Mr. He Zhi are independent non-executive Directors.

Attendance record

For the Year, three Remuneration Committee meeting had been held. Details of the attendance of the Remuneration Committee members are as follows:

Remuneration Committee members	Number of meeting attended/ Number of meeting held
Ms. Deng Hua *(Chairman)* *(re-designated as Chairman on 9 September 2024)*	3/3
Mr. Zhao Zhijiao *(appointed on 9 September 2024)*	1/1
Mr. He Zhi *(appointed on 31 March 2025)*	0/0
Ms. Yang Xiaoyan *(ceased on 9 September 2024)*	2/2
Mr. Zhong Dengyu *(ceased on 31 March 2025)*	3/3

Summary of the work done

The work done by the Remuneration Committee for the Year included:

- reviewed the remuneration package of all the Directors and senior management, including the new appointed director during the Year;
- made recommendations of the above remuneration policy and remuneration packages to the Board;
- assessed the performance of executive Directors and approved the terms of executive Directors' service contracts; and
- reviewed the vesting of the share options and share awards granted by the Company under the Company's share option scheme and share award scheme.

The Remuneration Committee meetings were supplied with the necessary information on specific remuneration package of Directors and senior management of the Group for the members to consider, review and make recommendation to the Board on the remuneration policy.

Nomination Committee

Role and function

The terms of reference of the Nomination Committee, which is available on the websites of the Company and the Stock Exchange, follow the code provisions under the CG Code. The Nomination Committee shall meet at least once a year. The functions of the Nomination Committee include but not limited to the following:

- reviewing the structure, size, composition and the diversity (including the skills, knowledge and experience) of the Board at least annually;
- assessing the independence of independent non-executive Directors;

- identifying and nominating for the approval of the Board candidates to fill Board vacancies;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; and
- making recommendations to the Board on appointment or re-appointment of the Directors and succession planning for the Directors.

Composition

As at the date of this annual report, the Nomination Committee comprises three members as follows:

Ms. Deng Hua *(Chairman)*
Mr. Zhao Zhijiao
Mr. He Zhi

Ms. Deng Hua, Mr. He Zhi and Mr. Zhao Zhijiao are independent non-executive Directors.

Attendance record

For the Year, three Nomination Committee meeting had been held. Details of the attendance of the Nomination Committee members are as follows:

Nomination Committee members	**Number of meeting attended/ Number of meeting held**
Ms. Deng Hua *(Chairman) (appointed on 28 August 2024)*	3/3
Mr. Zhao Zhijiao *(appointed on 9 September 2024)*	1/1
Mr. He Zhi *(appointed on 31 March 2025)*	0/0
Ms. Wu Siyuan *(ceased on 28 August 2024)*	1/1
Ms. Yang Xiaoyan *(ceased on 9 September 2024)*	2/2
Mr. Zhong Dengyu *(ceased on 31 March 2025)*	3/3

Summary of the work done

The work done by the Nomination Committee for the Year included:

- reviewed the structure, size, composition and the diversity (including the skills, knowledge and experience) of the Board;
- reviewed the independence of independent non-executive Directors; and
- identified individuals suitably qualified to become Board members having taken into account the Company's board diversity policy and made recommendations to the Board on the selection of individuals nominated for directorships.

The Board has established a nomination policy (the "**Nomination Policy**") setting out the approach to identify and nominate candidates to make recommendations to the Board and for its consideration.

The criteria of nomination as set out in the Nomination Policy have been considered from a number of aspects, including but not limited to, balance of skills, knowledge, experience and, with reference to such evaluation, prepare a description of the role and capabilities required for a particular appointment.

The Nomination Committee shall:

(a) use open advertising or the services of external advisers to facilitate the search for potential candidates;

(b) consider candidates on merits and against objective criteria, taking into consideration (in the case of non-executive appointments) whether the appointees can give sufficient time and attention to the Company's affairs;

(c) keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

(d) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;

(e) in consultation with the head of human resources, recommend to the Board procedures for formal and rigorous annual evaluation of performance of the Board, its committees and individual Directors;

(f) review annually the time required from Directors to perform duties. Performance evaluation should be used to assess whether the non-executive Director sufficient time in performing their duties; and

(g) ensure that on appointment to the Board, non-executive Directors receive a formal service contract setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

The Nomination Committee shall submit recommendations to the Board concerning the candidates for directorship for consideration and decision.

Board Diversity Policy

The Company as well as its Board recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of criteria and perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional skills, industry experience, and length of service which are measurable objectives for implementing the Board Diversity Policy. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board. The implementation and effectiveness of the Board Diversity Policy is reviewed by the Board annually.

The Nomination Committee reviewed the Board's composition and considered the Board Diversity Policy during the Year. The Board currently comprises six directors with different backgrounds and expertise from diversified professions such as accounting, legal, supply chain management and project management of different industries. The Nomination Committee is of the view that the structure, number of members and composition of the Board have maintained a diversification in terms of gender, expertise and experience, which is appropriate for the business operations of the Group and complied with the Board Diversity Policy. The Company will continue to take gender diversity into consideration during its recruitment process such that there will be a pipeline of potential successors to the Board to maintain gender diversity.

As at 31 March 2025, in respect of gender diversity at workforce level (including senior management), the female and male representation is about 34.4% and 65.6% of our total workforce, respectively. Given the nature of the Group's business and the industry that the Group operates in, it is expected that equality of gender ratio will be difficult to achieve within the Group. However, the Group will strive to enhance gender diversity (in terms of gender ratio) across all levels of workforce so far as reasonably practicable. In respect of the Board gender diversity, out of the six Board members then, one of them was female and five of them were males, the Board is of the view that gender diversity has been achieved at Board level.

Corporate Governance Functions

Role and function

The Board is responsible for performing corporate governance functions (the "**Corporate Governance Functions**"). The terms of reference of Corporate Governance Functions was adopted pursuant to the Board resolution of the Company which was passed on 29 March 2012. The Board shall hold Corporate Governance Functions meeting at least once a year and it may from time to time adjust or amend its corporate governance practice to accommodate the new changes that has happened or will happen either to the external regulatory and legal requirements or the internal business operations so as to control the risks and be in compliance with the relevant external regulatory and legal requirements more appropriately.

The Corporate Governance Functions include but not limited to the following:

- developing and reviewing the policies and practices of the Group on corporate governance and compliance with legal and regulatory requirements and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Summary of the work done

The work done by the Corporate Governance Functions for the Year included:

- developed and reviewed the policies and practices of the Group on corporate governance and compliance with legal and regulatory requirements and made recommendations;
- reviewed and updated (if necessary) system documents related to the Company's internal control and risk management;
- reviewed and monitored the training and continuous professional development of the Directors and senior management;
- reviewed and monitored the code of conduct applicable to employees and the Directors; and
- reviewed the Group's compliance with the CG Code and disclosure in the "**Corporate Governance Report**" of the Company.

AUDITOR'S REMUNERATION

With recommendation from the Audit Committee, the Board resolved to appoint Crowe (HK) CPA Limited ("**Crowe**") as the Company's external auditor and such appointment of Crowe as the auditor of the Company was approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting held on 28 August 2024. They are primarily responsible for providing audit services in connection with the financial statements of the Group for the Year.

Remuneration paid to the Company's external auditor, Crowe, for annual audit services and non-audit services provided for the Year were HK$1,140,000 and HK$290,000, respectively. The non-audit services were the review of the preliminary result announcements of the Group and other professional services.

In order to maintain the independence and objectivity of Crowe, the Group has been monitoring the use of the auditor for non-audit services and the balance of audit and non-audit fees paid. The Audit Committee has pre-approved the engagement of Crowe to provide the audit services and any other non-audit services must be specifically pre-approved by the Audit Committee.

FINANCIAL REPORTING

The Directors acknowledge that they are responsible for the preparation of the consolidated financial statements for the accounting year that truly and fairly reflect the business, property and cash flows of the Company for that year.

The statement of the auditor regarding their reporting responsibility for the consolidated financial statements is set out in the Independent Auditor's Report on pages 61 to 68.

COMPANY SECRETARY

Mr. Sze Kam Shing, Alan, an executive Director, the chief financial officer of the Company and a member of the Hong Kong Institute of Certified Public Accountants, replaced Mr. Li Shun to serve as the company secretary of the Company since 13 September 2024. For the Year, Mr. Sze Kam Shing, Alan took no less than 15 hours of relevant professional training pursuant to Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening a special general meeting

Pursuant to Bye-law 58 of the Bye-laws, members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Putting enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company has adopted a Shareholders' communication policy on 29 March 2012 (the "**Shareholders' Communication Policy**") which is subject to annual review to ensure its effectiveness. As part of the Shareholders' Communication Policy of the Company, a number of means are available for Shareholders to communicate and share their views or raise enquiries to the Company, and for the Company to solicit and understand the views of the Shareholders and the investing public by maintaining an on-going dialogue with them. The means of Shareholders' communication include but not limited to (i) the publication of bilingual corporate communications of the Company (such as interim and annual reports, announcements, circulars and other business information) via the websites of the Stock Exchange and the Company; and (ii) the holding of general meetings of the Company where Shareholders are encouraged to attend and members of the Board and (if appropriate) the auditors of the Company are present to answer any enquiries raised by the Shareholders.

Shareholders may also at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the company secretary at the Company's head office and principal place of business in Hong Kong.

Putting forward proposals at Shareholders' meeting

The number of Shareholders necessary for a requisition for putting forward a proposal at a Shareholders' meeting shall be any number of Shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the requisition. Shareholders may send a written requisition to the Board or Company Secretary at the Company's office in Hong Kong for putting forward any proposals to the Board.

INVESTOR RELATIONS

In order to foster effective communications, during the Year, the Company provided all necessary information to the Shareholders in its annual report and interim reports and held the annual general meeting and one special general meeting to meet the Shareholders and answer to their enquiries. The Directors made efforts to attend the general meetings so that they could answer any questions from the Shareholders. The chairman of the board has also invited the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. They were available to answer questions at the annual general meeting. The external auditor has also attended the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence. The Directors, the company secretary or other appropriate members of senior management of the Company were also endeavoured to respond to inquiries from the Shareholders and investors promptly.

In view of the above, the Company is of the view that the Shareholders' Communication Policy had been effectively implemented during the Year.

CONSTITUTIONAL DOCUMENT

No amendment had been made to the Bye-laws of the Company during the Year. The latest version of the Bye-laws are available on the websites of the Company and the Stock Exchange.

RISK MANAGEMENT AND INTERNAL CONTROL

During the Year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and environmental, social and governance ("**ESG**") risk controls for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors and ensuring the ESG performance of the Group is up to standard. The management of the Company is further delegated and authorised to (i) design, implement and maintain risk management and internal control systems appropriately and effectively; (ii) identify, evaluate, manage and control the risks that may have potential and material impacts on the processes of the operations; (iii) monitor risks and take appropriate methods to mitigate risks; (iv) respond promptly to and follow up the findings of the risk management and internal control issues identified; and (v) provide confirmation to the Board and the function of the Group on the effectiveness of the risk management and internal control systems.

The Board oversees the Company's risk management and internal control systems on an ongoing basis and reviews its effectiveness annually. A review was conducted on the effectiveness of the Company's and its subsidiaries' risk management and internal control systems for the Year, in areas such as finance, operational and compliance controls to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions and the reports were presented at the meetings of the Audit Committee during the Year. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Save for the internal control deficiency as identified by the Board in respect of the Company's delay in publication of the annual results of the Year, enhancement measures of which are further set out below, the Board found no material defects and considers these systems to be effective and adequate.

As disclosed in the announcements of the Company dated 5 July 2024 and 2 July 2025 setting out, among others, the annual results of the Company for FY23/24 and the Year respectively and the reasons for the delay in publication of the annual results, both delay were primarily resulted from the additional time required for auditor to perform audit procedures and conduct assessments.

In view of that, the Company has identified internal control deficiency in respect of the Company's annual reporting and shall adopt the enhance internal control measures set out below to improve in the following aspects in the upcoming financial years:

1. The human resources policy shall be carried out to avoid any loss of information when staff resigns. The Company shall implement a strict handover policy, ensuring that upon resignation of any staff member, all customer and supplier contacts are promptly transferred to designated colleagues, and the relevant customers and suppliers are informed accordingly.

2. The Company shall collate and maintain a centralised contact list for the suppliers and customers of the Group, and require the relevant employees to update the list from time to time in order to ensure that clear and up-to-date information in respect of the suppliers and customers, in particular, their point of contact, are included in the centralised list such that the Group can maintain proper communications with their customers and suppliers even if the original person-in-charge resigns.

3. The Company shall review existing joint venture and investment agreements and negotiate with the relevant partners on the inclusion of clauses specifying timeline when the investee companies are required to provide the required financial information for the Company's audit purposes, such that obligations are imposed on the investee companies to efficiently cooperate with the Company. In additions, the Company shall provide a memorandum to the investee companies relating to the audit procedures that the Company, as a company listed on the Stock Exchange, is required to perform for their interim review and annual audit.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group has established internal control procedures for the handling and dissemination of inside information in order to comply with Chapter 13 of the Listing Rules as well as Part XIVA of the SFO. The internal control mechanism includes information flow and reporting processes, confidentiality arrangements, disclosure procedures and training arrangements.

Director's Report

The Directors present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activities of the Group are provision of procurement services and other IT services, trading of general goods, leasing of the Group's investment properties located in Wuhan, Hubei Province, the People's Republic of China (the "**PRC**") and provision of energy management contracting services in the PRC.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "**Chairman's Statement**", "**Management Discussion and Analysis**" and "**Corporate Governance Report**" in this annual report and the paragraphs below.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's business is mainly operated by its subsidiaries established in the PRC and the Company was incorporated in Bermuda and is a listed company on the Main Board of the Stock Exchange. Therefore, the Group should comply with relevant laws and regulations of Bermuda, Hong Kong and the PRC.

The Group complies with the requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**"), the Listing Rules and the SFO for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and ordinances relating to occupational safety for the interest of employees of the Group. During the Year, the Company was not aware of any material non-compliance or breach of the applicable legislation or regulations that have a significant impact on the Group.

KEY RISK FACTORS AND UNCERTAINTIES

Set out below are the key risks and uncertainties faced by the Group:

Government Policy Risk

The business operation of the Group is susceptible to changes of government policies, relevant regulations and guidelines issued or updated by the regulatory authorities in the PRC from time to time. New policy requirements imposed on the Group by the governmental authorities in most cases will increase the Group's operational costs and failure to meet the new requirements will lead to the loss of revenue. For example, due to the increasingly tense Sino-US relationship, the central government of the PRC has required the local governments and their related agencies at all levels to replace foreign language-based IT software with domestic alternatives. In order to retain its public-sector clients and keep its market share, the Group had to increase its inputs into system development and upgrading to cater for new and varying needs of its customers arising from the government's new policy requirements. Another example is that the Group may be required to carry out its ordinary business with an agency company appointed by the government under certain policy, in the case of which the Group has to share its revenue with the appointed agent, and the business profitability of the Group may be affected.

Third-Party Risks

The Group has been relying on third-party service providers in parts of its business to improve performance and efficiency of the Group, such as the energy management contracting service. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability as any unexpected service underperformance or disruptions from those third-parties may bring adverse impact to the Group, including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

Credit Risks

The Group derives most of its revenues from procurement services and trading business, the nature of which inherently involves with monetary transactions of large amounts in the form of trade receivables or prepayments and so on with its customers or suppliers. As our procurement service business is growing fast over time, this risk may cause significant adverse impact on the Group if the supply chain customers or suppliers of the Group's procurement business or trading business fell into any financial difficulty and failed to reimburse or repay the Group timely. Management observes and notes that the chance of this type of risk unfortunately is growing and such risk may not only affect the Group, but may also affect its upstream or downstream business partners as the whole domestic economy growth is slowing down. The Group has carefully analysed its client base and will take more prudent approach and cautious risk control measures when dealing with its customers and will enhance its measures as appropriate to safeguard the interests of the Group.

ENVIRONMENTAL PROTECTION

The Group as well as the Board and management of the Company strongly support the green and sustainable growth of its business. The Company is fully aware of its responsibility in monitoring its impact to the environment arising from its business operations. The Group is committed to maintaining sustainable working practices and pays close attention to ensure that all resources are efficiently utilised. During the Year, to the best knowledge of the Directors, the Group has complied with relevant laws and regulations that have a significant impact on the Group. Not only that, the Group is also planning to take further steps and be directly involved in ESG related business. For further details, please refer to the paragraph headed "**Business Prospects**" in the section headed "**Chairman's Statement**" in this annual report.

In accordance with Rule 13.91 of the Listing Rules that was in force during the Year, the Company will publish an Environmental, Social and Governance ("**ESG**") Report together with the publication of this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents were reported in the Year.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The Group's requirements and standards are also well communicated to its suppliers before the commencement of a project. Facing a worsening business operational environment, the Group will increase its credit risk control to select its business partners more carefully and strictly.

The Group values the views and opinions of all customers received and collected through various means and channels, including the usage of business intelligence to understand customers' trends and needs and perform regular analysis on customers' feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

SEGMENT INFORMATION

An analysis of the Group's results, assets and liabilities by segment for the Year is set out in note 10 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Statement of Profit or Loss on page 69 of this annual report.

DIVIDEND

Dividend Policy

The principle of dividend policy is to allow Shareholders to participate in the Company's profits whilst allowing the Company to retain adequate reserves for the Group's future growth. In considering the declaration and payment of dividends, the Board will consider:

- the Group's actual and expected financial results;
- the economic conditions and other internal and external factors that may have an impact on the business or financial performance and position of the Group;
- the current and future operations, liquidity position, capital requirements and investment of the Group; and
- any other factors that the Board deems appropriate.

There is no fixed dividend payout ratio and there is no assurance that dividends will be paid in any particular amount for any given period.

Dividend

The Directors do not recommend the payment of final dividend for the Year (FY23/24: nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years/period is set out on page 207 of this annual report.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS

Details of the movements in the property, plant and equipment, investment properties and right-of-use assets of the Group during the Year are set out in notes 18, 19 and 20 to the consolidated financial statements, respectively.

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 March 2025 are set out in note 31 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the Year is set out in note 27 to the consolidated financial statements. Details about the issue of shares are also set out in note 27 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Year are set out in note 28(b) to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Under the Bermuda Companies Act 1981, contributed surplus of the Company is available for distribution, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

As at 31 March 2025 and 31 March 2024, no reserve of the Company was available for distribution as the aggregate of the contributed surplus and the accumulated losses is in debit balance. Details are set out in note 28(b) to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the Year or subsisting at the end of the Year are set out below:

Convertible Bonds

On 19 April 2022, the Company issued convertible bonds in the aggregate principal amount of HK$27,500,000 (the "**Convertible Bonds**"), which may be converted into 18,333,333 conversion shares of the Company based on the initial conversion price of HK$1.50 (subject to adjustment) per share upon full conversion, to Sea Best Group Limited and Mr. Wu Feng (the "**Bondholders**"). The net price per conversion share is approximately HK$1.43. The conversion shares shall rank pari passu in respect of the voting rights with all other shares of the Company in issue on the date of issue and allotment of the conversion shares. The Convertible Bonds carry coupon interest at the rate of 5% per annum with a term of 7 years. The closing price of the shares of the Company on the date of the Convertible Bonds placing agreement was HK$1.53 per share. The net proceeds from the placing of the Convertible Bonds of approximately HK$26,300,000 had been utilised in full for expansion of the existing procurement and tendering business to customers in trading industry and general working capital purposes. As at 31 March 2025, none of the Convertible Bonds were converted into ordinary shares of the Company.

Share Option Scheme

The Company adopted a share option scheme (the "**Scheme**") pursuant to an ordinary resolution passed by the Shareholders in the annual general meeting held on 3 August 2022.

The purpose of the Scheme is to enable the Group to grant Options to selected participants to (A) recognise and reward the contribution of certain eligible participants to the growth and development of the Group and to give incentives thereto in order to encourage and retain them for the continual operation and development of the Group; and (B) to attract suitable personnel for further development of the Group. Participants under the Scheme include, among others, Directors and employees of the Group. The Company is aware that under the new Rule 17.03A of the Listing Rules which came into effect on 1 January 2023, participants of share schemes shall only comprise employee participants, related entity participants and service providers (as defined in the Listing Rules). The Company will only grant share options to eligible participants in compliance with the new rule 17.03A and pursuant to the transitional arrangements for share schemes existing as at 1 January 2023 as specified by the Stock Exchange.

The principal terms of the Scheme are summarised as follows:

The Scheme will remain in force for a period of 10 years commencing from 3 August 2022 and will expire on 2 August 2032.

Share options may be granted without any initial payment. The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

(i) the nominal value of the shares;

(ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the share option; and

(iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the share option.

The Board or its delegate(s), may from time to time while the Scheme is in force and subject to all applicable laws, grant options to any eligible participant in accordance with Rule 17.03A of the Listing Rules, and determine, among other things, the timing of grants, selection of the grantees, number of options, vesting dates and conditions of vesting, and performance targets that must be achieved before any of the options may be vested in the grantees. When a grantee has satisfied all vesting conditions and/or performance targets specified (and as may be waived or amended from time to time) by the Board or its delegate(s), the relevant options shall be vested in such grantee on the relevant vesting date and become exercisable.

Under the Scheme, the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Scheme and other share option scheme of the Group or shares of the Company which may be subject to a share award under any share award plan (excluding, for this purpose, options and share awards which have lapsed in accordance with the relevant schemes or plans of the Group) shall not in aggregate exceed 10% of the number of shares in issue at the date of approval of the Scheme provided that, inter alia, the Company may seek approval of the Shareholders at a general meeting to refresh the general scheme limit.

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each grantee in any 12-month period shall not exceed 1% of the Shares in issue for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting of the Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

Details of the share options granted to the grantees under the 2022 Share Option Scheme and the movement of such share options during the Year are set out below:

Eligible person	Date of grant	Exercisable period	Vesting date	Fair value per share option	Adjusted exercise price	Number of share options: Outstanding at 1 April 2024	Reclassification *(note ii)*	Lapsed/ forfeited during the year	Outstanding at 31 March 2025
				HK$	*HK$*				
Ms. Wu Siyuan (Executive director)	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	522,506	(522,506)	–	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.7061	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	522,506	(522,506)	–	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	522,506	(522,506)	–	–
Mr. Shi Qiang (Executive director)	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	578,433	–	(578,433)	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.7061	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	578,433	–	(578,433)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	578,433	–	(578,433)	–
Ms. Liu Qian (Non-executive director)	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	376,214	–	(376,214)	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.7061	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	376,214	–	(376,214)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	376,214	–	(376,214)	–
Mr. Li Guanghua (Non-executive director)	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	306,046	–	(306,046)	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.7061	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	306,046	–	(306,046)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	306,046	–	(306,046)	–

Eligible person	Date of grant	Exercisable period	Vesting date	Fair value per share option	Adjusted exercise price	Number of share options: Outstanding at 1 April 2024	Reclassification *(note ii)*	Lapsed/ forfeited during the year	Outstanding at 31 March 2025
				HK$	*HK$*				
Mr. Li Shun (Non-executive director)	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	174,255	–	(174,255)	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.7061	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	174,255	–	(174,255)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	174,255	–	(174,255)	–
						5,872,362	(1,567,518)	(4,304,844)	–
Employee/consultant	2 September 2022	2 September 2023 – 30 August 2024	2 September 2023	0.5752	1.1644153	1,031,545	522,506	(1,554,051)	–
		2 September 2024 – 1 September 2025	2 September 2024 *(note i)*	0.6950	1.1644153	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7544	1.1644153	1,031,545	522,506	(1,554,051)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8264	1.1644153	1,031,546	522,506	(970,958)	583,094
						3,094,636	1,567,518	(4,079,060)	583,904
						8,966,998	–	(8,383,904)	583,904

Notes:

i) Ms. Wu Siyuan retired as be a director of the Company on 28 August 2024 and remained as a consultant of the Group.

ii) During FY23/24, 3,531,443 share options were forfeited due to the resignation of employees before vesting date or failure of fulfilling all required vesting conditions before the stipulated vesting date; and 14,760 share options lapsed due to the resignation of employees subsequent to the vesting of share options. Therefore, there is no outstanding options for 2nd tranche at 1 April 2024.

During the Year, no share options were vested to the Directors and the employees of the Company and 8,383,904 share options lapsed/forfeited due to the resignation of directors and employees or expiration of exercisable period or failure of fulfilling all required vesting conditions before the stipulated vesting date. No share options were granted, exercised or cancelled during the Year. As no share options granted under the 2022 Share Option Scheme has been exercised since the date of grant, the number of shares available for issue under the 2022 Share Option Scheme both as at 1 April 2024, 31 March 2025 and as at the date of this annual report is 29,308,372, representing approximately 5.94% of the total issued shares of the Company as at 1 April 2024 and representing approximately 4.95% of the total issued shares of the Company as at each of 31 March 2025 and the date of this report. The number of share options available for grant under the 2022 Share Option Scheme as at each of 31 March 2024 and 31 March 2025 is 20,341,374 and 28,752,278 respectively, representing approximately 4.12% and 4.85% of the total issued shares of the Company as at the date of this report.

Further details of the Scheme are set out in note 30(a) to the consolidated financial statement.

Share Award Plan

The Company adopted a share award plan on 29 April 2022 (the "**Share Award Plan**") in order to recognise and reward the contribution of the selected participants under the Share Award Plan, to encourage and retain them for the Group's continual operation and development and to attract suitable personnel for the Group's future development. Under the Share Award Plan, the Board may from time to time select any employees, directors, advisers or consultants and other group or classes of participants of the Group or any invested entity of the Group, whom the Board considers, in their sole discretion, to have contributed or will contribute to the Group, as selected participants (the "**Selected Participants**"). The Board shall determine the timing of awarding shares of the Company to the Selected Participants (the "**Award**"), the number of awarded shares (the "**Awarded Shares**"), vesting dates and conditions of vesting, and performance targets that must be achieved before any of the Awarded Shares may be vested in the Selected Participants under such Award.

The trustee will hold the Awarded Shares on trust for all or one or more of the Selected Participants until such Awarded Shares are vested with the relevant Selected Participants in accordance with the rules of the Share Award Plan.

The consideration payable by the Selected Participants for each Awarded Share upon acceptance of an Award shall be a percentage of the closing price on the date of the grant of the Award and such percentage shall be determined by the Board in its sole discretion.

The aggregated maximum number of Shares underlying all Awards made pursuant to the Share Award Plan (excluding Awarded Shares which have lapsed in accordance with the Share Award Plan) must not exceed 5% of the total issued shares of the Company as at the date of adoption of the Share Award Plan (i.e. 14,654,186 Shares), such 5% limit may be refreshed subject to Shareholders' approval provided that the total number of shares of the Company which may be subject to an Award or Awards under the Share Award Plan and any other share option scheme or share award plan of the Group may not exceed 10% of the total number of the shares of the Company in issue as at the date of the Shareholders' approval of the refreshed limit. The maximum number of shares of the Company which may be awarded to a Selected Participants in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

The Share Award Plan will remain in force for a period of 10 years from 29 April 2022 and will expire on 28 April 2032. Early termination maybe done by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Plan.

The following table sets out the movements of the Company's awarded shares granted under the 2022 Share Award Plan during the Year:

Eligible person	Date of grant	Vesting date	Purchase price *(note ii)*	Number of awarded shares: Outstanding at 1 April 2024	Reclassification *(note i)*	Cancelled during the year	Lapsed during the year	Outstanding at 31 March 2025
			HK$					
Ms. Wu Siyuan (Executive director)	2 September 2022	2 September 2025	0.46	314,500	(314,500)	–	–	–
		2 September 2026	0.46	314,500	(314,500)	–	–	–
Mr. Shi Qiang (Executive director)	2 September 2022	2 September 2025	0.46	314,500	–	–	(314,500)	–
		2 September 2026	0.46	314,500	–	–	(314,500)	–
Ms. Liu Qian (Non-Executive director)	2 September 2022	2 September 2025	0.46	679,250	–	–	(679,250)	–
		2 September 2026	0.46	679,250	–	–	(679,250)	–
Mr. Li Guanghua (Non-Executive director)	2 September 2022	2 September 2025	0.46	76,500	–	–	(76,500)	–
		2 September 2026	0.46	76,500	–	–	(76,500)	–
Mr. Li Shun (Non-Executive director)	2 September 2022	2 September 2025	0.46	314,500	–	–	(314,500)	–
		2 September 2026	0.46	314,500	–	–	(314,500)	–
				3,398,500	(629,000)	–	(2,769,500)	–
Consultant	2 September 2022	2 September 2025	0.46	506,000	314,500	–	(820,500)	–
		2 September 2026	0.46	506,000	314,500	–	(506,000)	314,500
				1,012,000	629,000	–	(1,326,500)	314,500
				4,410,500	–	–	(4,096,000)	314,500

Note:

i) Ms. Wu Siyuan retired as be a director of the Company on 28 August 2024 and remained as a consultant of the Group.

ii) The purchase price represents (i) a discount of approximately 58.18% to the closing price of the shares of the Company on the date of grant of HK$1.000; and (ii) a discount of approximately 61.86% to the average closing price of the shares of the Company as quoted on the Stock Exchange of Hong Kong Limited for the five consecutive trading days immediately preceding the date of grant of HK$1.206.

During the Year, no awarded shares were vested and allotted to the respective holders of the awarded shares and 4,096,000 awarded shares lapsed upon resignation or voluntary abandonment of the relevant employees or failure of fulfilling all required vesting conditions before the stipulated vesting date in accordance with the terms and conditions of the 2022 Share Award Plan. During the Year, no award shares were granted by the Company. As at (a) 31 March 2024 and 1 April 2024; and (b) 31 March 2025, the total number of award shares available for issue under the 2022 Share Award Plan is 12,437,686, representing approximately 2.52% and 2.10% of the total issued shares of the Company as at 31 March 2024 and the date of this report. As at 1 April 2024 and as at 31 March 2025, the total number of award shares available for grant under the 2022 Share Award Plan is 8,027,186 and 12,123,186 respectively, representing approximately 1.35% and 2.05% of the total issued shares of the Company as at the date of this report.

For further details of the Share Award Plan, please refer to note 30(b) to the consolidated financial statement.

Pursuant to Chapter 17 of the Listing Rules, the total number of shares which may be issued in respect of the options and awards to be granted under the Scheme, the Share Award Plan and any other share scheme of the Company must not in aggregate exceed 10% of the issued shares of the Company as at the date of adoption of the Scheme (i.e. 29,308,372 shares).

DIRECTORS

The Directors during the Year and up to the date of this annual report are:

Executive Directors

Mr. Yang Hua *(Joint Chairman and Chief Executive) DBE (appointed on 28 August 2024)*
Mr. Zhou Xiangtao *(Joint Chairman) MBA (appointed on 9 September 2024)*
Mr. Sze Kam Shing, Alan *CFA, CPA, MFin (appointed on 9 September 2024)*
Ms. Wu Siyuan *(Chairman) MSc, BSc (retired on 28 August 2024)*
Mr. Shi Qiang *(Chief Executive) MBA, LL.B (retired on 28 August 2024)*
Ms. He Qian, *CPA (PRC), EMBA, BAcc (ceased on 9 September 2024)*

Non-executive Directors

Ms. Liu Qian, *EMBA, MA, BEng (ceased on 9 May 2024)*
Mr. Li Shun, *ACG, HKACG, CGMA, MSc, BA (retired on 28 August 2024)*
Mr. Li Guanghua, *EMBA, BEng (ceased on 9 May 2024)*

Independent Non-executive Directors

Ms. Deng Hua, *MA, BA*
Mr. Zhao Zhijiao *BSc (appointed on 9 September 2024)*
Mr. He Zhi, *CPA (PRC) (appointed on 31 March 2025)*
Mr. Zhong Dengyu, *CPA (PRC) (ceased on 31 March 2025)*
Ms. Yang Xiaoyan, *BA, MBA (ceased on 9 September 2024)*

In accordance with Bye-law 84(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, the number nearest but not less than one-third, shall retire from office by rotation. Accordingly, Ms. Deng Hua and Mr. Yang Hua are eligible to retire by rotation at the forthcoming annual general meeting ("**AGM**"). Each of Ms. Deng Hua and Mr. Yang Hua being eligible, has offered themselves for re-election. In accordance with Bye-law 86(2) of the Bye-laws, any Director appointed as an addition to the Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election at the meeting. Thus, Mr. Zhou Xiangtao, Mr. Sze Kam Shing, Alan, Mr. Zhao Zhijiao and Mr. He Zhi, being newly appointed Directors will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

The Company has received from each of the independent non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent to the Company.

DIRECTORS' SERVICE CONTRACTS OR LETTERS OF APPOINTMENT

All Directors have entered into formal service contracts or letters of appointment with the Company for a term of 3 years and are subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Bye-laws.

As mentioned above, none of the Retiring Director will offer himself/herself for re-election at the forthcoming AGM. None of the Retiring Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The emolument policy of the employees of the Group is set up by the Board on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Board duly authorised by the Shareholders at the AGM, having regard to the Group's operating results, individual performance and comparable market statistics. The Company has adopted equity-linked scheme as an incentive to Directors and eligible employees, details of which are set out in note 30 to the financial statements contained in this annual report.

Save as disclosed in this annual report, no emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for the Year.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate Directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed herein, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director or his connected entities had a material interest, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Brief biographical information of the Directors and senior management of the Company are set out in the section headed "**Biography of Directors and Senior Management**" on pages 25 to 26 of this annual report. Save as disclosed, no other information of Directors is required to be disclosed in this annual report pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, none of the Directors and chief executive of the Company had or was deemed to have any interest and short position in the shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("**SFO**")) that was required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares of the Company in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2025, according to the register of interests required to be kept by the Company under Section 336 of the SFO, the following persons, other than the Directors or chief executives of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in ordinary shares of the Company

Name of Shareholders	Capacity	Number of Shares of the Company interested	Total interests as to percentage of the issued share capital of the Company as at 31 March 2025 *(Note 1)* *(approximately)*
Eastmount Global Limited	Beneficial owner	229,291,903 *(Note 2)*	38.70%
Wu Siyuan	Discretionary beneficiary of a discretionary trust	229,291,903 *(Note 2)*	38.70%
Trident Trust Company (Singapore) Pte Limited	Trustee of a discretionary trust	229,291,903 *(Note 2)*	38.70%
Liu Luoxiu	Founder of a discretionary trust	229,291,903 *(Note 2)*	38.70%
Jiangxi Bank Co., Ltd* （江西銀行股份有限公司）	Person having a security interest in shares of the Company	63,860,200 *(Note 3)*	10.78%
Zhang Yibin	Beneficial owner	59,200,000	9.99%

Notes:

1. As at 31 March 2025, the issued share capital of the Company was 592,512,678 Shares.

2. These Shares were held by Eastmount Global Limited, which was wholly-owned by Fu Ze Ventures Limited, which was in turn wholly-owned by Eshay Investments Limited. Eshay Investments Limited was wholly-owned by Frandor Limited, which in turn was wholly-owned by Trident Trust Company (Singapore) Pte Limited, the trustee of a discretionary trust of which Ms. Liu Luoxiu is the settlor and certain family members of Ms. Liu Luoxiu, including Ms. Wu Siyuan, are discretionary beneficiaries. Each of aforementioned persons and entities was deemed to be interested in the shares of the Company held by Eastmount Global Limited by virtue of Part XV of the SFO.

3. These Shares were pledged to Jiangxi Bank Co., Ltd*（江西銀行股份有限公司）under a share pledge agreement between Jiangxi Bank Co., Ltd*（江西銀行股份有限公司）and Eastmount Global Limited dated 15 July 2022.

Save as disclosed above, the Company had not been notified of any other person (other than a Director or chief executive of the Company) who had an interest (whether direct or indirect) in 5% or more of the shares comprised in the relevant share capital or a short position which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 31 March 2025.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transaction" and "Related Party Transactions" in this report, there was no other contract of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries during the Year.

CONNECTED TRANSACTION

During the Year, the Group had the following continuing connected transaction that was not exempt from the annual reporting requirement in Chapter 14A of the Listing Rules.

EPC Services Framework Agreement and Procurement Services Framework Agreement

As announced by the Company on 14 August 2023, the Company (for itself and on behalf of its subsidiaries) entered into the a procurement services framework agreement (the "**Procurement Services Framework Agreement**") with Ms. Liu Luoxiu ("**Ms. Liu**") (for herself and her associates) ("**Ms. Liu's Associates**") pursuant to which the Group shall provide procurement services to Ms. Liu's Associates subject to and upon the terms and conditions set out in the Procurement Services Framework Agreement for a period up to 31 March 2024.

As Ms. Liu was and is a controlling shareholder of the Company by virtue of her being a settlor of a discretionary trust whose trustee indirectly holds approximately 45.63% of the total issued share capital of the Company as at the date of the Procurement Services Framework Agreement and approximately 38.70% as at the date of this annual report and therefore a connected person of the Company, the transactions contemplated under the Procurement Services Framework Agreement constituted continuing connected transactions of the Company.

Under the Procurement Services Framework Agreement, the Group shall provide procurement services to Ms. Liu's Associates, including but not limited to, procurement equipment and/or materials in EPC projects that are concerned with new energy. The prices for the services under the Procurement Services Framework Agreement shall be determined based on the agreed prices between the parties. The agreed prices will be calculated based on the actual costs incurred in providing such services, such as the cost of the goods procured, labour and other expenses, plus a profit margin as agreed between the parties that is no less favourable than the profit margin charged to an independent third party customer of the Group in recent transactions of similar nature, taking into account factors such as the duration of provision of services, types and volume of goods to be procured, etc.

The Group entered into the Procurement Services Framework Agreement targeting to expand its customer base and to further accumulate experience in providing procurement services to private enterprises and to enhance market share.

The annual cap under the Procurement Services Framework Agreement for the year ended 31 March 2024 was set at HK$120 million ("**2024 Annual Cap**"), and during the year ended 31 March 2024, the Group entered into several transaction-specific contracts pursuant to the Procurement Services Framework Agreement and the revenue of which was recognised this Year in the amount of approximately HK$16.52 million in accordance with the applicable accounting policies.

During the Year, on 12 April 2024, the Company and Ms. Liu Luoxiu respectively entered into (i) the EPC services framework agreement (the "**EPC Services Framework Agreement**"), pursuant to which the Group shall provide EPC services to Ms. Liu's Associates subject to and upon the terms and conditions set out in the EPC Services Framework Agreement; and (ii) the master purchase framework agreement (the "**Master Purchase Framework Agreement**", together with the EPC Services Framework Agreement, the "**Framework Agreements**") pursuant to which the Group shall purchase from, and Ms. Liu's Associates shall provide, solar modules to the Group, subject to and upon the terms and conditions set out in the Master Purchase Framework Agreement, for a period up to 31 March 2025. Such Framework Agreements initially constituted continuing connected transactions of the Company.

However, based on mutual understanding upon negotiation between the Company and Ms. Liu Luoxiu, the Framework Agreements were terminated on 14 June 2024 prior to the obtaining of the requisite independent shareholders' approval. No continuing connected transactions or connected transactions had been conducted under the Framework Agreements. For further details in respect of the Framework Agreement and its termination, please refer to the announcements of the Company dated 14 April 2024 and 14 June 2024.

None of the related party transactions (as defined in HKAS 24 – Related Party Disclosures) entered into by the Group during the year ended 31 March 2025 disclosed in note 42 to the consolidated financial statements falls under the scope of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules which is subject to the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

COMPETING INTERESTS

As at 31 March 2025, none of the Directors or substantial Shareholders or any of their respective close associates has engaged in any business that competes or is likely to compete with the business of the Group, or has any other conflict of interests with the Group.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for 60% of the total sales for the Year, in which sales to the largest customer represented approximately 19% of the total sales of the Year.

The cost of sales mainly consists of purchases, depreciation, staff costs and sub-contractor fees. The purchases from the Group's five largest suppliers for trading and services rendered, amounted to 61% of the total purchases for the Year, in which purchases from the largest supplier represented approximately 27% of the total purchases of the Year.

None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company) has an interest in the major suppliers or customers noted above.

MANAGEMENT CONTRACTS

Save as disclosed herein, no contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Year.

TAX RELIEF AND EXEMPTION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as required under the Listing Rules for the Year and up to the date of this annual report.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this annual report, there are no other material events subsequent to the end of the Year.

EXTERNAL AUDITOR

The consolidated financial statements of the Group for the Year have been audited by Crowe whose term of office will expire upon the conclusion of the AGM. There has been no change in external auditor since 16 December 2020. A resolution for the re-appointment of Crowe as the external auditor of the Company for the subsequent year will be proposed at the AGM.

For and on behalf of the Board

Yang Hua
Joint Chairman

Hong Kong, 8 August 2025

Independent Auditor's Report

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF CHERISH SUNSHINE INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Cherish Sunshine International Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 69 to 206, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting information and other explanatory 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 Hong Kong Financial Reporting Standard ("**HKFRS**") Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**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 of our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2(b) to the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK$123,906,000 during the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK$69,945,000. As at the same date, the Group held cash and cash equivalents of approximately HK$19,367,000 against current bank and other borrowings of approximately HK$108,502,000, which were repayable on demand. Furthermore, as at the date of approval for issue of these consolidated financial statements, a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC pursuant to a creditor's claim. These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the inherent level of subjective judgments and estimates required in determining the fair values. As disclosed in Note 19 to the consolidated financial statements, the carrying amount of investment properties is approximately HK$175,232,000 as at 31 March 2025. During the year ended 31 March 2025, a fair value loss on investment properties of approximately HK$56,356,000 was recognised in the consolidated statement of profit or loss. As disclosed in Note 2(h) to the consolidated financial statements, the Group's investment properties are stated at fair value based on the valuations performed by an independent qualified professional valuer (the "**Valuer**"). Details of the valuation techniques are disclosed in Note 7 to the consolidated financial statements. These valuations involve a significant degree of estimation in respect of the key unobservable inputs including market rentals and market yield, taking into account the lettable units and type of the properties.	Our procedures in relation to the valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement; • Evaluating the appropriateness of the Valuer's valuation approach to assess if they meet the requirements of the HKFRS Accounting Standards and industry norms; • Obtaining the detailed work of the Valuer to evaluate the accuracy and relevance of key data inputs underpinning the valuation; and • Challenging the reasonableness and the appropriateness of the key inputs and key assumptions applied based on our knowledge of the property markets.

Key audit matter	How our audit addressed the key audit matter
*Valuation of financial assets at fair value through other comprehensive income ("**FVTOCI**")*	
We identified the valuation of financial assets at FVTOCI as a key audit matter due to the significant estimates required in determining the fair values. As disclosed in Note 23(a) to the consolidated financial statements, the carrying amount of financial assets at FVTOCI was approximately HK$64,280,000 as at 31 March 2025, representing the unlisted equity investments in two entities. During the year ended 31 March 2025, a fair value loss on financial assets at FVTOCI of approximately HK$19,261,000 was recognised in the other comprehensive income of the Group. As disclosed in Note 2(f) to the consolidated financial statements, an equity investment is classified as FVTOCI when the equity investment is not held for trading purposes and the Group makes an irrevocable election to designate that investment at FVTOCI (non-recycling) on initial recognition such that subsequent changes in fair value are recognised in the other comprehensive income. The fair value of financial assets at FVTOCI is based on the valuations performed by the Valuer. Details of the valuation techniques are disclosed in Note 7 to the consolidated financial statements. These valuations involve a significant degree of estimation in respect of the key unobservable inputs including discount for lack of marketability.	Our procedures in relation to the valuation of financial assets at FVTOCI included: • Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement; • Evaluating the appropriateness of the Valuer's valuation approach to assess if they meet the requirements of the HKFRS Accounting Standards and industry norms; • Obtaining the detailed work of the Valuer to evaluate the accuracy and relevance of key data inputs underpinning the valuation; and • Challenging the reasonableness and the appropriateness of the key inputs and key assumptions applied based on our knowledge.

Key audit matter	How our audit addressed the key audit matter
*Impairment assessment of cash-generating unit ("**CGU**") under provision of procurement services and other IT services segment*	
We identified the impairment assessment of CGU under provision of procurement services and other IT services segment as a key audit matter due to the significant estimation involved in the management's impairment assessment process. Included in the abovementioned segment, it mainly comprised of an intangible asset representing software technical knowhow with a carrying amount of approximately HK$20,365,000 as at 31 March 2025 which was disclosed in Note 21 to the consolidated financial statements. In deciding whether a CGU was impaired or not requires the determination of the recoverable amount which requires estimation of the recoverable amount of the CGU under the provision of procurement services and other IT services segment. In estimating the value in use of the CGU, key inputs used by the management included the discount rate and the growth rate for extrapolating the cash flows beyond the five-year's financial forecast. As a result of the estimation of the recoverable amount of the CGU, an impairment loss for intangible assets of approximately HK$7,897,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2025. An independent external valuation was performed by the Valuer in support of the management's estimate.	Our procedures in relation to the impairment assessment of CGU under provision of procurement services and other IT segment included: • Understanding how the management perform impairment assessment including the estimation of future cash flows and key assumptions used; • Evaluating the competence, capabilities and objectivity of the Valuer; • Evaluating the appropriateness of the key assumptions used in the discounted cash flow calculation, including the discount rate and the growth rate for extrapolating the cash flows beyond the five-year's financial forecast; • Assessing the reasonableness of the discount rate applied in determining the value in use by benchmarking against market data; • Evaluating the potential impact of value in use based on the reasonably possible change of the key assumptions used; and • Evaluating the historical accuracy of the cash flows forecast by comparing historical cash flows forecast to the actual results in the current period and understanding the causes of any significant variances.

Key audit matter	How our audit addressed the key audit matter
Valuation of derivative components embedded in convertible bonds	
We identified the valuation of derivative components embedded in convertible bonds as a key audit matter due to the significant estimates required in determining the fair values. As disclosed in Note 37(b) to the consolidated financial statements, the carrying amounts of derivative components embedded in convertible bonds were assets and liabilities of approximately HK$2,545,000 and HK$3,122,000 respectively as at 31 March 2025, representing the call options of the Group and the conversion options of the holders of convertible bonds respectively. During the year ended 31 March 2025, a fair value gain on derivatives embedded in convertible bonds of approximately HK$2,497,000 was recognised in the consolidated statement of profit or loss. As disclosed in Notes 2(g) and 2(s) to the consolidated financial statements, the Group's derivative financial instruments are stated at fair value based on the valuations performed by the Valuer. Details of the valuation techniques are disclosed in Note 7 to the consolidated financial statements. These valuations involve a significant degree of estimation in respect of the key unobservable inputs including expected volatility of the share price of the Company.	Our procedures in relation to the valuation of derivative components embedded in convertible bonds included: • Evaluating the competence, capabilities and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement; • Evaluating the appropriateness of the Valuer's valuation approach to assess if they meet the requirements of the HKFRS Accounting Standards and industry norms; • Obtaining the detailed work of the Valuer to evaluate the accuracy and relevance of key data inputs underpinning the valuation; and • Challenging the reasonableness and the appropriateness of the key inputs and key assumptions applied based on our knowledge.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (HK) CPA Limited
Certified Public Accountants

Hong Kong, 8 August 2025

Chan Wing Fai
Practising Certificate Number P07327

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	8	**98,252**	782,180
Cost of sales and services rendered		**(70,074)**	(722,666)
Gross profit		**28,178**	59,514
Other income and other gains/(losses), net	9	**2,032**	7,250
Administrative expenses		**(40,492)**	(55,747)
Other operating expenses	39	**(11,373)**	–
(Impairment loss)/reversal of impairment loss for intangible assets	21	**(7,897)**	3,711
Impairment loss for trade and other receivables and contract assets, net		**(47,945)**	(2,054)
Reversal of impairment loss for prepayments	24	**–**	2,339
Impairment loss for loan receivables	25	**(2)**	–
Share of result of associates	22(a)	**(58)**	(5)
Fair value loss on investment properties	19	**(56,356)**	(20,461)
Fair value gain on financial asset at fair value through profit or loss ("**FVTPL**")	23(b)	**160**	–
Fair value gain on derivatives embedded in convertible bonds	37(b)	**2,497**	1,692
Loss from operations		**(131,256)**	(3,761)
Finance costs	11	**(7,741)**	(6,725)
Loss before tax		**(138,997)**	(10,486)
Income tax credit	12	**15,091**	11,290
(Loss)/profit for the year	13	**(123,906)**	804
(Loss)/profit attributable to:			
Owners of the Company		**(123,885)**	656
Non-controlling interests		**(21)**	148
		(123,906)	804
(Loss)/earnings per ordinary share (HK cents per share)	17		
Basic		**(23.18)**	0.1359
Diluted		**(23.18)**	0.1356

The notes on pages 77 to 206 form parts of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	**2025**	2024
	Note	**HK$'000**	HK$'000
(Loss)/profit for the year		**(123,906)**	804
Other comprehensive (expense)/income:			
Item that will not be reclassified to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income ("**FVTOCI**")		**(19,261)**	–
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(1,491)**	(18,158)
Reclassification of cumulative foreign currency translation reserve upon deregistration of an associate		**26**	(26)
Reclassification of cumulative foreign currency translation reserve upon disposal of a subsidiary	44	**(3)**	10
		(1,468)	(18,174)
Other comprehensive expense for the year, net of tax		**(20,729)**	(18,174)
Total comprehensive expense for the year		**(144,635)**	(17,370)
Other comprehensive (expense)/income attributable to:			
Owners of the Company		**(144,648)**	(17,806)
Non-controlling interests		**13**	436
		(144,635)	(17,370)

The notes on pages 77 to 206 form parts of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	At 31 March 2025 HK$'000	At 31 March 2024 HK$'000 (Restated)	At 1 April 2023 HK$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	18	**5,402**	6,284	7,621
Investment properties	19	**175,232**	232,673	267,130
Right-of-use assets	20	**7,680**	8,148	10,089
Intangible assets	21	**20,555**	28,667	26,331
Interests in associates	22(a)	**237**	197	228
Financial assets at FVTOCI	23(a)	**64,280**	–	–
Deferred tax assets	34	**451**	376	–
Derivative component of convertible bonds	37(b)	**2,545**	2,964	9,904
Total non-current assets		**276,382**	279,309	321,303
Current assets				
Inventories – raw materials		**36**	230	101
Trade and other receivables	24	**222,025**	360,079	257,158
Financial asset at FVTPL	23(b)	**11,160**	–	–
Amount due from an associate	22(b)	**104**	–	–
Contract assets	36(a)	**6,396**	20,407	6,384
Loan receivables	25	**474**	–	–
Restricted bank deposits	26(a)	**2,062**	61,593	–
Cash and cash equivalents	26(b)	**19,367**	6,309	8,478
Total current assets		**261,624**	448,618	272,121
TOTAL ASSETS		**538,006**	727,927	593,424
EQUITY				
Share capital	27	**58,397**	48,522	48,300
Reserves		**146,321**	258,483	273,574
Equity attributable to owners of the Company		**204,718**	307,005	321,874
Non-controlling interests	43	**(11,682)**	(11,695)	(11,507)
Total equity		**193,036**	295,310	310,367

	Notes	At 31 March 2025 HK$'000	At 31 March 2024 HK$'000 (Restated)	At 1 April 2023 HK$'000 (Restated)
LIABILITIES				
Non-current liabilities				
Bank and other borrowings	31	**930**	53,877	–
Deferred income	32	**2,503**	2,788	3,229
Lease liabilities	33	**–**	–	261
Other payables	35	**4,288**	–	–
Deferred tax liabilities	34	**5,680**	20,849	33,721
Total non-current liabilities		**13,401**	77,514	37,211
Current liabilities				
Bank and other borrowings	31	**146,363**	46,334	113,801
Lease liabilities	33	**753**	652	1,262
Trade and other payables	35	**137,495**	223,576	71,538
Contract liabilities	36(b)	**2,578**	37,862	3,230
Derivative component of convertible bonds	37(b)	**3,122**	6,038	14,670
Convertible bonds	37(a)	**23,923**	23,246	22,635
Current tax liabilities		**17,335**	17,395	18,710
Total current liabilities		**331,569**	355,103	245,846
TOTAL EQUITY AND LIABILITIES		**538,006**	727,927	593,424
Net current (liabilities)/assets		**(69,945)**	93,515	26,275
Total assets less current liabilities		**206,437**	372,824	347,578

Approved by the Board of Directors on 8 August 2025 and are signed on its behalf by:

Yang Hua
Joint Chairman and Executive Director

Sze Kam Shing, Alan
Executive Director

The notes on pages 77 to 206 form parts of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company												
	Share capital	Share premium	Contribution surplus	Other reserves	Shares held for share award scheme	Share-based payments reserve	Statutory reserve	Foreign currency translation reserve	Revaluation reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		Note 29 (b)(i)	*Note 29 (b)(ii)*	*Note 29 (b)(iii)*	*Note 29 (b)(iv)*	*Note 29 (b)(v)*	*Note 29 (b)(vi)*	*Note 29 (b)(vii)*	*Note 29 (b)(viii)*				
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
A t 1 April 2023	48,300	124,969	(114,233)	8,390	(1,813)	3,951	16,004	137,490	8,278	90,538	321,874	(11,507)	310,367
Profit for the year	–	–	–	–	–	–	–	–	–	656	656	148	804
Exchange differences on translating foreign operations	–	–	–	–	–	–	–	(18,446)	–	–	(18,446)	288	(18,158)
Share of other comprehensive expense of an associate *(Note 22(a))*	–	–	–	–	–	–	–	(26)	–	–	(26)	–	(26)
Reclassification of cumulative foreign currency translation reserve upon disposal of a subsidiary *(Note 44(b))*	–	–	–	–	–	–	–	10	–	–	10	–	10
Total comprehensive (expense)/income for the year	–	–	–	–	–	–	–	(18,462)	–	656	(17,806)	436	(17,370)
Transfer to statutory reserve	–	–	–	–	–	–	391	–	–	(391)	–	–	–
Vesting of awarded shares *(Note 27(a))*	222	2,217	–	–	–	(1,419)	–	–	–	–	1,020	–	1,020
Forfeiture and lapse of share options *(Note 30(a))*	–	–	–	–	–	(1,307)	–	–	–	1,307	–	–	–
Forfeiture of awarded shares *(Note 30(b))*	–	–	–	–	–	(884)	–	–	–	884	–	–	–
Acquisition of additional interest of a subsidiary *(Note 45)*	–	–	–	624	–	–	–	–	–	–	624	(624)	–
Share-based payments expenses *(Note 14)*	–	–	–	–	–	1,293	–	–	–	–	1,293	–	1,293
Changes in equity for the year	222	2,217	–	624	–	(2,317)	391	(18,462)	–	2,456	(14,869)	(188)	(15,057)
At 31 March 2024	48,522	127,186	(114,233)	9,014	(1,813)	1,634	16,395	119,028	8,278	92,994	307,005	(11,695)	295,310

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company													
	Share capital	Share premium	Contribution surplus	Other reserves	Shares held for share award scheme	Share-based payments reserve	Statutory reserve	Foreign currency translation reserve	Revaluation reserve	FVTOCI reserve	(Accumulated losses)/ retained profits	Sub-total	Non-controlling interests	Total equity
		Note 29 (b)(i)	*Note 29 (b)(ii)*	*Note 29 (b)(iii)*	*Note 29 (b)(iv)*	*Note 29 (b)(v)*	*Note 29 (b)(vi)*	*Note 29 (b)(vii)*	*Note 29 (b)(viii)*	*Note 29 (b)(ix)*				
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2024	48,522	127,186	(114,233)	9,014	(1,813)	1,634	16,395	119,028	8,278	–	92,994	307,005	(11,695)	295,310
Loss for the year	–	–	–	–	–	–	–	–	–	–	(123,885)	(123,885)	(21)	(123,906)
Fair value loss on financial assets at FVTOCI	–	–	–	–	–	–	–	–	–	(19,261)	–	(19,261)	–	(19,261)
Exchange differences on translating foreign operations	–	–	–	–	–	–	–	(1,525)	–	–	–	(1,525)	34	(1,491)
Reclassification of cumulative foreign currency translation reserve upon deregistration of an associate *(Note 22(a))*	–	–	–	–	–	–	–	26	–	–	–	26	–	26
Reclassification of cumulative foreign currency translation reserve upon disposal of a subsidiary *(Note 44(a))*	–	–	–	–	–	–	–	(3)	–	–	–	(3)	–	(3)
Total comprehensive (expense)/income for the year	–	–	–	–	–	–	–	(1,502)	–	(19,261)	(123,885)	(144,648)	13	(144,635)
Transfer to statutory reserve	–	–	–	–	–	–	203	–	–	–	(203)	–	–	–
Issue of shares, net of transaction costs *(Note 27(b))*	9,875	32,486	–	–	–	–	–	–	–	–	–	42,361	–	42,361
Forfeiture and lapse of share options *(Note 30(a))*	–	–	–	–	–	(1,634)	–	–	–	–	1,634	–	–	–
Changes in equity for the year	9,875	32,486	–	–	–	(1,634)	203	(1,502)	–	(19,261)	(122,454)	(102,287)	13	(102,274)
At 31 March 2025	58,397	159,672	(114,233)	9,014	(1,813)	–	16,598	117,526	8,278	(19,261)	(29,460)	204,718	(11,682)	193,036

The notes on pages 77 to 206 form parts of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(138,997)**	(10,486)
Adjustments for:			
Amortisation of deferred day-1 gain of the convertible bonds	9, 37(a)	**(98)**	(98)
Amortisation of deferred income	9, 32	**(270)**	(272)
Amortisation of intangible assets	21	**88**	84
Depreciation of property, plant and equipment	18	**812**	858
Depreciation of right-of-use assets	20	**780**	1,438
Fair value loss on investment properties	19	**56,356**	20,461
Fair value gain on derivatives embedded in convertible bonds	37(b)	**(2,497)**	(1,692)
Fair value gain on financial asset at FVTPL	23(b)	**(160)**	–
Finance costs	11	**7,741**	6,725
Impairment loss/(reversal of impairment loss) for intangible assets	21	**7,897**	(3,711)
Impairment loss for trade and other receivables and contract assets, net		**47,945**	2,054
Reversal of impairment loss for prepayment	24	**–**	(2,339)
Impairment loss for loan receivables	25	**2**	–
Interest income	9	**(471)**	(14)
Share of results of associates	22(a)	**58**	5
Loss on disposal of property, plant and equipment	9	**215**	166
Share-based payments expenses	14	**–**	1,293
Gain on deemed disposal of a subsidiary	9, 44(a)	**(406)**	–
Provision for litigation liabilities	39	**11,373**	–
Loss on disposal of a subsidiary	9, 44(b)	**–**	10
Loss on deregistration of an associate	9	**223**	–
Loss/(gain) on lease modification	9	**5**	(3)
		(9,404)	14,479
Decrease/(increase) in inventories		**194**	(135)
Decrease/(increase) in trade and other receivables		**112,535**	(116,230)
Decrease/(increase) in contract assets		**12,074**	(15,062)
Decrease/(increase) in restricted bank deposits		**59,575**	(62,197)
(Decrease)/increase in trade and other payables		**(93,152)**	157,670
(Decrease)/increase in contract liabilities		**(35,544)**	35,227
Cash generated from operations		**46,278**	13,752
Income taxes paid		**(145)**	(1,124)
Interest on lease liabilities	11	**(21)**	(46)
Net cash generated from operating activities		**46,112**	12,582

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	9	**471**	14
Cash outflow from deemed disposal of a subsidiary	44(a)	**(2)**	–
Net cash inflow from the disposal of a subsidiary	44(b)	**–**	620
Purchases of property, plant and equipment	18	**(189)**	(636)
Purchase of intangible assets	21	**–**	(144)
Payment for acquisition of financial assets at FVTOCI	23(a)	**(84,023)**	–
Payment for acquisition of financial asset at FVTPL		**(11,000)**	–
Advance to an associate		**(104)**	–
Loan advanced		**(480)**	–
Net cash used in investing activities		**(95,327)**	(146)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	38(a)	**(6,164)**	(5,970)
New bank and other borrowings raised	38(a)	**136,114**	103,370
Repayment of bank and other borrowings	38(a)	**(109,594)**	(110,986)
Principal elements of lease payments	38(a)	**(264)**	(815)
Proceeds from issue of shares	27(b)	**42,760**	–
Transaction costs attributable to issue of shares		**(399)**	–
Net cash generated from/(used in) financing activities		**62,453**	(14,401)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**13,238**	(1,965)
Effect of foreign exchange rate changes		**(180)**	(204)
CASH AND CASH EQUIVALENTS AT 1 APRIL		**6,309**	8,478
CASH AND CASH EQUIVALENTS AT 31 MARCH	26(b)	**19,367**	6,309

The notes on pages 77 to 206 form parts of these consolidated financial statements.

1. GENERAL INFORMATION

Cherish Sunshine International Limited (the "**Company**") was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. During the year ended 31 March 2025, the address of its head office and principal place of business in the People's Republic of China (the "**PRC**") changed to Unit 807, Block 9, No. 1818-2 Wenyi West Road, Yuhang Street, Yuhang District, Hangzhou, Zhejiang Province, the PRC. The address of its principal place of business in Hong Kong is Unit 705, 7/F, Nam Wo Hong Building, 148 Wing Lok Street, Sheung Wan, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 43 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as the "**Group**".

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standard ("**HKFRS**") Accounting Standards, which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Material accounting policies adopted by the Group are disclosed below.

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

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. The directors of the Company consider HK$ is the appropriate presentation currency for the users of the Group's consolidated financial statements. The functional currency of the Company's major subsidiaries in the PRC is Renminbi ("**RMB**").

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 March 2025 comprise the Company and its subsidiaries and the Group's interests in associates.

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

– investment properties (Note 2(h));

– financial assets at fair value through other comprehensive income ("**FVTOCI**") (Note 2(f));

– financial asset at fair value through profit or loss ("**FVTPL**") (Note 2(f)); and

– derivative financial instruments (Note 2(g))

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

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

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4 to the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the consolidated financial statements (Continued)

Going concern basis

The Group reported a net loss of approximately HK$123,906,000 during the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK$69,945,000. As at the same date, the Group held cash and cash equivalents of approximately HK$19,367,000 against current bank and other borrowings of approximately HK$108,502,000, which were repayable on demand. Furthermore, as at the date of approval for issue of these consolidated financial statements, a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC pursuant to a creditor's claim (Notes 19, 31(v) and 39(v)).

In view of these circumstances, the directors of the Company have given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The directors of the Company have reviewed the Group's cash flow forecast prepared by the management, which covers a period of twenty-four months from 31 March 2025, and take into consideration of the following plans and measures:

a) The Group will take more stringent cost controls;

b) An undrawn credit facility of RMB150,000,000 was available as at the date of approval for issue of these consolidated financial statements as per a credit facility agreement (the "**Facility**") entered into on 5 August 2025 with a limited partnership which is related to the Group (the "**Financier**") with a valid period of three years from the date of the Facility. The directors of the Company satisfied with their due diligence by reviewing the proof of funding and financial statements of the Financier, and also satisfied as to the legality and enforceability of the Facility. The Facility constitutes an unconditional and irrevocable standby credit facility, with terms including that it is unsecured, bears interest at 5% per annum, and is repayable within twenty-four months from the drawdown date or a date mutually agreed between the Group and the Financier. As of the date of approval for issue of these consolidated financial statements, the Group had not drawn down any amounts under the Facility; and

c) The Group will continue to adopt the equity financing approach to strengthen the financial position of the Group and to raise additional funds for the Group to replenish its working capital.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the consolidated financial statements (Continued)

Going concern basis (Continued)

These conditions, along with the plans and measures adopted by the directors of the Company above, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The board of directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twenty-four months from 31 March 2025. Accordingly, the board of directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to these consolidated financial statements for the current accounting period:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current ("**2020 Amendments**")
Amendments to HKAS 1	Non-Current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of these amendments to HKFRS Accounting Standards which are relevant to the Group's financial positions and performance for the current and prior years and/or on the disclosures is described below.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 *"Statement of Cash Flows"* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 *"Financial Instruments: Disclosures"* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7.44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of the 2020 Amendments

The Group has applied the 2020 Amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

– specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within twelve months.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

Impacts on application of the 2020 Amendments (Continued)

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "*Financial Instruments: Presentation (the "**Exception**")*".

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The followings are the impact of the application of the 2020 Amendments:

Convertible bonds with conversion options not meeting "fixed-for-fixed criterion" – accounted separately as host debt and derivative components

The Group's outstanding convertible instruments include counterparty conversion options that do not meet equity instruments classification by applying HKAS 32. The conversion options are measured at fair value. Upon the application of the 2020 Amendments, given that the conversion options are exercisable by the holders anytime and the Exception does not apply, the host liability as at 1 April 2023 and 31 March 2024 are reclassified to current liabilities as the holders have the right to exercise conversion options within twelve months after the reporting period (i.e. request settlement within twelve months after the reporting period).

Except as described above, the application of the 2020 Amendments has no other material impact on the classification of the Group's liabilities. The change in accounting policy does not have impact to the Group's profit or loss or (loss)/earnings per share for the current and prior years presented. The details of the impacts on each financial statement line item on the consolidated statement of financial position arising from the application of the 2020 Amendments are set out under "Impacts of application of amendments to HKFRS Accounting Standards on the consolidated financial statements" in this note. Comparative figures have been restated.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

Impacts of application of amendments to HKFRS Accounting Standards on the consolidated financial statements

The effects of the changes in accounting policies as a result of application of the 2020 Amendments on the consolidated statement of financial position as at the end of the reporting period (i.e. 31 March 2025) and the end of the immediately preceding financial year (i.e. 31 March 2024) and the beginning of the comparative period (i.e. 1 April 2023), are as follows:

	At 31 March 2025 (As reported)	**Adjustments**	**At 31 March 2025 (Without the application of the 2020 Amendments)**
	HK$'000	**HK$'000**	**HK$'000**
Current liabilities			
Convertible bonds	**23,923**	**(23,923)**	**–**
Non-current liabilities			
Convertible bonds	**–**	**23,923**	**23,923**
Net current liabilities	**(69,945)**	**23,923**	**(46,022)**
Total assets less current liabilities	**206,437**	**23,923**	**230,360**
Net assets	**193,036**	**–**	**193,036**

	At 31 March 2024 (As reported and restated)	Adjustments	At 31 March 2024 (Originally stated)
	HK$'000	HK$'000	HK$'000
Current liabilities			
Convertible bonds	23,246	(23,246)	–
Non-current liabilities			
Convertible bonds	–	23,246	23,246
Net current assets	93,515	23,246	116,761
Total assets less current liabilities	372,824	23,246	396,070
Net assets	295,310	–	295,310

2. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

Impacts of application of amendments to HKFRS Accounting Standards on the consolidated financial statements (Continued)

	At 1 April 2023 (As reported and restated)	Adjustments	At 1 April 2023 (Originally stated)
	HK$'000	HK$'000	HK$'000
Current liabilities			
Convertible bonds	22,635	(22,635)	–
Non-current liabilities			
Convertible bonds	–	22,635	22,635
Net current assets	26,275	22,635	48,910
Total assets less current liabilities	347,578	22,635	370,213
Net assets	310,367	–	310,367

The Group has not applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period. Except for the amendments to HKFRS Accounting Standard mentioned above, the application of other amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interest's proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interest in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("**ECLs**") model to such other long-term interests where applicable (Note 2(l)(i)).

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Associates (Continued)

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(f) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries and associates, are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. An explanation of how the Group determines fair value of financial instruments are set out in Note 7. These investments are subsequently accounted for as follows, depending on their classification.

Equity investments

An investment in equity securities is classified as FVTPL, unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the FVTOCI reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the FVTOCI (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

(h) Investment properties

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(w).

2. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which included capitalised borrowing costs, less accumulated depreciation and impairment losses (Note 2(l)(iii)):

– right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and

– items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (Note 2(k)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	20 years
Plant and machinery	20 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years
Leasehold improvement	Over the term of the lease or 4 years (whichever is the shorter)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any impairment losses (Note 2(l)(iii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Computer software acquired	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets, including online platform promotion right, online platform development and technical support right and software technology knowhow acquired, are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group allocates non-lease component from lease components on the basis of the relative stand-alone price of the lease components and the aggregate stand-alone prices of the non-lease components.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (Notes 2(i) and 2(l)(iii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(w).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(k)(i), then the Group classifies the sub-lease as an operating lease.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on:

– the financial assets measured at amortised cost (including restricted bank deposits, bank balances, trade and other receivables, amount due from an associate and loan receivables);

– contract assets; and

– lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables, contract assets, amount due from an associate and loan receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate; and

– lease receivables: discount rate used in the measurement of the lease receivables

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVTOCI (recycling), for which the loss allowance is recognised in the other comprehensive income and accumulated in the FVTOCI reserve (recycling) and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantee issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 2(l)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGUs**"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets (Continued)

(iv) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "*Interim Financial Reporting*", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (Note 2(l)).

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (Note 2(w)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in Note 2(l)(i) and are reclassified to receivables when the right to the consideration has become unconditional (Note 2(o)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (Note 2(w)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (Note 2(o)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (Note 2(w)).

(o) Trade and other receivables and loan receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (Note 2(l)(i)).

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in Note 2(l)(i).

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(y).

(s) Convertible bonds

Convertible bonds that do not contain an equity component

For convertible notes which do not contain an equity component, at initial recognition the derivative component is measured at fair value and presented as part of derivative financial instruments (Note 2(g)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the host liability component. Any directly attributable transaction costs are allocated to the host liability and derivative components in proportion to their initial carrying amounts. The portion of the transaction costs relating to the host liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with Note 2(g). The host liability component is subsequently carried at amortised cost using effective interest method. Interest related to the host liability component is recognised in profit or loss.

If the bonds are converted, the shares issued are measured at fair value and any difference between the fair value of shares issued and the carrying amounts of the derivative and liability components are recognised in profit or loss. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(ii) Share-based payments

Share options granted to employees and consultant (including directors of the Company)

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payments reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss, such that the cumulative expenses reflect the revised estimates, with a corresponding adjustment to share-based payments reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to (accumulated losses)/retained profits.

Share awards granted to employees and consultant (including directors of the Company)

For share award schemes, the fair value of services received, determined by reference to the fair value of awarded shares granted at the grant date, is expensed on a straight-line basis over the vesting period, with a corresponding increase in share-based payments reserve. The cost of acquisition of the Company's shares held for the share award scheme, if any, is recorded as treasury shares (shares held for share award scheme). At the time when the awarded shares are vested, the amount previously recognised in share-based payments reserve and the amount of the relevant treasury shares will be transferred to (accumulated losses)/retained profits.

At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the best available estimate of the management. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to the share-based payments reserve.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in the other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries and an associate to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill; and

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(u) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with Note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

(v) Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (Note 2(l)(iii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the group's revenue and other income recognition policies are as follows:

Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the trading of general goods that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration that reflects the considerations to which the Group expects to be entitled in exchange for those goods and services.

(i) Trading business

Revenue is recognised at a point when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(ii) Procurement business under provision of procurement services and other IT services segment

Sales of authentication keys

Revenue from sales of authentication keys is recognised at a point in time when control of authentication keys has transferred, being when the authentication keys have been delivered to the customers.

Provision of tendering services

Revenue from tendering services is recognised at a point in time on the later of (i) the consideration is received and is non-refundable; and (ii) completion of the services.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income (Continued)

Revenue from contracts with customers (Continued)

(ii) Procurement business under provision of procurement services and other IT services segment (Continued)

Provision of engineering, procurement and construction ("EPC") services

The Group provides EPC services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these EPC services based on the stage of completion of the contract using output method.

The Group's EPC contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits at certain percentages of total contract sum, when the Group receives a deposit before work commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the EPC services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period of one year from the date of the practical completion of the EPC contract, are classified as contract assets, which represents certain percentages of the contract value of the EPC contract. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires and is invoiced upon the Group's work satisfactorily passing inspection. The defect liability period serves as an assurance that the services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income (Continued)

Revenue from contracts with customers (Continued)

(iii) Corporate IT solution business under provision of procurement services and other IT services segment

Sales of online procurement software (with subsequent maintenance services)

The Group mainly sells online procurement software, and revenue is recognised at a point in time when control of software products has transferred, being when the software products have been delivered to customers' specific location and installed for use. In addition, the Group provided subsequent maintenance service after the installation, which is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. Transaction price is either (i) fixed in the contract with customers; or (ii) allocated between sales of software products and the maintenance services on a relative stand-alone selling price basis. Revenue relating to the maintenance services is recognised over time and would be recognised as a separate performance obligation for provision of services. The transaction price allocated to these services is recognised on a straight-line basis over the period of service.

(iv) Energy management contracting business

The Group provides regular energy management contracting services in the PRC. Such services are recognised as a performance obligation satisfied over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

The Group receives partial payment in advance of management fee according to contract terms.

Revenue from other sources and other income

(i) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue and other income (Continued)

Revenue from other sources and other income (Continued)

(ii) Dividend income

Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment are established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iii) Rental income from operating lease

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(iv) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in the other comprehensive income:

– an investment in equity securities designated as at FVTOCI (except on impairment, in which case foreign currency differences that have been recognised in the other comprehensive income are reclassified to profit or loss);

– a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

– qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the non-controlling interests shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to the non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(z) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. POSSIBLE IMPACT OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2025

Up to the date of the approval for issue of these consolidated financial statements, the HKICPA has issued a number of new or amendments to HKFRS Accounting Standards, which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these consolidated financial statements. These developments include the following:

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new or amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. POSSIBLE IMPACT OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2025 (Continued)

HKFRS 18 *"Presentation and Disclosure in Financial Statements"*

HKFRS 18 "*Presentation and Disclosure in Financial Statements*", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "*Presentation of Financial Statements*". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 "*Statement of Cash Flows*" and HKAS 33 "*Earnings per Share*" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

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

(i) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends the basis as set out in Note 2(b) to the consolidated financial statements.

(ii) Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated and amortised using the straight-line method over their useful lives after taking into account estimated residual value. The useful lives and residual value are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives are determined based on historical experience of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation and amortisation, the rates of depreciation and amortisation are revised.

(iii) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

(iv) Principal versus agent consideration (principal)

The Group engages in (i) trading of general goods; and (ii) procurement of goods for EPC services. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts. During the year ended 31 March 2025, the Group recognised revenue relating to (i) trading of general goods; and (ii) procurement of goods for EPC services amounted to approximately HK$19,008,000 (2024: HK$565,796,000) and HK$27,499,000 (2024: HK$116,734,000) respectively.

4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty

Notes 7, 19, 23(a), 30(a) and 37(b) contain information about the assumptions and their risk factors relating to valuations of investment properties, financial assets at FVTOCI, share options and derivatives embedded in convertible bonds. Other significant sources of estimation uncertainty are as follows:

(i) Fair values of investment properties

The valuation of investment properties was based on valuation on these properties conducted by an independent professional valuer using property valuation techniques which involve certain assumptions of market conditions as disclosed in Note 7. Favourable or unfavourable changes to these assumptions would result in changes in the valuation of the Group's investment properties and corresponding adjustments to the fair value changes reported in the consolidated statement of profit or loss.

The carrying amount of investment properties as at 31 March 2025 is approximately HK$175,232,000 (2024: HK$232,673,000).

(ii) Fair value of financial assets at FVTOCI

The Group uses valuation technique for financial instruments which are not quoted in an active market. Valuation techniques include the use of discounted cash flows analysis, option pricing models or other valuation methods as appropriate. To the extent practical, models use only observable data. However, areas such as discount for lack of marketability require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments. As at 31 March 2025, the fair value of the Group's financial assets at FVTOCI is approximately HK$64,280,000 (2024: N/A).

(iii) Impairment assessment of non-financial assets

In considering the impairment losses that may be required for certain of the Group's non-financial assets which mainly include property, plant and equipment, right-of-use assets and intangible assets, the recoverable amount of the CGU need to be determined. The recoverable amount is the higher of its fair value less cost of disposal and value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, the Group uses all readily available information in determining expected cash flows generated by the CGU to which the asset belongs and they are discounted to their present value, which requires significant estimation. Notwithstanding that the Group has used all available information to make this estimation, inherent uncertainty exists and actual write-offs may be higher or lower than the amount estimated.

4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(iv) Fair value of derivative financial instruments

The directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative components of convertible bonds, assumptions are made based on quoted market rates adjusted for specific features of the instrument. As at 31 March 2025, the carrying amounts of derivative components of convertible bonds recognised as non-current assets and current liabilities of approximately HK$2,545,000 (2024: HK$2,964,000) and HK$3,122,000 (2024: HK$6,038,000) respectively.

(v) Revenue recognition

As explained in Note 2(w), revenue from (i) licensing online procurement platform income; (ii) provision of maintenance services; (iii) provision of energy management contracting services; and (iv) provision of EPC services are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the Group's recent experience and the nature of the principal activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached, the related contract assets disclosed in Note 36(a) do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(vi) Current tax and deferred tax

The Group is subject to income taxes in Hong Kong and PRC. The Group carefully evaluates tax implication of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, judgement is required in determining the Group's provision for income taxes as there are many transactions and calculations, of which the ultimate tax determination is uncertain, during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provision in the periods in which the determination is made. The carrying amounts of current tax payables, deferred tax assets and deferred tax liabilities recognised in the consolidated statement of financial position as at 31 March 2025 were approximately HK$17,335,000 (2024: HK$17,395,000), HK$451,000 (2024: HK$376,000) and HK$5,680,000 (2024: HK$20,849,000), respectively.

4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(vi) Current tax and deferred tax (Continued)

Deferred tax assets are recognised for all unused tax losses to the extent that its is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies, details of which are set out in Note 34 to the consolidated financial statement.

(vii) Provision of ECL for trade receivables from contract with customers, contract assets and lease receivables

The Group uses provision matrix to calculate ECL for trade receivables from contract with customers, contract assets and lease receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs and effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables from contract with customers, contract assets and lease receivables with credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about (i) the ECL; (ii) the Group's trade receivables from contract with customers and lease receivables; and (iii) the contract assets are disclosed in Notes 6, 24 and 36(a) respectively.

(viii) Impairment allowances on other receivables

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

4. ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(viii) Impairment allowances on other receivables (Continued)

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns probabilities of default to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets based on risk characteristics of the customers and by product types when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs over determination of the period over which the entity is exposed to credit risk based on the behavioural life of the credit exposures, loss given default and collateral recovery of the credit exposures;
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on probabilities of default, exposures at default and losses given default; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group's overall strategy remains unchanged from prior year. The Group regards equity attributable to owners of the Company and net debts (included bank and other borrowings and amounts due to an ex-substantial shareholder and its subsidiaries, net of restricted bank deposits and cash and cash equivalents) as capital, for management purpose. The amount of capital as at 31 March 2025 amounted to approximately HK$333,083,000 (2024: HK$341,832,000), in which the Group considers as optimal having considered the projected capital expenditures and the projected investment opportunities.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the bank borrowing.

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required by the Listing Rules. As at 31 March 2025, over 25% (2024: over 25%) of the shares were in public hands.

Except as described in Note 31(v) to the consolidated financial statements, there was no other breach in the financial covenants of bank and other borrowings during the years ended 31 March 2025 and 2024.

6. FINANCIAL RISK MANAGEMENT

Exposure to foreign currency, credit, liquidity, interest rate and price risks arises in the normal course of the Group's business.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of respective Group entities such as HK$ and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 March 2025 and 2024, the effect of changes in foreign exchange rates is not significant to these consolidated financial statements. No sensitivity analysis on the changes of foreign exchange rate of Hong Kong dollar against RMB is presented.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables from contracts with customers, lease receivables, contract assets, deposits, other receivables, amount due from an associate, loan receivables, restricted bank deposits and bank balances. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

The Group performed impairment assessment for financial assets and other items under ECL model. Besides, the Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Restricted bank deposits and bank balances

The Group's exposure to credit risk arising from restricted bank deposits and bank balances is limited because the counterparties are banks and financial institutions with a minimum credit rating of B (2024: B), which the Group considers to be low credit risks.

Trade receivables from contracts with customers, contract assets and lease receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In respect of trade receivables, the Group generally offer credit period of 30 days to customers. Normally, the Group does not hold any collateral from customers. At 31 March 2025, the ECLs for trade receivable from contracts with customers, contract assets and lease receivables were measured and loss allowance of approximately HK$27,358,000 (2024: HK$2,240,000), HK$2,851,000 (2024: HK$481,000) and HK$506,000 (2024: HK$496,000) were provided respectively.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group does not have any significant concentration of credit risk. Trade receivables consist of a large number of customers and spread across geographical areas.

The Group measures loss allowances for trade receivables from contracts with customers, contract assets and lease receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables from contracts with customers, contract assets and lease receivables based on geographic regions, due to different loss patterns experienced in the different regions.

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables from contracts with customers, contract assets and lease receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables from contracts with customers, contract assets and lease receivables as at 31 March 2025 and 2024:

	Trade receivables from contracts with customers					
	2025			2024		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**	Expected loss rate	Gross carrying amount	Loss allowance
	%	**HK$'000**	**HK$'000**	%	HK$'000	HK$'000
Current (not past due)	**5.8**	**11,920**	**690**	N/A	–	–
Within 3 months past due	**75.5**	**754**	**569**	0.9	17,016	152
3 to 6 months past due	**35.1**	**850**	**298**	N/A	–	–
7 to 12 months past due	**88.2**	**25,895**	**22,831**	17.3	11,946	2,071
Over 12 months past due	**100.0**	**2,970**	**2,970**	100.0	17	17
		42,389	**27,358**		28,979	2,240

	Contract assets					
	2025			2024		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**	Expected loss rate	Gross carrying amount	Loss allowance
	%	**HK$'000**	**HK$'000**	%	HK$'000	HK$'000
Current (not past due)	**30.8**	**9,247**	**2,851**	2.3	20,888	481
Within 3 months past due	**N/A**	**–**	**–**	N/A	–	–
3 to 6 months past due	**N/A**	**–**	**–**	N/A	–	–
7 to 12 months past due	**N/A**	**–**	**–**	N/A	–	–
Over 12 months past due	**N/A**	**–**	**–**	N/A	–	–
		9,247	**2,851**		20,888	481

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables from contracts with customers, contract assets and lease receivables (Continued)

	Lease receivables					
	2025			2024		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	HK$'000	HK$'000	%	HK$'000	HK$'000
Current (not past due)	N/A	–	–	N/A	–	–
Within 3 months past due	N/A	–	–	0.9	1,428	13
3 to 6 months past due	N/A	–	–	N/A	–	–
7 to 12 months past due	100.0	10	10	N/A	–	–
Over 12 months past due	100.0	496	496	100.0	483	483
		506	506		1,911	496

	Total					
	2025			2024		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	HK$'000	HK$'000	%	HK$'000	HK$'000
Current (not past due)	16.7	21,167	3,541	2.3	20,888	481
Within 3 months past due	75.5	754	569	0.9	18,444	165
3 to 6 months past due	35.1	850	298	N/A	–	–
7 to 12 months past due	88.2	25,905	22,841	17.3	11,946	2,071
Over 12 months past due	100.0	3,466	3,466	100.0	500	500
		52,142	30,715		51,778	3,217

Expected loss rates are based on actual loss experience over the past 2 years. The calculation reflects the probability-weighted outcome of expected credit losses and is adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and also forward-looking information including the Group's view of economic conditions over the expected lives of the receivables.

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade receivables from contracts with customers, contract assets and lease receivables (Continued)

Movement in the loss allowance account in respect of trade receivables from contracts with customers, contract assets and lease receivables during the years ended 31 March 2025 and 2024 is as follows:

	Trade receivables from contracts with customers	Contract assets	Lease receivables	Total
PRC	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	488	65	528	1,081
Impairment losses recognised	2,113	465	3	2,581
Impairment losses reversed	(347)	(49)	(35)	(431)
	1,766	416	(32)	2,150
Exchange difference	(14)	–	–	(14)
At 31 March 2024	2,240	481	496	3,217
At 1 April 2024	**2,240**	**481**	**496**	**3,217**
Impairment losses recognised	**25,754**	**2,850**	**505**	**29,109**
Impairment losses reversed	**(621)**	**(481)**	**(496)**	**(1,598)**
	25,133	**2,369**	**9**	**27,511**
Exchange difference	**(15)**	**1**	**1**	**(13)**
At 31 March 2025	**27,358**	**2,851**	**506**	**30,715**

The increase in the loss allowance of trade receivables from contracts with customers during the year ended 31 March 2025 was caused by origination of new trade receivables from contracts with customers net of those settlements, resulting an increase in loss allowance of approximately HK$25,133,000 (2024: HK$1,766,000).

The increase in the loss allowance of contract assets during the year ended 31 March 2025 was caused by origination of new contract assets net of reduction of contract assets when the right to the consideration became unconditional, resulting an increase in loss allowance of approximately HK$2,369,000 (2024: HK$416,000).

The increase (2024: decrease) in the loss allowance of lease receivables during the year ended 31 March 2025 was caused by origination of new lease receivables net of those settlements, resulting an increase in loss allowance of approximately HK$9,000 (2024: decrease in loss allowance of HK$32,000).

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Deposits, other receivables, amount due from an associate and loan receivables

For deposits, other receivables, amount due from an associate and loan receivables, the directors of the Company make periodic individual assessment on the recoverability of these financial assets based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-months ECL. For the year ended 31 March 2025, reversal of impairment loss of approximately HK$1,000 (2024: HK$18,000) on deposits, impairment loss of approximately HK$20,435,000 (2024: reversal of impairment loss of HK$78,000) on other receivables, impairment loss of approximately HK$2,000 (2024: Nil) on loan receivables and neither impairment loss nor reversal of impairment loss (2024: N/A) on amount due from an associate were recognised in the consolidated statement of profit or loss.

The following table provides information about the Group's exposure to credit risk and ECLs for deposits, other receivables, amount due from an associate and loan receivables as at 31 March 2025 and 2024:

	Gross carrying amount	
	2025	2024
	HK$'000	HK$'000
Other receivables	**72,859**	22,903
Amounts due from an ex-substantial shareholder and its subsidiaries	**80,425**	80,716
	153,284	103,619
Deposits	**500**	584
Amount due from an associate	**104**	–
Loan receivables	**11,075**	10,668

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Deposits, other receivables, amount due from an associate and loan receivables (Continued)

Movement in the loss allowance for deposits, other receivables and loan receivables at amortised cost during the years ended 31 March 2025 and 2024 is as follows:

	Other receivable	Amounts due from an ex-substantial shareholder and its subsidiaries	Compensation income receivable	Total of other receivables	Deposits	Loan receivables	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
1 April 2023	1,028	83,237	8,473	92,738	174	111,266	204,178
Impairment losses recognised	119	–	–	119	4	–	123
Impairment losses reversed	(197)	–	–	(197)	(22)	–	(219)
	(78)	–	–	(78)	(18)	–	(96)
Written-off *(Note 25)*	–	–	(8,473)	(8,473)	–	(100,000)	(108,473)
Exchange difference	–	(2,521)	–	(2,521)	–	(598)	(3,119)
At 31 March 2024	950	80,716	–	81,666	156	10,668	92,490
1 April 2024	**950**	**80,716**	**–**	**81,666**	**156**	**10,668**	**92,490**
Impairment losses recognised	**21,385**	**–**	**–**	**21,385**	**155**	**2**	**21,542**
Impairment losses reversed	**(950)**	**–**	**–**	**(950)**	**(156)**	**–**	**(1,106)**
	20,435	**–**	**–**	**20,435**	**(1)**	**2**	**20,436**
Exchange difference	**–**	**(291)**	**–**	**(291)**	**–**	**(69)**	**(360)**
At 31 March 2025	**21,385**	**80,425**	**–**	**101,810**	**155**	**10,601**	**112,566**

Recovery actions taken by the Group regarding trade and other receivables, contract assets and loan receivables

During the year ended 31 March 2025, the Group has exercised its utmost diligence in pursuing the recovery of outstanding debts. This included, without limitation, sustained good-faith negotiations with the relevant debtors. However, due to the financial difficulties faced by these debtors, the progress of debt recovery has been slower than anticipated. Based on the assessment of an independent professional valuer, namely Valplus Consulting Limited (2024: Masterpiece Valuation Advisory Limited), the Group has recognised net impairment losses of approximately HK$47,947,000 (2024: HK$2,054,000) for trade and other receivables, contract assets and loan receivables. Details of which are set out in Note 6(b) to the consolidated financial statements. Moving forward, the Group remains committed to exhausting all reasonable commercial efforts to recover the outstanding debts, with continued emphasis on negotiated settlements where feasible. Legal action will only be considered as a last resort, and solely in cases where the anticipated recoverable amount justifies the associated legal costs, ensuring that the interests of the Group and its shareholders are safeguarded. The Group maintains active dialogue with the debtors to explore all viable avenues for recovery.

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group is required to pay.

The maturity analysis for bank and other borrowings is prepared based on the scheduled repayment dates except for those bank and other borrowings which the Group defaulted in repayment and are classified as "on demand" under the liquidity risk table.

	Contractual undiscounted cash flow					
	Weighted average interest rate	**On demand or within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**	**Carrying amount**
Non-derivative financial liabilities	**%**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
As at 31 March 2025						
Financial liabilities included in trade and other payables	**–**	**113,246**	**–**	**3,137**	**116,383**	**116,383**
Bank and other borrowings	**5.28**	**147,538**	**–**	**979**	**148,517**	**147,293**
Lease liabilities	**4.75**	**760**	**–**	**–**	**760**	**753**
Convertible bonds	**9.50**	**27,500**	**–**	**–**	**27,500**	**23,923**
		289,044	**–**	**4,116**	**293,160**	**288,352**

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

		Contractual undiscounted cash flow				
	Weighted average interest rate	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying amount
Non-derivative financial liabilities	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 March 2024						
Financial liabilities included in trade and other payables	–	216,404	–	–	216,404	216,404
Bank and other borrowings	4.95	49,488	2,667	55,858	108,013	100,211
Lease liabilities	4.75	657	–	–	657	652
Convertible bonds *(note)*	9.50	27,500	–	–	27,500	23,246
		294,049	2,667	55,858	352,574	340,513

Note: Upon the application of the 2020 Amendments in the current year, the Group reclassified the carrying amount of convertible bonds from non-current liabilities to current liabilities as at 31 March 2024 retrospectively. The liquidity risk in respect of the convertible bonds was restated accordingly.

(d) Interest rate risk

Loan receivables (Note 25), convertible bonds (Note 37(a)), certain bank and other borrowings (Note 31) and lease liabilities (Note 33), bear interest at fixed interest rates and therefore are subject to fair value interest rate risk. Certain bank deposits (Note 26(b)), certain restricted bank deposits (Note 26(a)) and certain bank borrowings (Note 31) bear interest at variable rates varied with the then prevailing market condition which exposes the Group to cash flow interest rate risk. The Group did not use derivative financial instruments to hedge its debt obligations.

The effect of changes in interest rates is not significant to these consolidated financial statements. Except as stated above, the Group has no other significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Price risk

The Group's financial assets at FVTOCI are held for long-term strategic purposes. Their performance are assessed at least bi-annually against performance of similar listed entities, based on limited information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans. The sensitivity analysis on the fair value of the financial assets at FVTOCI are set out in Note 7(c).

The Group is also exposed to price risk arising from its financial asset at FVTPL. The following table details the sensitivity of the Group to a 10% increase and decrease in the price of the financial asset at FVTPL.

	Price of the financial asset at FVTPL			
	Increased by 10%		Decreased by 10%	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
(Decrease)/increase in:				
– (Loss)/profit after tax	**(932)**	–	**932**	–
– Accumulated losses	**(932)**	–	**932**	–

(f) Categories of financial instruments

	2025	2024
	HK$'000	HK$'000
Financial assets:		
Derivative financial instrument	**2,545**	2,964
Financial assets at FVTOCI	**64,280**	–
Financial asset at FVTPL	**11,160**	–
Financial assets at amortised cost	**95,253**	138,844
Financial liabilities:		
Derivative financial instrument	**3,122**	6,038
Financial liabilities at amortised cost	**288,352**	340,513

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "*Share-based Payment*", leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "*Inventories*" or value in use in HKAS 36 "*Impairment of Assets*".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — inputs are unobservable inputs for the asset or liability.

Certain assets and liabilities of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. At the end of each reporting period, the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets and liabilities, the causes of the fluctuations will be reported to the directors of the Company.

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy

	Fair value measurements categorised into			Total
Description	**Level 1**	**Level 2**	**Level 3**	**2025**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTOCI				
– Unlisted equity instruments	**–**	**–**	**64,280**	**64,280**
Financial asset at FVTPL				
– Unlisted investment fund	**–**	**11,160**	**–**	**11,160**
Call options embedded in convertible bonds	**–**	**–**	**2,545**	**2,545**
Financial liabilities				
Conversion options embedded in convertible bonds	**–**	**–**	**(3,122)**	**(3,122)**
Non-financial assets				
Investment properties – Commercial units situated in the PRC	**–**	**–**	**175,232**	**175,232**
Total	**–**	**11,160**	**238,935**	**250,095**

	Fair value measurements categorised into			Total
Description	Level 1	Level 2	Level 3	2024
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurements:				
Financial assets				
Call options embedded in convertible bonds	–	–	2,964	2,964
Financial liabilities				
Conversion options embedded in convertible bonds	–	–	(6,038)	(6,038)
Non-financial assets				
Investment properties – Commercial units situated in the PRC	–	–	232,673	232,673
Total	–	–	229,599	229,599

During the years ended 31 March 2025 and 2024, there were no transfers between Level 1 and level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3:

(i) Investment properties

	2025	2024
	HK$'000	HK$'000
At beginning of the year	**232,673**	267,130
Change in fair value	**(56,356)**	(20,461)
Exchange differences	**(1,085)**	(13,996)
At end of the year	**175,232**	232,673
Total loss recognised in profit or loss for assets held at end of the reporting period	**(56,356)**	(20,461)

During the year ended 31 March 2025, the total loss recognised in profit or loss including those for assets held at end of the reporting period of approximately HK$56,356,000 (2024: HK$20,461,000) are presented in the consolidated statement of profit or loss.

(ii) Financial assets at FVTOCI

	2025	2024
	HK$'000	HK$'000
At beginning of the year	**–**	–
Addition	**84,023**	–
Change in fair value	**(19,261)**	–
Exchange differences	**(482)**	–
At end of the year	**64,280**	–
Total loss recognised in the other comprehensive income for assets held at end of the reporting period	**(19,261)**	–

During the year ended 31 March 2025, the total loss recognised in other comprehensive income including those for assets held at end of the reporting period of approximately HK$19,261,000 (2024: N/A) are presented in the consolidated statement of profit or loss and other comprehensive income.

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3: (Continued)

(iii) Call options and conversion options embedded in convertible bonds

Reconciliations are disclosed in Note 37(b) to the consolidated financial statements.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purpose, including Level 3 fair value measurements. The financial controller reports directly to the board of directors for these fair value measurements. Discussion of valuation processes and results are held between the financial controller and the board of directors once a year.

For Level 3 fair value measurements, the Group will normally engage independent professional qualified valuers with the recognised professional qualifications and recent experience to perform the valuations.

Investment properties were revalued at 31 March 2025 by Valplus Consulting Limited (2024: Masterpiece Valuation Advisory Limited), an independent qualified professional valuer, using income approach with reference to comparable sale transactions for similar properties in the same location and condition or using income capitalisation approach by reference to net rental income allowing for reversionary income potential.

Financial assets at FVTOCI were revalued at 31 March 2025 by Valplus Consulting Limited (2024: N/A), an independent qualified professional valuer, using cost approach with reference to the adjusted net assets of investees and the discount for lack of marketability.

Call options and conversion options embedded in convertible bonds were revalued at 31 March 2025 by Valplus Consulting Limited (2024: Masterpiece Valuation Advisory Limited), an independent qualified professional valuer, using Binomial Option Pricing Model with reference to expected volatility of the Company's shares.

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

Level 3 fair value measurements

Description	Valuation technique	Significant unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2025	Fair value 2024
					HK$'000	HK$'000
Investment properties – Commercial units located in the PRC	Income capitalisation	Terminal yield	4.5%-5.0% (2024: 5.5%-7.5%)	Decrease *(note i)*	**175,232**	232,673
		Reversionary yield	5.5%-6.0% (2024: 6%-8%)	Decrease *(note i)*		
		Monthly rental (RMB/ square metre)	40.0-80.0 (2024: 30.6-312.5)	Increase		
Financial assets at FVTOCI – Unlisted equity investments	Cost approach: adjusted net assets	Discount for lack of marketability	0% (2024: N/A)	Decrease	**64,280**	–
Call options embedded in convertible bonds	Binomial Option Pricing Model	Expected volatility	106.86% (2024: 97.40%)	Increase *(note ii)*	**2,545**	2,964
Conversion options embedded in convertible bonds	Binomial Option Pricing Model	Expected volatility	106.86% (2024: 97.40%)	Increase *(note ii)*	**(3,122)**	(6,038)

Notes:

(i) As at 31 March 2025, the negative correlation between the terminal yield/reversionary yield and the fair value of the investment properties was adversely affected by the changes in other parameters used in the fair value determination, including but not limited to monthly rental.

(ii) As at 31 March 2025, the positive correlation between the expected volatility of share price of the Company and the fair value of the derivatives embedded in convertible bonds was adversely affected by the changes in other parameters used in the fair value determination, including but not limited to time to maturity and the share price of the Company.

Financial assets at FVTOCI

The fair value of financial assets at FVTOCI is determined using the cost approach by reference to the adjusted net assets of the investees. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 March 2025, it is estimated that with all other variables held constant, an increase in the discount for lack of marketability by 5% would have decreased the Group's other comprehensive income for the year by approximately HK$3,214,000 (2024: N/A).

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements: (Continued)

Call options and conversion options embedded in convertible bonds

The fair value of call options embedded in convertible bonds is determined using the Binomial Option Pricing Model. The fair value measurement is positively correlated to the expected volatility of the share price of the Company. As at 31 March 2025, it is estimated that with all other variables held constant, a decrease/increase in expected volatility of the share price of the Company by 5% would have increased/decreased the Group's loss for the year by approximately HK$195,000/HK$145,000 (2024: decreased/increased the Group's profit by approximately HK$117,000/HK$217,000).

The fair value of conversion options embedded in convertible bonds is also determined using the Binomial Option Pricing Model. The fair value measurement is positively correlated to the expected volatility of the share price of the Company. As at 31 March 2025, it is estimated that with all other variables held constant, a decrease/increase in expected volatility of the share price of the Company by 5% would have decreased/increased in the Group's loss for the year by approximately HK$225,000/HK$173,000 (2024: increased/decreased in the Group's profit by approximately HK$180,000/HK$284,000).

8. REVENUE

An analysis of the Group's revenue for the years ended 31 March 2025 and 2024 is as follows:

	2025	2024
	HK$'000	HK$'000
Provision of procurement services	**6,886**	13,631
Provision of EPC services	**10,692**	29,403
Procurement of goods for EPC services	**27,499**	116,734
Trading of general goods	**19,008**	565,796
Provision of other IT services	**16,006**	30,708
Rental income	**13,454**	15,340
Provision of energy management contracting services	**4,707**	10,568
	98,252	782,180

8. REVENUE (Continued)

Disaggregation of revenue from contracts with customers by major products or services lines and the timing of revenue recognition for the years ended 31 March 2025 and 2024 are as follows:

	2025	2024
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Recognised at point in time:		
– Trading of general goods[1]	**19,008**	565,796
– Procurement of goods for EPC services[2]	**27,499**	116,734
– Provision of procurement services[2]	**6,886**	13,631
– Sales of online procurement software[2]	**597**	2,916
Recognised over time:		
– Licensing online procurement platform income[2]	**7,937**	12,509
– Provision of maintenance services[2]	**7,472**	15,283
– Provision of energy management contracting services[3]	**4,707**	10,568
– Provision of EPC services[2]	**10,692**	29,403
Revenue from other sources	**84,798**	766,840
– Rental income[4]	**13,454**	15,340
	98,252	782,180

1 Classified under "Trading business" segment.
2 Classified under "Provision of procurement services and other IT services" segment.
3 Classified under "Energy management contracting business" segment.
4 Classified under "Rental income" segment.

All of the above revenue arose in the PRC.

Contracts with customers with unsatisfied performance obligations on the abovementioned revenue, have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

9. OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2025	2024
	HK$'000	HK$'000
Other income		
Bank interest income	**458**	14
Interest income on loan receivable	**13**	–
	471	14
Amortisation of deferred day-1 gain of the convertible bonds *(Note 37(a))*	**98**	98
Government grants		
– amortisation of deferred income *(Note 32)*	**270**	272
– subsidy for relocation of head office *(note i)*	**–**	6,528
– others *(note ii)*	**133**	41
Sundry income	**1,023**	405
	1,995	7,358
Other gains/(losses), net		
Net foreign exchange gain	**74**	65
Loss on disposal of property, plant and equipment	**(215)**	(166)
Gain on deemed disposal of a subsidiary *(Note 44(a))*	**406**	–
Loss on disposal of a subsidiary *(Note 44(b))*	**–**	(10)
Loss on deregistration of an associate	**(223)**	–
(Loss)/gain on lease modification	**(5)**	3
	37	(108)
	2,032	7,250

Notes:

(i) Pursuant to the regulations of relevant government authority in the PRC, a company shall entitle a government subsidy for relocating its head office to Yuhang District, Hangzhou, Zhejiang Province, the PRC. The head office of the Group is located in Yuhang District, Hangzhou, Zhejiang Province, the PRC. During the year ended 31 March 2024, the Group applied for the abovementioned government subsidy. The relevant government authority approved the Group's application and granted a subsidiary of RMB6,000,000 (or approximately HK$6,528,000) (2025: Nil).

(ii) The government grant of approximately HK$133,000 (2024: HK$41,000) represented financial subsidies for compensating expenses already incurred or giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies in relation to the grants and the grants were determined at the sole discretion of relevant government authorities.

10. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic and operating decisions.

At 31 March 2025 and 2024, the Group has four identified reportable operating segments. The operations in each of the Group's identified reportable operating segments are described below:

Provision of procurement services and other IT services	–	Provisions of procurement services to governmental authorities and private enterprises, development of software and provision of maintenance services to customers, procurement of goods for EPC services and provision of EPC services
Trading business	–	Trading of general goods
Rental income	–	Leasing of the Group's investment properties located in Wuhan, Hubei Province, the PRC
Energy management contracting business	–	Provision of energy management contracting services in the PRC

The accounting policies of the operating segments are the same as those described in Note 2 to the consolidated financial statements.

Segment profits or losses do not include other income and net gains/(losses), administrative expenses, share of results of associates, fair value loss on investment properties, fair value gain on financial asset at FVTPL, fair value gain on derivatives embedded in convertible bonds, finance costs, provision for certain litigation liabilities, impairment loss for loan receivable and net impairment loss/(reversal of impairment loss) for certain other receivables.

For the purpose of assessment by the CODM, the fair value loss on investment properties and depreciation of property, plant and equipment were not included in segment results while the investment properties and certain property, plant and equipment have been included in the segment assets.

Segment assets do not include certain restricted bank deposits, cash and cash equivalents, certain intangible assets, certain property, plant and equipment, right-of-use assets, interests in associates, financial assets at FVTOCI, financial asset at FVTPL, deferred tax assets, certain other receivables, loan receivables, amount due from an associate, derivative component of convertible bonds and deferred tax assets.

Segment liabilities do not include lease liabilities, certain bank borrowings, certain other payables, provision for certain litigation liabilities, current tax liabilities, deferred income, derivative component of convertible bonds, convertible bonds and deferred tax liabilities.

10. SEGMENT INFORMATION (Continued)

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

Information about reportable segment results, assets and liabilities:

	Provision of procurement services and other IT services	Trading business	Rental income	Energy management contracting business	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2025					
Revenue from external customers	61,083	19,008	13,454	4,707	98,252
Segment (loss)/profit	(43,073)	22	6,477	1,919	(34,655)
Amounts included in the measure of segment profit or loss:					
Impairment loss for intangible assets	7,897	–	–	–	7,897
Impairment loss/(reversal of impairment loss) for trade and other receivables and contract assets, net	46,279	–	(21)	1,390	47,648
Reversal of impairment loss for prepayment	–	–	–	–	–
Provision for litigation liabilities	7,288	–	–	–	7,288
Amounts not included in the measure of segment profit or loss but regularly reported to CODM:					
Depreciation and amortisation	135	–	–	230	365
Finance costs	1,707	–	–	–	1,707
As at 31 March 2025					
Segment assets	213,553	–	175,260	5,783	394,596
Segment liabilities	115,191	225	11,623	1,620	128,659
Amounts included in the measure of segment assets:					
Additions of segment non-current assets	94	–	–	18	112

10. SEGMENT INFORMATION (Continued)

Information about reportable segment results, assets and liabilities: (Continued)

	Provision of procurement services and other IT services	Trading business	Rental income	Energy management contracting business	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2024					
Revenue from external customers	190,476	565,796	15,340	10,568	782,180
Segment profit	48,289	1,067	8,240	5,815	63,411
Amounts included in the measure of segment profit or loss:					
Reversal of impairment loss for intangible assets	(3,711)	–	–	–	(3,711)
Impairment loss/(reversal of impairment loss) for trade and other receivables and contract assets, net	103	1,827	(26)	249	2,153
Reversal of impairment loss for prepayment	–	(2,339)	–	–	(2,339)
Amounts not included in the measure of segment profit or loss but regularly reported to CODM:					
Depreciation and amortisation	115	–	–	249	364
Finance costs	2,149	–	–	–	2,149
As at 31 March 2024					
Segment assets	425,963	8,952	234,346	6,416	675,677
Segment liabilities	206,527	9,630	4,539	1,121	221,817
Amounts included in the measure of segment assets:					
Additions of segment non-current assets	116	–	–	–	116

10. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment results:

	2025	2024
	HK$'000	HK$'000
Total profit of reportable segments	(34,655)	63,411
Other income and gains/(losses), net	2,032	7,250
Administrative expenses	(40,492)	(55,747)
Share of results of associates	(58)	(5)
Fair value loss on investment properties	(56,356)	(20,461)
Fair value gain on financial asset at FVTPL	160	–
Fair value gain on derivatives embedded in convertible bonds	2,497	1,692
Finance costs	(7,741)	(6,725)
Unallocated provision for litigation liabilities	(4,085)	–
Impairment loss for loan receivable	(2)	–
Unallocated (impairment loss)/reversal of impairment loss for other receivables, net	(297)	99
Consolidated loss before tax	(138,997)	(10,486)

There was no inter-segment sale and transfer during the years ended 31 March 2025 and 2024.

No reconciliation of reportable and operating segment revenue is provided as the total revenue for reportable and operating segments is the same as the Group's consolidated revenue.

10. SEGMENT INFORMATION (Continued)

Reconciliations of segment assets and liabilities:

	2025	2024
	HK$'000	HK$'000
Assets		
Total assets of reportable segments	**394,596**	675,677
Unallocated corporate assets		
– Restricted bank deposits	**3**	1,105
– Cash and cash equivalents	**19,367**	6,309
– Loan receivables	**474**	–
– Derivative component of convertible bonds	**2,545**	2,964
– Financial assets at FVTOCI	**64,280**	–
– Financial asset at FVTPL	**11,160**	–
– Deferred tax assets	**451**	376
– Others	**45,130**	41,496
	143,410	52,250
Consolidated total assets	**538,006**	727,927
Liabilities		
Total liabilities of reportable segments	**128,659**	221,817
Unallocated corporate liabilities		
– Bank and other borrowings	**125,886**	100,211
– Lease liabilities	**753**	652
– Deferred tax liabilities	**5,680**	20,849
– Current tax liabilities	**17,335**	17,395
– Derivative component of convertible bonds	**3,122**	6,038
– Convertible bonds	**23,923**	23,246
– Others	**39,612**	42,409
	216,311	210,800
Consolidated total liabilities	**344,970**	432,617

10. SEGMENT INFORMATION (Continued)

Reconciliations of other segment information:

	2025	2024
	HK$'000	HK$'000
Other items – impairment loss/(reversal of impairment loss) for trade and other receivables and contract assets, net		
Total impairment loss of reportable segments, net	**47,648**	2,153
Unallocated amounts	**297**	(99)
Consolidated impairment loss, net	**47,945**	2,054
Other items – provision for litigation liabilities		
Total provision for litigation liabilities	**7,288**	–
Unallocated amounts	**4,085**	–
Consolidated provision for litigation liabilities	**11,373**	–
Other items – depreciation and amortisation of non-current assets		
Total depreciation and amortisation of reportable segments	**365**	364
Unallocated amounts	**1,315**	2,016
Consolidated depreciation and amortisation	**1,680**	2,380
Other items – additions to non-current assets		
Total addition to non-current assets of reportable segments	**112**	116
Unallocated additions	**84,922**	664
Consolidated additions to non-current assets	**85,034**	780

Apart from the above, the totals of other material items disclosed in the segment information are the same as the consolidated totals.

Geographical information:

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment properties, right-of-use assets, intangible assets and interests in associates ("**Specified Non-Current Assets**").

The geographical location of customers refers to the location at which the services were provided or the goods delivered. The geographical locations of Specified Non-Current Assets are based on the physical location of the assets in the case of property, plant and equipment and investment properties, and the location of the operation in the case of right-of-use assets, intangible assets and interests in associates.

10. SEGMENT INFORMATION (Continued)

Geographical information: (Continued)

	Revenue from external customers		***Specified Non-Current Assets***	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**–**	–	**301**	280
PRC except Hong Kong	**98,252**	782,180	**208,805**	275,689
Consolidated total	**98,252**	782,180	**209,106**	275,969

Revenue from major customers:

	2025	2024
	HK$'000	HK$'000
Trading business segment		
– Customer A	**–**	317,805
– Customer B	**19,007**	N/A*
	19,007	317,805
Provision of procurement services and other IT services segment		
– Customer C *(note)*	**17,036**	N/A*
– Customer D	**10,675**	N/A*
	27,711	N/A
Energy management contracting business segment		
– Customer C *(note)*	**114**	N/A*
Total	**46,832**	317,805

* The corresponding revenue did not contribute over 10% or more of the Group's revenue during the corresponding years.

Note: Customer C contributed an aggregate revenue of approximately HK$17,150,000 to the Group during the year ended 31 March 2025, which was over 10% or more of the Group's revenue.

11. FINANCE COSTS

	2025	2024
	HK$'000	HK$'000
Interest on bank and other borrowings	**5,570**	4,595
Interest on lease liabilities	**21**	46
Effective interest on convertible bonds *(Note 37(a))*	**2,150**	2,084
	7,741	6,725

12. INCOME TAX CREDIT

	2025	2024
	HK$'000	HK$'000
PRC Enterprise Income Tax		
Current year	**56**	278
Underprovision in prior years	**78**	–
	134	278
Deferred tax *(Note 34)*	**(15,225)**	(11,568)
	(15,091)	(11,290)

(i) Hong Kong

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 March 2025 (2024: Nil).

(ii) PRC

PRC Enterprise Income Tax has been provided at a rate of 25% for the year ended 31 March 2025 (2024: 25%).

(iii) Overseas

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in Bermuda and BVI.

12. INCOME TAX CREDIT (Continued)

The reconciliation between the income tax credit and accounting loss before tax multiplied by the PRC Enterprise Income Tax rate is as follows:

	2025	2024
	HK$'000	HK$'000
Loss before tax	**(138,997)**	(10,486)
Tax at the PRC Enterprise Income Tax rate of 25% (2024: 25%)	**(34,749)**	(2,622)
Tax effect of income that is not taxable	**(3,264)**	(6,361)
Tax effect of expenses that are not deductible	**21,308**	4,585
Tax effect of utilisation of tax losses previously not recognised	**(1,390)**	(6,158)
Tax effect of tax losses not recognised	**3,046**	4,127
Tax effect of temporary differences not recognised	**10,398**	2,449
Effect of different tax rates of subsidiaries	**901**	1,082
Temporary difference arising from revaluation of investment properties	**(15,225)**	(11,189)
Tax effect of temporary difference arising from revaluation of investment properties	**3,806**	2,797
Underprovision in prior years	**78**	–
Income tax credit	**(15,091)**	(11,290)

13. (LOSS)/PROFIT FOR THE YEAR

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

	2025	2024
	HK$'000	HK$'000
Amortisation of intangible assets (included in administrative expenses) *(Note 21)*	**88**	84
Auditor's remuneration		
– audit services	**1,140**	990
– non-audit services	**290**	500
Cost of inventories sold	**43,423**	672,705
Depreciation of property, plant and equipment *(Note 18)*	**812**	858
Depreciation of right-of-use assets *(Note 20)*	**780**	1,438
Direct operating expenses of investment properties that generate rental income	**6,844**	6,845

14. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2025	2024
	HK$'000	HK$'000
Employee benefits expense:		
Salaries, bonuses and allowances	**26,630**	43,863
Retirement benefits scheme contributions*	**2,579**	4,186
Share-based payment expenses		
– Share options *(Note 30(a))*	**–**	705
– Awarded shares *(Note 30(b))*	**–**	588
	–	1,293
	29,209	49,342

* The Group had no forfeited contributions under the Mandatory Provident Fund Scheme (the "**MPF Scheme**") and its retirement benefits schemes in the PRC which may be used to reduce the existing level of contributions during the year ended 31 March 2025 (2024: Nil). There were also no forfeited contributions available to reduce future contributions at the end of the reporting period (2024: Nil).

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The retirement benefits scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$30,000 per month.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The subsidiary established in the PRC is required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits.

The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

As at 31 March 2025 and 2024, the Group had no significant obligation apart from the contribution as stated above.

14. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

Five highest paid individuals

The five highest paid employees of the Group during the year ended 31 March 2025 included four (2024: five) directors, details of whose emoluments are set out in Note 15. Details of the remuneration for the year ended 31 March 2025 of the remaining one (2024: Nil) highest paid employee who was neither a director nor chief executive of the Company are set out below.

In addition, one out of four of the abovementioned directors (2024: Nil) resigned as a director of the Company during the year ended 31 March 2025. His emolument in the capacity of employee of the Group of approximately HK$179,000 (2024: Nil) is also set out below.

	2025	2024
	HK$'000	HK$'000
Basic salaries, allowances and other benefits in kind	**786**	N/A
Discretionary bonus	**100**	N/A
Retirement benefits scheme contributions	**20**	N/A
	906	N/A

The number of the highest paid employee (excluding the employee who resigned as a director during the year ended 31 March 2025) who was not the director of the Company whose remuneration fell within the following band is as follows:

	Number of employee	
	2025	2024
Nil to HK$1,000,000	**1**	–

During the years ended 31 March 2025 and 2024, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of affairs of any member of the Group.

15. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

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

Name of directors	Fees	Salaries	Discretionary bonus	Employer's contribution to a retirement benefit scheme	Share-based payment expenses	Other benefits in kind	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors:							
Mr. Yang Hua (Joint Chairman and Chief Executive) *(note (i))*	71	569	–	103	–	–	743
Mr. Zhou Xiangtao (Joint Chairman) *(note (ii))*	67	475	–	11	–	–	553
Mr. Sze Kam Shing, Alan *(note (iii))*	67	442	–	11	–	–	520
Ms. Wu Siyuan *(note (iv))*	245	183	–	65	–	–	493
Mr. Shi Qiang *(note (v))*	98	197	–	65	–	59	419
Ms. He Qian *(note (vi))*	53	–	–	–	–	–	53
Non-executive directors:							
Ms. Liu Qian *(note (vii))*	26	142	–	–	–	–	168
Mr. Li Shun *(note (viii))*	98	406	–	8	–	56	568
Mr. Li Guanghua *(note (vii))*	26	97	–	7	–	–	130
Independent non-executive directors:							
Ms. Deng Hua	120	–	–	–	–	–	120
Mr. Zhao Zhijiao *(note (ix))*	67	–	–	–	–	–	67
Mr. He Zhi *(note (x))*	–	–	–	–	–	–	–
Mr. Zhong Dengyu *(note (xi))*	120	–	–	–	–	–	120
Ms. Yang Xiaoyan *(note (xii))*	53	–	–	–	–	–	53
Total for the year ended 31 March 2025	**1,111**	**2,511**	**–**	**270**	**–**	**115**	**4,007**

15. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Name of directors	Fees	Salaries	Discretionary bonus	Employer's contribution to a retirement benefit scheme	Share-based payment expenses	Other benefits in kind	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors:							
Ms. Wu Siyuan (Chairman)	600	442	–	150	208	–	1,400
Mr. Shi Qiang (Chief executive)	240	448	146	158	221	–	1,213
Ms. He Qian	240	–	–	–	–	–	240
Non-executive directors:							
Ms. Liu Qian	240	427	–	–	271	–	938
Mr. Li Shun	240	980	–	18	125	334	1,697
Mr. Li Guanghua	240	558	–	92	93	–	983
Independent non-executive directors:							
Mr. Zhong Dengyu	240	–	–	–	–	–	240
Ms. Deng Hua	240	–	–	–	–	–	240
Ms. Yang Xiaoyan *(note (xiii))*	145	–	–	–	–	–	145
Mr. Jiang Jun *(note (xiv))*	144	–	–	–	–	–	144
Total for the year ended 31 March 2024	2,569	2,855	146	418	918	334	7,240

Notes:

(i) Appointed as executive director, chairman and chief executive on 28 August 2024.

(ii) Appointed as executive director and joint chairman on 9 September 2024.

(iii) Appointed as executive director on 9 September 2024.

(iv) Retired as executive director and resigned as chairman on 28 August 2024.

(v) Retired as executive director and resigned as chief executive on 28 August 2024.

(vi) Ceased as executive director on 9 September 2024.

(vii) Ceased as non-executive director on 9 May 2024.

(viii) Retired as non-executive director on 28 August 2024.

(ix) Appointed as independent non-executive director on 9 September 2024.

(x) Appointed as independent non-executive director on 31 March 2025.

(xi) Ceased as independent non-executive director on 31 March 2025.

(xii) Ceased as independent non-executive director on 9 September 2024.

(xiii) Appointed as independent non-executive director on 25 August 2023.

(xiv) Ceased as independent non-executive director on 25 August 2023.

15. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

During the year ended 31 March 2025, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

16. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting periods.

17. (LOSS)/EARNINGS PER ORDINARY SHARE

	2025	2024
	HK$'000	HK$'000
(Loss)/earnings:		
(Loss)/earnings for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per ordinary share *(note (i))*	**(123,885)**	656

	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per ordinary share *(note (ii))*	**534,362**	482,836
Effect of dilutive potential ordinary shares – Share award granted under the Company's share award plan	**–**	939
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per ordinary share *(notes (i), (iii), (iv))*	**534,362**	483,775

Notes:

(i) The calculation of diluted (loss)/earnings per ordinary share for the years ended 31 March 2025 and 2024 did not assume the conversion of convertible bonds, since the conversion would result in an anti-dilutive effect on (loss)/earnings per ordinary share.

(ii) For the years ended 31 March 2025 and 2024, the number of ordinary shares adopted in the calculation of the basic (loss)/earnings per ordinary share has been arrived at after eliminating the ordinary shares of the Company held under the Company's share award plan (see Note 30(b)).

(iii) For the years ended 31 March 2025 and 2024, the computation of diluted (loss)/earnings per ordinary share did not assume the exercise of share options because their exercise price is higher than the average share price.

(iv) For the year 31 March 2025, the computation of diluted loss per ordinary share (2024: earning per ordinary share) did not assume the vesting of 4th tranche of awarded shares (2024: 3rd and 4th tranches of awarded shares) because the management of the Company expected the performance targets could not be fulfilled.

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost							
At 1 April 2023	2,390	3,855	14,092	1,212	5,132	505	27,186
Additions	–	–	200	–	436	–	636
Write-off/disposal	–	–	(1,787)	–	–	–	(1,787)
Eliminated on disposal of a subsidiary *(Note 44(b))*	–	–	–	–	–	(483)	(483)
Exchange differences	(127)	(268)	(912)	(79)	(174)	(22)	(1,582)
At 31 March 2024	2,263	3,587	11,593	1,133	5,394	–	23,970
At 1 April 2024	**2,263**	**3,587**	**11,593**	**1,133**	**5,394**	**–**	**23,970**
Additions	**–**	**18**	**171**	**–**	**–**	**–**	**189**
Write-off/disposal	**–**	**–**	**(11,477)**	**–**	**(25)**	**–**	**(11,502)**
Eliminated on deemed disposal of a subsidiary *(Note 44(a))*	**–**	**–**	**(5)**	**–**	**–**	**–**	**(5)**
Exchange differences	**(15)**	**(31)**	**(9)**	**(9)**	**(22)**	**–**	**(86)**
At 31 March 2025	**2,248**	**3,574**	**273**	**1,124**	**5,347**	**–**	**12,566**
Accumulated depreciation							
At 1 April 2023	604	15	13,714	1,087	4,145	–	19,565
Charge for the year *(Note 13)*	152	234	150	–	322	–	858
Eliminated on write-off/disposal	–	–	(1,621)	–	–	–	(1,621)
Exchange differences	(34)	(3)	(861)	(72)	(146)	–	(1,116)
At 31 March 2024	722	246	11,382	1,015	4,321	–	17,686
At 1 April 2024	**722**	**246**	**11,382**	**1,015**	**4,321**	**–**	**17,686**
Charge for the year *(Note 13)*	**151**	**229**	**151**	**–**	**281**	**–**	**812**
Eliminated on write-off/disposal	**–**	**–**	**(11,287)**	**–**	**–**	**–**	**(11,287)**
Eliminated on deemed disposal of subsidiaries *(Note 44(a))*	**–**	**–**	**(2)**	**–**	**–**	**–**	**(2)**
Exchange differences	**(6)**	**(3)**	**(9)**	**(6)**	**(21)**	**–**	**(45)**
At 31 March 2025	**867**	**472**	**235**	**1,009**	**4,581**	**–**	**7,164**
Carrying amount							
At 31 March 2025	**1,381**	**3,102**	**38**	**115**	**766**	**–**	**5,402**
At 31 March 2024	1,541	3,341	211	118	1,073	–	6,284

At 31 March 2025, the carrying amount of property, plant and equipment of approximately HK$1,381,000 (2024: HK$1,541,000) was pledged as security for the Group's bank and other borrowings (Note 31). Subsequent to 31 March 2025, the Group failed to comply with certain mutual agreements as mentioned in Note 19 to the consolidated financial statements, and the building portion of approximately HK$1,381,000 was subsequently seized by a lender of the Group's other borrowing. Further details are set out in Notes 19, 31 and 39(v) to the consolidated financial statements.

19. INVESTMENT PROPERTIES

	2025	2024
	HK$'000	HK$'000
Fair value		
At beginning of the year	**232,673**	267,130
Change in fair value	**(56,356)**	(20,461)
Exchange differences	**(1,085)**	(13,996)
At end of the year	**175,232**	232,673

At 31 March 2025, the carrying amount of investment properties pledged as security for the Group's bank and other borrowings amounted to approximately HK$175,232,000 (2024: HK$232,673,000).

The Group leases out office premises under operating leases with rentals receivable monthly. As at 31 March 2025, the leases typically run for an initial period of 5 years (2024: 1 to 10 years).

The details of fair value measurement of investment properties are set out in Note 7 to the consolidated financial statements.

The Group is exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in RMB, which is the functional currency of the relevant group entity. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

As at 31 March 2025, certain investment properties of the Group with an aggregate fair value of approximately HK$43,616,000 (2024: Nil) had been seized by the relevant court in the PRC in relation to a statement of claim against the Group which was filed by a lender of the Group's other borrowing. The Group and the lender entered into two mutual agreements on scheduling the repayment of the outstanding principal of other borrowing and related interests. In the opinion of the Company's legal advisor, the seize of investment properties does not affect the Group's title and right of use on the investment properties.

Subsequent to 31 March 2025, the Group failed to comply with the abovementioned mutual agreements. In July 2025, the relevant court in the PRC seized another portion of the Group's investment properties representing the fair value of approximately HK$103,734,000 as at 31 March 2025.

Details of the litigation are set out in Note 39(v) to the consolidated financial statements.

20. RIGHT-OF-USE ASSETS

	Leasehold lands	Leased properties	Total
	HK$'000	HK$'000	HK$'000
Carrying amount			
At 1 April 2023	8,344	1,745	10,089
Depreciation charge for the year *(Note 13)*	(220)	(1,218)	(1,438)
Lease modification	–	(28)	(28)
Exchange differences	(441)	(34)	(475)
At 31 March 2024	7,683	465	8,148
At 1 April 2024	**7,683**	**465**	**8,148**
Addition	**–**	**527**	**527**
Depreciation charge for the year *(Note 13)*	**(218)**	**(562)**	**(780)**
Lease modification	**–**	**(167)**	**(167)**
Exchange differences	**(48)**	**–**	**(48)**
At 31 March 2025	**7,417**	**263**	**7,680**

Lease liabilities of approximately HK$753,000 (2024: HK$652,000) are recognised with related right-of-use assets of approximately HK$263,000 (2024: HK$465,000) as at 31 March 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leasehold properties may not be used as security for borrowing purposes.

	2025	2024
	HK$'000	HK$'000
Depreciation expenses on right-of-use assets	**780**	1,438
Interest expense on lease liabilities (included in finance costs)	**21**	46
Expenses relating to short-term lease (included in administrative expenses)	**315**	220

Details of total cash outflow for leases are set out in Note 38(b) to the consolidated financial statements.

For the year ended 31 March 2025, the Group leases various offices and staff quarters for its operations. Lease contracts are entered into for fixed term of 2 to 3 years (2024: 2 to 3 years), but have termination option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 31 March 2025, the carrying amount of right-of-use assets pledged as security for the Group's bank and other borrowings amounted to approximately HK$7,417,000 (2024: HK$7,683,000) (Note 31), while the relevant leasehold lands are seized by a lender of the Group's other borrowing subsequent to the year end date. Further details are set out in Notes 19, 31 and 39(v) to the consolidated financial statements.

21. INTANGIBLE ASSETS

	Computer software	Online platform promotion right	Online platform development and technical support right	Software technology knowhow	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost					
At 1 April 2023	1,285	9,102	8,076	74,012	92,475
Additions	144	–	–	–	144
Exchange differences	(70)	(484)	(429)	(3,932)	(4,915)
At 31 March 2024	1,359	8,618	7,647	70,080	87,704
At 1 April 2024	**1,359**	**8,618**	**7,647**	**70,080**	**87,704**
Exchange differences	**(9)**	**(56)**	**(49)**	**(454)**	**(568)**
At 31 March 2025	**1,350**	**8,562**	**7,598**	**69,626**	**87,136**
Accumulated amortisation and impairment					
At 1 April 2023	1,154	9,102	7,975	47,913	66,144
Amortisation for the year *(Note 13)*	74	–	10	–	84
Reversal of impairment loss recognised in profit or loss in prior years	–	–	–	(3,711)	(3,711)
Exchange differences	(62)	(484)	(424)	(2,510)	(3,480)
At 31 March 2024	1,166	8,618	7,561	41,692	59,037
At 1 April 2024	**1,166**	**8,618**	**7,561**	**41,692**	**59,037**
Amortisation for the year *(Note 13)*	**78**	**–**	**10**	**–**	**88**
Impairment loss recognised in profit or loss	**–**	**–**	**–**	**7,897**	**7,897**
Exchange differences	**(8)**	**(56)**	**(49)**	**(328)**	**(441)**
At 31 March 2025	**1,236**	**8,562**	**7,522**	**49,261**	**66,581**
Carrying amount					
At 31 March 2025	**114**	**–**	**76**	**20,365**	**20,555**
At 31 March 2024	193	–	86	28,388	28,667

At 31 March 2025, the remaining amortisation periods of the computer software and the online platform development and technical support right are 8.17 years (2024: 0.17 to 9.17 years) and 7.25 years (2024: 8.25 years) respectively.

21. INTANGIBLE ASSETS (Continued)

At 31 March 2025, the carrying amount of intangible assets that assessed as indefinite useful life amounted to approximately HK$20,365,000 (2024: HK$28,388,000). These assets are attributable to the provision of procurement services and other IT services segment.

On 31 March 2025, the management of the Group conducted impairment review on the CGU under provision of procurement services and other IT services segment which the software technical knowhow forms part of this CGU. The recoverable amount of the CGU have been determined based on value in use calculation, which is based on the financial budgets approved by the management covering a five year period and a pre-tax discount rate of approximately 29% (2024: 22%). Pre-tax discount rate applied reflects the current market assessment of the time value of money and the risk specific to the CGU. The cash flows beyond the five-year period are extrapolated using a 2% (2024: 2%) growth rate. The value in use calculation, the pre-tax discount rate and the growth rate were determined by an independent qualified professional valuer. The key assumptions of the value in use calculations are discount rate and growth rate. The growth rate does not exceed the long-term growth rate of the relevant industry. Based on the assessment, an impairment loss on intangible assets of approximately HK$7,897,000 (2024: reversal of impairment loss of HK$3,711,000) was recognised during the year ended 31 March 2025 due to keen competition which caused the shrinkage of relevant business of the Group during the year.

22. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE

(a) Interests in associates

The following list contains the particulars of associates, all of which are unlisted corporate entity whose quoted market price is not available, and are not material to the Group:

Name of associate	Place of establishment and business	Particular of registered/ contributed capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by a subsidiary	
Hangzhou Zhongcai Wanbo Tendering Co., Ltd.[1, 2, *] 杭州中採萬博招標有限公司	The PRC	N/A / N/A (2024: RMB1,000,000/ RMB360,000)	– (2024: 35%)	– (2024: –)	– (2024: 35%)	N/A (2024: Provision of procurement services)
Hangzhou Sanchunhui Network Technology Service Co., Ltd. [1, 3, *] ("**Sanchunhui Network**") 三春輝網絡科技服務有限公司	The PRC	RMB1,000,000/ RMB1,000,000 (2024: RMB275,000/ RMB275,000)	27.5% (2024: 100%)	– (2024: –)	27.5% (2024: 100%)	Inactive (2024: Inactive)
Guocai South China Metal Exchange Service Limited[4, *] ("**Guocai South China**") 國採華南金屬市場服務有限公司	The PRC	RMB100,000,000/ RMB20,000,000 (2024: RMB100,000,000/ RMB20,000,000)	21.5% (2024: 21.5%)	– (2024: –)	21.5% (2024: 21.5%)	Inactive (2024: Inactive)

1 The associate is accounted for using the equity method in the consolidated financial statements.

2 The associate was deregistered during the year ended 31 March 2025.

3 Sanchunhui Network (formerly known as "Hangzhou Chenghui Jicai Energy Technology Co. Ltd.*), was an indirect wholly-owned subsidiary of the Company as at 31 March 2024. The Group was deemed disposal of 72.5% equity interest of Sanchunhui Network during the year ended 31 March 2025. Details of the deemed disposal are set out in Note 44(a).

4 During the year ended 31 December 2017, the Group cannot exercise significant influence on financial and operating policy of Guocai South China. Having regard to the fact that Guocai South China has been inactive with no revenue generated since 2015, investment in Guocai South China was fully written off in 2017.

* *For identification purposes only.*

22. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE (Continued)

(a) Interests in associates (Continued)

As at 31 March 2025, there is a capital commitment in further capital injection to associates of approximately HK$18,414,000 (2024: HK$18,534,000).

Information of associates that are not individually material:

	2025	2024
	HK$'000	HK$'000
Carrying amount of individually immaterial associates in the consolidated financial statements	**237**	197
Aggregate amounts of the Group's share of those associates':		
– Loss for the year	**(58)**	(5)
– Other comprehensive expense	**–**	(26)
– Total comprehensive expense	**(58)**	(31)

(b) Amount due from an associate

	2025	2024
	HK$'000	HK$'000
Amount due from an associate	**104**	–

The amount is unsecured, interest-free and repayable on demand.

23. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL

(a) Financial assets at FVTOCI

	2025	2024
	HK$'000	HK$'000
Unlisted equity investments	**64,280**	–

At the end of the reporting period, the Group held the following unlisted equity investments:

Name of investee	Notes	Place of establishment and business	Group's effective interest	Principal activities	Fair value as at 2025	Fair value as at 2024
					HK$'000	HK$'000
Qujing Huiheng Investment Company Limited ("**Qujing Huiheng**")	(a)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	**20,380**	–
Ruoqiang Huiheng Industrial Group Company Limited ("**Ruoqiang Huiheng**")	(b)	The PRC	19%	Provision of super power computing service; generation and provision of electricity	**43,900**	–
					64,280	–

Notes:

a) On 21 August 2024, the Group invested in a 19% equity interest in Qujing Huiheng for an initial investment of approximately RMB24,700,000 (or equivalent to approximately HK$26,641,000) which was paid by the Group in September 2024. Qujing Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a photovoltaic power plant in the PRC. Since the investment was made, the Group's management has strictly monitored on Qujing Huiheng's operations and market conditions. During the period, management of the Group became aware of new regulatory policies, (i) Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation*《分散式光伏發電開發建設管理辦法》; and (ii) Notice on Deepening Market-Oriented Reform of Renewable Energy Feed-in Tariffs to Promote the High-Quality Development of Renewable Energy*《關於深化新能源上網電價市場化改革促進新能源高品質發展的通知》(collectively the "**New Policies**") were released on 7 January 2025 and 27 January 2025 respectively. After the New Policies took effect, existing projects registered before 30 April 2025 will continue to enjoy original subsidies and grid connection policies, while new projects thereafter will fully adopt market-based rules. Under the New Policies, the electricity price for surplus electricity will be linked to the spot market, potentially reducing the profitability of Qujing Huiheng's projected profitability. In response, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implication of New Policies over Qujing Huiheng's business. According to the industry report, it is reasonable that a strategic slowdown in Qujing Huiheng's expansion was commercially justified to mitigate potential losses. In addition, the Group further appointed an independent professional valuer, namely Valplus Consulting Limited to determine the fair value of the Group's investment in Quijing Huiheng. Based on the valuation, the Group recognised a fair value loss of approximately HK$6,108,000 (2024: N/A) in the statement of profit or loss and other comprehensive income during the year ended 31 March 2025.

23. FINANCIAL ASSETS AT FVTOCI/FINANCIAL ASSET AT FVTPL (Continued)

(a) Financial assets at FVTOCI (Continued)

Notes: (Continued)

b) On 21 August 2024, the Group invested in a 19% equity interest in Ruoqiang Huiheng for an initial investment of approximately RMB53,200,000 (or equivalent to approximately HK$57,382,000) which was paid by the Group in September 2024. Ruoqiang Huiheng was a company established in the PRC and was primarily engaged in supercomputing services and electricity generation and provision in the PRC with an initial plan to construct a computing power center in the PRC. Since the investment was made, the Group's management has strictly monitored on Ruoqiang Huiheng's operations and market conditions. During the period, management of the Group identified certain news in the market that the escalation of export control policies on chips to the PRC by the government of the United States of America (the "**US**") will be enacted, which was effective on 9 April 2025 (the "**Escalated Export Control Policies**"). Under the Escalated Export Control Policies, it required a leading chip provider, namely NVIDIA Corporation to obtain an export license for export chip to China which was deemed to be unattainable due to the ongoing US initiated tariff war and political environment. This resulted in uncertainty in chip supply, significantly disrupting Ruoqiang Huiheng's supercomputing plant development plans. In light of these developments, the Group engaged Frost & Sullivan, an independent and renowned international industry expert to prepare an industry report to assess the market demand and evaluate the implications of the Escalated Export Control Policies over Ruoqiang Huiheng's business. According to the industry report, it is confirmed that certain news on the Escalated Export Control Policies were existed in the market in early 2025, and it is reasonable that a slowdown in expansion was a commercially prudent strategy to minimise further financial exposure. In addition, the Group further appointed an independent professional valuer, namely Valplus Consulting Limited, to determine the fair value of the Group's investment in Ruiqiang Huiheng. Based on the valuation, the Group recognised a fair value loss of approximately HK$13,153,000 (2024: N/A) in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2025.

* *For identification purpose only*

Included in the other comprehensive income is an amount of loss of approximately HK$19,261,000 (2024: N/A) relating to unlisted equity investments classified as financial assets at FVTOCI held at 31 March 2025 and is reported as fair value loss on financial assets at FVTOCI in the consolidated statement of profit or loss and other comprehensive income.

The abovementioned unlisted investments are not held for trading, instead, they are held for long-term strategic purposes. The board of directors of the Company have elected to designate these unlisted investments at FVTOCI as they believe that recognising short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's strategy of holding the investments for long-term purposes and realising their performance potential in the long run.

(b) Financial asset at FVTPL

	2025	2024
	HK$'000	HK$'000
Unlisted investment fund	**11,160**	–

Included in the profit or loss is an amount of gain of approximately HK$160,000 (2024: N/A) relating to unlisted investment fund classified as financial asset at FVTPL held at 31 March 2025 and is reported as fair value gain on financial asset at FVTPL in the profit or loss.

The abovementioned unlisted investment fund is held for trading purpose. The above financial asset is classified as current asset as the directors of the Company expect to realise this financial asset within twelve months after the reporting period.

24. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	HK$'000
Trade and other receivables comprise:		
Trade receivables from contracts with customers	**42,389**	28,979
Less: allowance for credit loss *(Note 6(b))*	**(27,358)**	(2,240)
	15,031	26,739
Lease receivables	**506**	1,911
Less: allowance for credit loss *(Note 6(b))*	**(506)**	(496)
	–	1,415
Total trade and lease receivables	**15,031**	28,154
Other receivables *(note (ii))*	**51,474**	21,953
Value-added tax ("**VAT**") recoverable	**3,607**	7,286
Prepayment for goods and services *(notes (iii) & (iv))*	**150,459**	300,867
Other prepayment	**1,109**	1,391
Deposits	**345**	428
	222,025	360,079

24. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(i) As at 1 April 2023, trade receivables from contracts with customers net of allowance for credit losses amounted to approximately HK$28,622,000.

(ii) Included in other receivables were (i) receivables from suppliers of approximately RMB20,000,000 (or equivalent to approximately HK$21,412,000) (2024: Nil) with allowance of credit loss of approximately HK$157,000 (2024: Nil) in respect of the finance arrangement set out in Note 38(c)(i); and (ii) a receivable from an investee company of approximately HK$12,000,000 (2024: Nil) with allowance of credit loss of approximately HK$404,000 (2024: Nil) subsequent to the cancellation of investment of certain investment funds with that investee company.

(iii) Prepayments for goods and services represent the prepayments made by the Group to several independent suppliers for provision of goods for EPC services and provision of EPC services.

Movements of prepayment for goods and services during the years ended 31 March 2025 and 2024 are as follows:

	2025	2024
	HK$'000	HK$'000
At beginning of the year	**300,867**	217,987
Additions	**1,270**	446,424
Transferred to other receivables *(note)*	**(85,454)**	(215,934)
Utilised and charged to profit or loss	**(32,285)**	(137,144)
Offset with contract liabilities *(Note 36(b)(ii))*	**(33,106)**	–
Exchange differences	**(833)**	(10,466)
At end of the year	**150,459**	300,867

Note: During the year ended 31 March 2025, certain suppliers entered into agreements with the Group and agreed to refund prepayment for goods and services in an aggregate amount of approximately HK$85,454,000 (2024: HK$215,934,000) to the Group as a result of cancellation of supplying goods to the Group. The abovementioned amount was transferred to "Other receivables".

As at 31 March 2025, approximately HK$85,454,000 (2024: HK$199,025,000) of the abovementioned "Other receivables" were settled by the relevant suppliers.

Up to the date of approval for issuance of these consolidated financial statements, prepayment for goods and services of approximately HK$21,863,000 and HK$32,117,000 were subsequently utilised and refunded respectively.

(iv) During the year ended 31 March 2024, the Group successfully recovered approximately HK$2,339,000 (2025: Nil) of prepayments through refund by a supplier.

24. TRADE AND OTHER RECEIVABLES (Continued)

For trading business, the Group generally grants a credit period of 30 days (2024: 30 days) to its customers. Rental income is paid in accordance with the terms of respective agreements. For provision of procurement services and other IT services, the Group mainly requires customers to pay certain of the contract sum in advance and settle the remaining balances within 30 days (2024: 30 days) from the date of acceptance. For energy management contracting business, the customers paid certain of contract sum in advance in accordance with the terms of respective agreements. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management. All of the trade and other receivables are expected to be recovered or recognised as expense within one year or within the Group's normal operating cycle.

Included in trade and other receivables are trade and lease receivables, net of allowance for credit loss, of approximately HK$15,031,000 (2024: HK$28,154,000) and an aging analysis based on the invoice date at the end of the reporting period, is as follows:

	2025	2024
	HK$'000	HK$'000
0 to 90 days	**11,415**	18,279
91 to 180 days	**552**	–
181 to 365 days	**3,064**	9,875
	15,031	28,154

The carrying amounts of the Group's trade and lease receivables are denominated in RMB.

Included in trade and lease receivables were trade receivables from companies which are associates of Ms. Liu of approximately HK$18,954,000 (2024: HK$7,946,000) with impairment of approximately HK$18,954,000 (2024: HK$83,000). Such companies faced financial difficulties during the year and the details of such and the Group's recovery actions are set out in Note 6(b) to the consolidated financial statements.

As at 31 March 2025, there were amounts due from an ex-substantial shareholder and its subsidiaries of approximately HK$80,425,000 (2024: HK$80,716,000) with full impairment recognised in 2017.

Details of impairment assessment of trade and other receivables for the years ended 31 March 2025 and 2024 are set out in Note 6(b) to the consolidated financial statements.

25. LOAN RECEIVABLES

	2025	2024
	HK$'000	HK$'000
Fixed-rate loan receivables – Unsecured	**11,075**	10,668
Less: allowance for credit loss	**(10,601)**	(10,668)
	474	–

Loan receivables represented advances to independent third parties.

During the year ended 31 March 2024, the Group's legal advisor advised that there was no realistic prospect of recovering the full value of the outstanding loan principal of HK$100,000,000 from an independent third party (the "**Debtor**") correlating to a cooperation agreement together with the corresponding compensation receivable of approximately HK$8,473,000 from the Debtor which has been fully provided for allowance of credit loss in previous years. Further details of such arrangement were set out in the Company's announcement dated 5 June 2014. Given these circumstances and based on the Group's accounting policy, the management of the Group decided to write-off the aforementioned loan and the compensation receivable during the year ended 31 March 2024. However, the Group will still do its best to safeguard its interest and continue pursuing its claim whenever it can.

The remaining loan receivables at principal amount of approximately HK$11,075,000 (2024: HK$10,668,000) were unsecured, interest bearing at a range of 0.3% to 0.5% (2024: 0.3% to 0.5%) per month and repayable on respective maturity dates.

At 31 March 2025, included in the Group's loan receivables were debtors with aggregate carrying amounts of approximately HK$10,599,000 (2024: HK$10,668,000) which were past due 90 days or more as at the reporting date, of which approximately HK$10,599,000 (2024: HK$10,668,000) had been provided for allowance of credit loss. The remaining loan receivable was debtor with carrying amount of approximately HK$476,000 (2024: Nil) which was not past due at the reporting date of which approximately HK$2,000 (2024: Nil) had been provided for allowance of credit loss.

Details of impairment assessment of loan receivables for the years ended 31 March 2025 and 2024 are set out in Note 6(b) to the consolidated financial statements.

26. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

(a) Restricted bank deposits

Restricted bank deposits comprised of:

	2025	2024
	HK$'000	HK$'000
Bank balances temporarily frozen *(Note 39)*	**2,062**	1,105
Other restricted bank deposits *(note)*	**–**	60,488
	2,062	61,593

Note: As at 31 March 2024, bank deposits of approximately HK$32,000 (2025: Nil) were used as deposits for securing EPC contract as requested by the customer.

As at 31 March 2024, bank deposits of approximately HK$60,456,000 (2025: Nil) were restricted by the relevant bank in the PRC in relation to the bills payables of the Group (Note 35(i)).

As at 31 March 2025, restricted bank deposits carried interest ranging from 0% to 0.1% (2024: 0% to 1.8%) per annum.

(b) Cash and cash equivalents

Cash and cash equivalents comprised of:

	2025	2024
	HK$'000	HK$'000
Cash at banks	**19,365**	6,306
Cash on hand	**2**	3
	19,367	6,309

Cash at banks earns interest at floating rates based on daily bank deposit rates.

As at 31 March 2025, the restricted bank deposits and cash and cash equivalents of the Group denominated in RMB and kept in the PRC aggregately amounted to approximately HK$5,665,000 (2024: HK$66,981,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

As at 31 March 2025 and 2024, the Group performed impairment assessment on restricted bank deposits and bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

27. SHARE CAPITAL

		Ordinary shares of HK$0.1 each		Preference shares of HK$0.1 each		Total	
		Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Notes	'000	HK$'000	'000	HK$'000	'000	HK$'000
Authorised share capital							
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025		4,900,000	490,000	100,000	10,000	5,000,000	500,000
Issued and fully paid							
At 1 April 2023		493,761	48,300	–	–	493,761	48,300
Vesting of awarded shares	(a)	–	222	–	–	–	222
At 31 March 2024 and 1 April 2024		493,761	48,522	–	–	493,761	48,522
Issue of ordinary shares	(b)	98,752	9,875	–	–	98,752	9,875
At 31 March 2025		592,513	58,397	–	–	592,513	58,397

Notes:

(a) On 2 September 2023, 2,216,500 of awarded shares were vested in accordance with the terms and conditions set out in Note 30(b) to the consolidated financial statements.

(b) On 26 September 2024, 98,752,000 ordinary shares of the Company of HK$0.1 were issued to independent third parties at HK$0.433 per share, being a gross total consideration of approximately HK$42,760,000.

28. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2025 HK$'000	2024 HK$'000 (Restated)
ASSETS			
Non-current assets			
Investments in subsidiaries		**2**	2
Plant and equipment		**31**	4
Right-of-use assets		**–**	262
Derivative component of convertible bonds	37(b)	**2,545**	2,964
Total non-current assets		**2,578**	3,232
Current assets			
Other receivables		**26,101**	17,162
Financial asset at FVTPL	23(b)	**11,160**	–
Amounts due from subsidiaries		**216**	224
Bank balances		**15,755**	815
Total current assets		**53,232**	18,201
TOTAL ASSETS		**55,810**	21,433
EQUITY			
Share capital	27	**58,397**	48,522
Reserves	28(b)	**(56,709)**	(81,108)
Total equity/(deficit)		**1,688**	(32,586)
LIABILITIES			
Current liabilities			
Amounts due to subsidiaries		**10,959**	7,565
Lease liabilities		**–**	261
Other payables		**13,257**	14,788
Financial guarantee liabilities *(note (i))*		**2,861**	2,121
Derivative component of convertible bonds	37(b)	**3,122**	6,038
Convertible bonds *(note (ii))*	37(a)	**23,923**	23,246
Total current liabilities		**54,122**	54,019
TOTAL EQUITY/(DEFICIT) AND LIABILITIES		**55,810**	21,433

Notes:

(i) As at 31 March 2025, the Company provided financial guarantees to its subsidiaries on certain bill payables and bank borrowings at the gross carrying amounts of approximately HK$53,520,000 (2024: HK$86,193,000) and HK$48,869,000 (2024: Nil) respectively. The ECL allowance of financial guarantee liabilities of the abovementioned arrangement as at 31 March 2025 is approximately HK$2,861,000 (2024: HK$2,121,000).

(ii) Upon the application of the 2020 Amendments in the current year, the Group reclassified the carrying amount of convertible bonds of approximately HK$23,246,000 as at 31 March 2024 from non-current liabilities to current liabilities retrospectively.

28. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

(b) Reserves movement of the Company

	Share premium	Shares held for share award scheme	Share-based payments reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	124,969	(1,813)	3,951	218,077	(328,521)	16,663
Loss and total comprehensive expense for the year	–	–	–	–	(99,862)	(99,862)
Vesting of awarded shares *(Notes 27(a) & 30(b))*	2,217	–	(1,419)	–	–	798
Forfeiture and lapse of share options *(Note 30(a))*	–	–	(1,307)	–	1,307	–
Forfeiture of awarded shares *(Note 30(b))*	–	–	(884)	–	884	–
Share-based payment expenses *(Note 14)*	–	–	1,293	–	–	1,293
At 31 March 2024	127,186	(1,813)	1,634	218,077	(426,192)	(81,108)
At 1 April 2024	**127,186**	**(1,813)**	**1,634**	**218,077**	**(426,192)**	**(81,108)**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(8,087)**	**(8,087)**
Issue of ordinary shares *(Note 27(b))*	**32,486**	**–**	**–**	**–**	**–**	**32,486**
Forfeiture and lapse of share options *(Note 30(a))*	**–**	**–**	**(1,634)**	**–**	**1,634**	**–**
At 31 March 2025	**159,672**	**(1,813)**	**–**	**218,077**	**(432,645)**	**(56,709)**

29. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be utilised in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

29. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Contribution surplus

Under the Bermuda Companies Act 1981, contributed surplus of the Company is available for distribution, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

As at 31 March 2025 and 2024, no reserve of the Company was available for distribution as the aggregate of the contribution surplus and the accumulated losses is in debit balance.

(iii) Other reserves

Other reserves comprise of;

– A credit balance of approximately HK$8,390,000 (2024: HK$8,390,000) represents the difference between the aggregate of the nominal value of the ordinary shares of the subsidiaries acquired and the nominal value of the ordinary shares of the Company issued in exchange therefor pursuant to a group reorganisation completed in prior years; and

– A credit balance of approximately HK$624,000 (2024: HK$624,000) represents the equity transaction for increasing the Group's effective interest of Guocai (Qinghai) Tendering Limited ("**Guocai (Qinghai)**") (Note 45) from 93% to 100% during the year ended 31 March 2024.

(iv) Shares held for share award scheme

The Company adopted a share award scheme as described in Note 30(b) to the consolidated financial statements. As at 31 March 2025, shares held for share award scheme represented the aggregate consideration paid by a trustee on repurchasing 1,440,000 ordinary shares (2024: 1,440,000 ordinary shares) of the Company in the open market.

(v) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 2(t)(ii) to the consolidated financial statements.

29. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Statutory reserve

In accordance with the PRC Company Law and the articles of association of PRC subsidiaries, subsidiaries registered in the PRC are required to appropriate 10% of its annual statutory net profit as determined in accordance with relevant statutory rules and regulations applicable to enterprises established in the PRC (after offsetting any prior years' losses) to the statutory reserve. When the balance of such reserve fund reaches 50% of the entities' capital, any further appropriation is optional. The statutory reserve can be utilised to offset prior years' losses or to increase capital. However, such balance of the statutory reserve must be maintained at a minimum of 25% of the capital after such usages.

(vii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2(x) to the consolidated financial statements.

(viii) Revaluation reserve

The revaluation reserve has been set up and is dealt with the fair value changes arising from the reclassification of Group's property, plant and equipment and prepaid land lease payments to investment properties.

(ix) FVTOCI reserve (non-recycling)

The FVTOCI reserve (non-recycling) comprises the accumulated net change in the fair value of the equity investments designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN

(a) 2022 Share Option Scheme

The Company adopted a share option scheme at the annual general meeting held on 3 August 2022 by way of an ordinary resolution (the "**2022 Share Option Scheme**") in order to (i) recognise and reward the contribution of certain eligible participants to the growth and development of the Group; (ii) give incentives to such eligible participants for encouraging and retaining them in the continual involvement in the operation and development of the Group; and (iii) attract suitable personnel for the future development of the Group.

The total number of shares which may be issued upon exercise of share options to be granted under the 2022 Share Option Scheme or any other share option schemes or shares which may be subject to an award under any other share award plan adopted by the Company (i.e. 2022 Share Award Plan in Note 30(b) to the consolidated financial statements), shall not exceed 10% of the total number of the shares in issue on the adoption date of the 2022 Share Option Scheme (i.e. 29,308,372 shares), representing approximately (i) 5.94% of the total issued shares of the Company as at each of 1 April 2023 and 31 March 2024; and (ii) 4.95% of the total issued shares of the Company as at 31 March 2025 and the date of approval for issuance of these consolidated financial statements. Options or awarded shares which have lapsed in accordance with the respective terms of their scheme shall not be counted in calculating the 10% limit.

The Company may refresh the 10% limit with shareholders' approval provided that each such limit (as refreshed) may not exceed the 10% of the total number of the shares in issue as at the date of the shareholders' approval. Share options previously granted under the 2022 Share Option Scheme and any other share option schemes adopted by the Company (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised share options) will not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by shareholders in general meeting of the Company for granting share options beyond the 10% limit provided that the share options in excess of the limit are granted only to eligible participants (in accordance with Rule 17.03A of the Listing Rules) specifically identified by the Company before such approval is sought.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(a) 2022 Share Option Scheme (Continued)

The total number of shares which may be issued upon exercise of all share options granted and yet to be exercised under the 2022 Share Option Scheme or any other share option schemes adopted by the Company must not exceed 30% of the total number of the Shares in issue from time to time. No share options may be granted under the 2022 Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

The total number of the shares issued and to be issued upon exercise of the share options granted (including those granted (whether or not cancelled) under the 2022 Share Option Scheme or any other share option schemes adopted by the Company) and to be granted to any eligible participants (including exercised and outstanding share options) in any 12-month period up to and including the date of grant to such eligible participants shall not exceed 1% of the issued shares from time to time. Any further grant of share options in excess of this 1% limit must be subject to separate shareholders' approval with those eligible participants and their close associates (or their associates if the eligible participants are connected persons) abstaining from voting.

The offer of a grant of share options may be accepted within 10 business days from the date of the offer, upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer. The grantee is required to hold a share option for a minimum period and/or achieve certain conditions and/or performance targets before the vesting and/or the exercise of a share option granted unless otherwise determined by the directors of the Company.

The exercise price of the share options is determinable by the directors of the Company, but shall be at least the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the grant; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings. Each share option gives the holder the right to subscribe for one ordinary share in the Company.

Unless otherwise determined by the directors of the Company or its delegate(s) at their absolute discretion, any outstanding share options not yet vested shall be immediately forfeited when the grantee fails to fulfil all required vesting conditions and/or performance targets, or when the grantee ceases to be an eligible participant. Save for the case of retirement, death or other events which the directors of the Company or its delegate(s) at their absolute discretion deem appropriate, vested but unexercised share options would remain exercisable for a six-month period, while any share options vested but not yet exercised shall no longer be exercisable from the date the option holder ceased to be an eligible participant.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(a) 2022 Share Option Scheme (Continued)

The following table sets out the movements of the Company's share options granted under the 2022 Share Option Scheme during the years ended 31 March 2025 and 2024:

						Number of share options					
Eligible person	Date of grant	Exercisable period	Vesting date	Fair value per share option	Adjusted exercise price	Outstanding at 1 April 2023	Lapsed/ forfeited during the year	Outstanding at 31 March 2024 and 1 April 2024	Reclassification	Lapsed/ forfeited during the year	Outstanding at 31 March 2025
			(note (iii))	HK$	HK$ *(note (i))*		*(note (ii))*		*(note (v))*	*(note (ii))*	
Ms. Wu Siyuan (Executive director)	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	522,506	–	522,506	(522,506)	–	–
		2 September 2024 – 1 September 2025	2 September 2024	0.7061	1.1644153	522,506	(522,506)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	522,506	–	522,506	(522,506)	–	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	522,506	–	522,506	(522,506)	–	–
Mr. Shi Qiang (Executive director)	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	578,433	–	578,433	–	(578,433)	–
		2 September 2024 – 1 September 2025	2 September 2024	0.7061	1.1644153	578,433	(578,433)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	578,433	–	578,433	–	(578,433)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	578,433	–	578,433	–	(578,433)	–
Ms. Liu Qian (Non-executive director)	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	376,214	–	376,214	–	(376,214)	–
		2 September 2024 – 1 September 2025	2 September 2024	0.7061	1.1644153	376,214	(376,214)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	376,214	–	376,214	–	(376,214)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	376,214	–	376,214	–	(376,214)	–
Mr. Li Guanghua (Non-executive director)	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	306,046	–	306,046	–	(306,046)	–
		2 September 2024 – 1 September 2025	2 September 2024	0.7061	1.1644153	306,046	(306,046)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	306,046	–	306,046	–	(306,046)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	306,046	–	306,046	–	(306,046)	–

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(a) 2022 Share Option Scheme (Continued)

Eligible person	Date of grant	Exercisable period	Vesting date	Fair value per share option	Adjusted exercise price	Number of share options: Outstanding at 1 April 2023	Lapsed/ forfeited during the year	Outstanding at 31 March 2024 and 1 April 2024	Reclassification	Lapsed/ forfeited during the year	Outstanding at 31 March 2025
			(note (iii))	HK$	HK$ *(note (i))*		*(note (ii))*		*(note (v))*	*(note (ii))*	
Mr. Li Shun (Non-executive director)	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5912	1.1644153	174,255	–	174,255	–	(174,255)	–
		2 September 2024 – 1 September 2025	2 September 2024	0.7061	1.1644153	174,255	(174,255)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7639	1.1644153	174,255	–	174,255	–	(174,255)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8349	1.1644153	174,255	–	174,255	–	(174,255)	–
						7,829,816	(1,957,454)	5,872,362	(1,567,518)	(4,304,844)	–
Employees/Consultant	2 September 2022 *(note (iv))*	2 September 2023 – 30 August 2024	2 September 2023	0.5752	1.1644153	1,170,846	(139,301)	1,031,545	522,506	(1,554,051)	–
		2 September 2024 – 1 September 2025	2 September 2024	0.6950	1.1644153	1,170,846	(1,170,846)	–	–	–	–
		2 September 2025 – 1 September 2026	2 September 2025	0.7544	1.1644153	1,170,846	(139,301)	1,031,545	522,506	(1,554,051)	–
		2 September 2026 – 1 September 2027	2 September 2026	0.8264	1.1644153	1,170,847	(139,301)	1,031,546	522,506	(970,958)	583,094
						4,683,385	(1,588,749)	3,094,636	1,567,518	(4,079,060)	583,094
						12,513,201	(3,546,203)	8,966,998	–	(8,383,904)	583,094
Exercisable at the end of the year						–		2,988,999			–
Weighted average exercise price (HK$)						1.1644153	1.1644153	1.1644153		1.1644153	1.1644153

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(a) 2022 Share Option Scheme (Continued)

Notes:

(i) Upon the allotment and issuance of 189,907,953 new shares of the Company on 8 February 2023 as a result of the rights issue of the Company, the exercise price was adjusted from HK$1.206 to HK$1.1644153 per share option.

(ii) 5,394,905 (2024: 3,531,443) share options were forfeited due to the resignation of employees before vesting date or failure of fulfilling all required vesting conditions before the stipulated vesting date; and 2,988,999 (2024: 14,760) share options lapsed due to the resignation of employees subsequent to the vesting of share options or the expiry of exercisable period.

(iii) The vesting of the share options is subject to the fulfilment of certain performance targets and vesting conditions as specified by the directors of the Company in the letters of grant issued to each of the grantees, which is set out as follows: (a) all option holders have to remain to be a director or an employee of the Group; (b) option holders have not materially breached any law or internal regulation of the Group on the date of vesting; (c) the Group should have achieved by the respective dates of vesting for the four tranches, respective revenue growth of not less than 60%, 400%, 600% and 1,000% as compare to the audited consolidated revenue of the Group for the fifteen months ended 31 March 2022; and (d) the respective option holders will have to pass the annual corporate culture and value assessment and achieve a minimum individual appraisal score on their personal performance in carrying out their job duties and responsibilities.

(iv) The closing price per share of the Company as quoted on the Stock Exchange on 1 September 2022, being the date immediately before the date on which the share options were granted, was HK$1.08.

(v) Wu Siyuan retired as an executive director of the Company on 28 August 2024 and remained as a consultant of the Group thereafter.

No share options were exercised or cancelled during the years ended 31 March 2025 and 2024. The weighted average remaining contractual life of the 2022 Share Option Scheme is 7.43 years (2024: 8.43 years).

The fair value was calculated using the Black-Scholes pricing model with Binomial Tree method. The inputs into the model were as follows:

	2 September 2022 (Grant date)
Weighted average share price	HK$1.1
Exercise price (i.e. before completion of rights issue)	HK$1.206
Expected volatility	104.11%–111.16%
Expected life of share options	2 to 5 years
Risk-free rate	3.15%–3.28%
Expected dividend yield	0%

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(a) 2022 Share Option Scheme (Continued)

During the year ended 31 March 2024, the Group recognised share-based payment expenses of approximately HK$705,000 (2025: Nil) for the 2022 Share Option Scheme in the consolidated statement of profit or loss.

The number of share options available for grant under the 2022 Share Option Scheme as at 1 April 2023, 31 March 2024 and 31 March 2025 was 16,795,171, 20,341,374 and 28,725,278 respectively, representing approximately 3.40%, 4.12% and 4.85% of the total issued shares of the Company as at the date of this report.

The total number of shares that may be issued in respect of share options granted under the 2022 Share Option Scheme of the Company during the year ended 31 March 2025 divided by the weighted average number of ordinary shares in issue for the year was 0.11% (2024: 1.86%).

(b) 2022 Share Award Plan

The Company adopted a share award plan pursuant to a directors' resolution on 29 April 2022 (the "**2022 Share Award Plan**") in order to (i) recognise the contributions made to the Group by the selected participants; (ii) retain and attract the current and future employees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) encourage and motivate the selected participants to achieve individual performance goals as well as the corporate objectives. The 2022 Share Award Plan will remain in force for a period of 10 years commencing on the date of its adoption (i.e. 29 April 2022).

The aggregated maximum number of shares underlying all awards made pursuant to the 2022 Share Award Plan (excluding awarded shares which have lapsed in accordance with the 2022 Share Award Plan) must not exceed 5% of the total issued shares of the Company as at the adoption date of the 2022 Share Award Plan (i.e. 14,654,186 shares).

The Company may refresh the 5% limit with shareholders' approval provided that the total number of shares which may be subject to an award or awards under the 2022 Share Award Plan and any other share option scheme or share award plan of the Group may not exceed the 10% of the total number of the shares in issue as at the date of the shareholders' approval of the refreshed limit.

The Company may seek separate approval by shareholders in general meeting of the Company for granting awards under the 2022 Share Award Plan beyond the 5% limit or, if applicable, the refreshed limit provided that the awards in excess of the limit are granted only to eligible participants specifically identified by the Company before such approval is sought.

The maximum number of shares which may be subject to an award or awards to a selected participant in any 12-month period shall not in aggregate exceed 1% of the issued share capital of the Company for the time being.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(b) 2022 Share Award Plan (Continued)

The consideration payable by the selected participants for each awarded share upon acceptance of an award shall be a percentage of the closing price on the date of the grant of the award and such percentage shall be determined by the directors of the Company or its delegate(s) in its sole discretion.

For any awarded shares that have not yet been vested, neither the selected participant nor the trustee may exercise any voting rights in respect of such awarded shares. For other shares held by the trustee which have not been granted to any selected participants, the directors of the Company or its delegate(s) will not give any instruction to the trustee so that no votes will be cast for those ungranted shares and the trustee shall also abstain from voting with respect to such shares.

The award shares will be allotted and issued to a trustee who will hold the award shares in trust in accordance with the trust deed for the selected participants.

On 2 September 2022, the directors of the Company resolved to grant, subject to acceptance of the grantees, approval by the shareholders (and the independent shareholders, where applicable) and other conditions, a total of not more than 10,769,000 awarded shares to 44 grantees (among which 39 grantees were third parties independent of the Group and connected person of the Group, and 5 grantees were connected person of the Company, being directors of the Company or the director and chief executive of several subsidiaries of the Company) pursuant to the 2022 Share Award Plan. The approvals by the shareholders and the independent shareholders were obtained in the special general meeting held on 25 October 2022. The Company issued 10,769,000 ordinary shares of the Company to the trustee pursuant to the 2022 Share Award Plan. The grantees upon acceptance of the grant of awarded shares are required to pay the grant price of HK$0.46 per awarded share to the Company, representing, (i) a discount of approximately 58.18% to the closing price of the shares on the date of grant of HK$1.100; and (ii) a discount of approximately 61.86% to the average closing price of the shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of grant of HK$1.206. The closing price per share of the Company as quoted on the Stock Exchange on 1 September 2022, being the date immediately before the date on which the awarded shares were granted, was HK$1.08. Further details are set out in the circular of the Company dated 6 October 2022.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(b) 2022 Share Award Plan (Continued)

Subsequently, 9,431,000 awarded shares were granted to 29 grantees upon their acceptance of grant. In addition, a trustee of the Company purchased 1,440,000 shares of the Company in the open market pursuant to the 2022 Share Award Plan during the year ended 31 March 2023.

The awarded shares being granted with respect to a selected participant on 2 September 2022 will vest in four tranches as follows: (i) 25% shall be vested immediately following the first anniversary of the date of grant; (ii) 25% shall be vested immediately following the second anniversary of the date of grant; (iii) 25% shall be vested immediately following the third anniversary of the date of grant; and (iv) the remaining 25% shall be vested immediately following the fourth anniversary of the date of grant.

The vesting of the awarded shares is subject to the fulfilment of certain performance targets and/or vesting conditions as specified by the directors of the Company in the letters of grant issued to each of the share award grantees. Unless otherwise determined by the directors of the Company or its delegate(s) at their absolute discretion, if the performance targets and/or vesting conditions are not fulfilled before vesting, the awarded shares granted will lapse and be returned to the trust administering the 2022 Share Award Plan in accordance with the rules of the 2022 Share Award Plan. The grant price paid will be refunded to the relevant share award grantees.

As at 31 March 2025, the remaining life of the 2022 Share Award Plan is approximately 7.08 years (2024: 8.08 years).

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(b) 2022 Share Award Plan (Continued)

The following table sets out the movements of the Company's awarded shares granted under the 2022 Share Award Plan during the years ended 31 March 2025 and 2024:

			Number of awarded shares						
Eligible person	Date of grant	Vesting date	Unvested at 1 April 2023	Vested during the year	Forfeited during the year	Unvested at 31 March 2024 and 1 April 2024	Reclassification	Forfeited during the year	Unvested at 31 March 2025
		(note (ii))		*(note (iii))*	*(note (i))*		*(note (iv))*	*(note (i))*	
Ms. Wu Siyuan *(Executive director)*	2 September 2022	2 September 2023	314,500	(314,500)	–	–	–	–	–
		2 September 2024	314,500	–	(314,500)	–	–	–	–
		2 September 2025	314,500	–	–	314,500	(314,500)	–	–
		2 September 2026	314,500	–	–	314,500	(314,500)	–	–
Mr. Shi Qiang *(Executive director)*	2 September 2022	2 September 2023	314,500	(314,500)	–	–	–	–	–
		2 September 2024	314,500	–	(314,500)	–	–	–	–
		2 September 2025	314,500	–	–	314,500	–	(314,500)	–
		2 September 2026	314,500	–	–	314,500	–	(314,500)	–
Ms. Liu Qian *(Non-Executive director)*	2 September 2022	2 September 2023	679,250	(679,250)	–	–	–	–	–
		2 September 2024	679,250	–	(679,250)	–	–	–	–
		2 September 2025	679,250	–	–	679,250	–	(679,250)	–
		2 September 2026	679,250	–	–	679,250	–	(679,250)	–
Mr. Li Guanghua *(Non-Executive director)*	2 September 2022	2 September 2023	76,500	(76,500)	–	–	–	–	–
		2 September 2024	76,500	–	(76,500)	–	–	–	–
		2 September 2025	76,500	–	–	76,500	–	(76,500)	–
		2 September 2026	76,500	–	–	76,500	–	(76,500)	–

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(b) 2022 Share Award Plan (Continued)

			Number of awarded shares						
Eligible person	Date of grant	Vesting date	Unvested at 1 April 2023	Vested during the year	Forfeited during the year	Unvested at 31 March 2024 and 1 April 2024	Reclassification	Forfeited during the year	Unvested at 31 March 2025
		(note (ii))		*(note (iii))*	*(note (i))*		*(note (iv))*	*(note (i))*	
Mr. Li Shun *(Non-Executive director)*	2 September 2022	2 September 2023	314,500	(314,500)	–	–	–	–	–
		2 September 2024	314,500	–	(314,500)	–	–	–	–
		2 September 2025	314,500	–	–	314,500	–	(314,500)	–
		2 September 2026	314,500	–	–	314,500	–	(314,500)	–
			6,797,000	(1,699,250)	(1,699,250)	3,398,500	(629,000)	(2,769,500)	–
Employees/Consultant	2 September 2022	2 September 2023	570,750	(517,250)	(53,500)	–	–	–	–
		2 September 2024	570,750	–	(570,750)	–	–	–	–
		2 September 2025	570,750	–	(64,750)	506,000	314,500	(820,500)	–
		2 September 2026	570,750	–	(64,750)	506,000	314,500	(506,000)	314,500
			2,283,000	(517,250)	(753,750)	1,012,000	629,000	(1,326,500)	314,500
			9,080,000	(2,216,500)	(2,453,000)	4,410,500	–	(4,096,000)	314,500

Notes:

(i) 4,096,000 (2024: 2,453,000) awarded shares were forfeited due to the resignation of employees before vesting date or failure of fulfilling all required vesting conditions before the stipulated vesting date.

(ii) The vesting of the awarded shares is subject to the fulfilment of certain performance targets and vesting conditions as specified by the directors of the Company in the letters of grant issued to each of the grantees, which is set out as follows: (a) all holders of awarded share have to remain to be a director or an employee of the Group; (b) holders of awarded share have not materially breached any law or internal regulation of the Group on the date of vesting; (c) the Group should have achieved by the respective dates of vesting for the four tranches, respective revenue growth of not less than 60%, 400%, 600% and 1,000% as compare to the audited consolidated revenue of the Group for the fifteen months ended 31 March 2022; and (d) the respective holders of awarded share will have to pass the annual corporate culture and value assessment and achieve a minimum individual appraisal score on their personal performance in carrying out their job duties and responsibilities.

(iii) The performance targets and vesting conditions for the first tranche of the awarded shares (i.e. awarded shares with their vesting date falling on 2 September 2023) had been fulfilled, the relevant awarded shares were therefore vested to the relevant directors and employees accordingly on 2 September 2023. The weighted average closing price of the shares of the Company immediately before the vesting date was HK$0.88 per share of the Company.

(iv) Wu Siyuan retired as an executive director of the Company on 28 August 2024 and remained as a consultant of the Group thereafter.

30. EQUITY-SETTLED SHARE OPTION SCHEME AND SHARE AWARD PLAN (Continued)

(b) 2022 Share Award Plan (Continued)

Movements in the number of awarded shares outstanding and held by a trustee are as follows:

	Held by a trustee of the Company		
	Number of awarded shares granted	Number of awarded shares not yet granted	Total
	'000	'000	'000
Balance at 1 April 2023	9,080	3,129	12,209
Vested during the year	(2,217)	–	(2,217)
Forfeited during the year	(2,453)	2,453	–
Balance at 31 March 2024	4,410	5,582	9,992
Balance at 1 April 2024	**4,410**	**5,582**	**9,992**
Forfeited during the year	**(4,095)**	**4,095**	**–**
Balance at 31 March 2025	**315**	**9,677**	**9,992**

Details of the Company's shares purchased by a trustee of the Company under the 2022 Share Award Plan are disclosed in Note 29(b)(iv) to the consolidated financial statements.

The fair value of each awarded share granted by the Company was calculated based on the market price of the Company's share at the grant date.

During the year ended 31 March 2024, the Group recognised share-based payment expenses of approximately HK$588,000 (2025: Nil) for the 2022 Share Award Plan in the consolidated statement of profit or loss.

The total number of award shares available for issue under the 2022 Share Award Plan as at 1 April 2023, 31 March 2024, 31 March 2025 and the date of approval for issuance of these consolidated financial statements was 14,654,186, 12,437,686, 12,437,686 and 12,437,686, respectively, representing approximately 2.97%, 2.52%, 2.10% and 2.10% of the total issued shares of the Company as at 31 March 2025 and the date of this report.

The number of awarded shares available for grant under the 2022 Share Award Plan as at 1 April 2023, 31 March 2024 and 31 March 2025 was 5,574,186, 8,027,186 and 12,123,186 respectively, representing approximately 1.13%, 1.63% and 2.05% of the total issued shares of the Company as at the date of this report.

The total number of shares that may be issued in respect of award shares granted under the 2022 Share Award Plan of the Company during the year ended 31 March 2025 divided by the weighted average number of ordinary shares in issue for the year was 0.06% (2024: 0.91%).

31. BANK AND OTHER BORROWINGS

	2025	2024
	HK$'000	HK$'000
Secured bank borrowings	**116,314**	100,211
Secured other borrowings	**13,596**	–
Unsecured other borrowings	**17,383**	–
	147,293	100,211
Analysed as:		
– Fixed rate *(note i)*	**83,538**	46,334
– Floating rate *(note ii)*	**48,176**	53,877
– Interest-free *(note iii)*	**15,579**	–
	147,293	100,211

The bank and other borrowings are repayable as follows:

	2025	2024
	HK$'000	HK$'000
Within one year or on demand	**146,363**	46,334
More than one year, but not exceeding two years	**–**	–
More than two years, but not exceeding five years	**930**	53,877
	147,293	100,211
Less: Amount due for settlement within 12 months (shown under current liabilities) *(note iv)*	**(37,861)**	(46,334)
Less: Amount due for settlement on demand (shown under current liabilities) *(note v)*	**(108,502)**	–
	(146,363)	(46,334)
Amount due for settlement after 12 months	**930**	53,877

The effective interest rates of interest-bearing bank and other borrowings were as follows:

	2025	2024
Bank borrowings	**4.24%**	4.95%
Other borrowings	**7.22%**	14.40%

31. BANK AND OTHER BORROWINGS (Continued)

Notes:

i) As at 31 March 2025, bank borrowings of approximately HK$68,138,000 (2024: HK$46,334,000) carried interests ranging at 1-Year Loan Prime Rate ("**LPR**") quoted by National Interbank Funding Centre plus 1.15% per annum to 1-Year LPR plus 3.15% per annum (2024: ranging from 1-Year LPR plus 1.3% per annum to 1-Year LPR plus 1.4% per annum) as specified in the relevant loan agreements. The same 1-Year LPR shall be adopted throughout the loan period, which exposed the Group to fair value interest rate risk.

As at 31 March 2025, other borrowings of approximately HK$13,596,000 (2024: Nil) carried interest at two times of 1-Year LPR (2024: N/A) as specified in the relevant agreement. The same 1-Year LPR shall be adopted throughout the loan period. In addition, other borrowing of approximately HK$1,804,000 (2024: Nil) carried effective interest at rate of 9.18% per annum (2024: N/A). These other borrowings exposed the Group to fair value interest rate risk.

ii) As at 31 March 2025, bank borrowing of approximately HK$48,176,000 (2024: HK$53,877,000) carried interest at 1-Year LPR plus 1.5% per annum (2024: 1-Year LPR plus 1.5% per annum), which the 1-Year LPR shall be adjusted at the anniversary of the respective loan drawdown dates, and exposed the Group to cash flow interest rate risk.

iii) As at 31 March 2025, other borrowings of approximately HK$15,579,000 (2024: Nil) were unsecured, interest-free and repayable within one year from the reporting end date, which were advanced from parties/companies which were independent to the Group.

iv) The amounts due are based on scheduled repayment dates set out in the loan agreements.

v) During the year ended 31 March 2025, the Group defaulted the repayment of bank borrowing of approximately HK$27,460,000 (2024: Nil). The Group repaid this bank borrowing in full during the grace period in April 2025.

During the year ended 31 March 2025, the Group also defaulted the repayment of other borrowing of approximately HK$13,596,000 (2024: Nil). The lender is independent to the Group and filed a statement of claim to a court in the PRC. Consequently, a substantial portion of the Group's investment properties had been seized by the relevant court in the PRC temporarily. Details of the litigation are set out in Note 39(v) to the consolidated financial statements.

During the year ended 31 March 2025, investment properties of the Group had been seized by the relevant court in the PRC (Notes 19 and 39(v)), and certain property, plant and equipment and right-of-use assets and further portion of the investment properties are also seized subsequent to the year end date. Given that the Group's investment properties, which represented a whole block of commercial building located in Wuhan, Hubei Province, the PRC, were pledged to secured the Group's bank borrowings, the relevant bank, as a lender, could exercise its right to demand the Group to repay bank borrowings of approximately HK$67,446,000 (2024: Nil) immediately.

The aggregate balance of these bank and other borrowings of approximately HK$108,502,000 (2024: Nil) was repayable on demand as at 31 March 2025 and presented as "on demand" under the liquidity risk table set out in Note 6(c) to the consolidated financial statements.

The carrying amounts of the Group's bank and other borrowings are denominated in RMB.

All of the bank and other borrowings are carried at amortised cost.

31. BANK AND OTHER BORROWINGS (Continued)

The following assets and their respective carrying values as at the end of the reporting period are pledged to secure the Group's bank and other borrowings:

	2025	2024
	HK$'000	HK$'000
Investment properties *(Note 19)*	**175,232**	232,673
Property, plant and equipment *(Note 18)*	**1,381**	1,541
Right-of-use assets *(Note 20)*	**7,417**	7,683
	184,030	241,897

As at 31 March 2025, bank borrowings of approximately HK$48,867,000 (2024: Nil) were also secured by certain properties in the PRC and guaranteed by an independent third party. Such properties were owned by a company which was independent to the Group.

Furthermore, the bank borrowings as at 31 March 2025 of approximately HK$67,446,000 (2024: HK$100,211,000) were (i) secured by the entire equity interest of Gongcai Network Technology Limited ("**Gongcai Network**"), which was a wholly-owned subsidiary of the Company; and (ii) were guaranteed by Ms. Liu Luoxiu ("**Ms. Liu**") and Mr. Zou Yuwen ("**Mr. Zou**") free of charge. Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.70% (2024: 46.44%) of the Company's issued ordinary shares of the Company as at 31 March 2025, while Mr. Zou is the spouse of Ms. Liu.

32. DEFERRED INCOME

Deferred income represented government subsidies received for the capital investments of the Group. There is no unfulfilled condition relating to those grants and such grants are deferred and released to profit or loss in accordance with the useful lives of the related assets.

	2025	2024
	HK$'000	HK$'000
At beginning of the year	**2,788**	3,229
Credited to profit or loss for the year *(Note 9)*	**(270)**	(272)
Exchange differences	**(15)**	(169)
At end of the year	**2,503**	2,788

33. LEASE LIABILITIES

	2025	2024
	HK$'000	HK$'000
Within one year (shown under current liabilities)	753	652

As at 31 March 2025, all lease liabilities are denominated in HK$ (2024: either HK$ or RMB).

The weighted average incremental borrowing rate applied to lease liabilities is 4.75% (2024: 4.75%) per annum.

As at 31 March 2024, the Group leased an office premise from a related company with the lease liabilities amounting to approximately HK$276,000 (2025: Nil) (Note 42(a)).

34. DEFERRED TAXATION

	2025	2024
	HK$'000	HK$'000
Deferred tax assets	451	376
Deferred tax liabilities	(5,680)	(20,849)
	(5,229)	(20,473)

34. DEFERRED TAXATION (Continued)

The followings are the deferred tax assets/(liabilities) recognised by the Group and the movements thereon during the years ended 31 March 2025 and 2024.

	Revaluation of investment properties	Unused tax losses	Total
	HK$'000	HK$'000	HK$'000
At 1 April 2023	(33,721)	–	(33,721)
Credited to profit or loss for the year *(Note 12)*	11,189	379	11,568
Exchange differences	1,683	(3)	1,680
At 31 March 2024	(20,849)	376	(20,473)
At 1 April 2024	**(20,849)**	**376**	**(20,473)**
Credited to profit or loss for the year *(Note 12)*	**15,146**	**79**	**15,225**
Exchange differences	**23**	**(4)**	**19**
At 31 March 2025	**(5,680)**	**451**	**(5,229)**

At the end of the reporting period, the Group has unused tax losses of approximately HK$178,872,000 (2024: HK$183,219,000) available for offset against future profits. No deferred tax asset in respect of cumulative tax losses of approximately HK$177,067,000 (2024: HK$181,715,000) has been recognised due to the unpredictability of future profit streams in accordance with the accounting policy set out in Note 2(u) to the consolidated financial statements. As at 31 March 2025, the Group had unused tax losses of approximately HK$119,752,000 (2024: HK$124,099,000) that will expire by 2029 (2024: 2028). The remaining tax losses of approximately HK$59,120,000 (2024: HK$59,120,000) may be carried forward indefinitely. The unused tax losses of the Group have not yet been agreed by respective tax authorities.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is approximately HK$9,133,000 (2024: HK$8,444,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

35. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	HK$'000
Current liabilities		
Trade payables	**32,254**	33,898
Bill payables *(note (i))*	**53,519**	146,645
Provision for litigation liabilities *(Note 39)*	**11,289**	–
Other payables:		
– Accruals	**12,580**	14,502
– Security deposits under provision of procurement services business	**–**	14
– Receipt in advance – rental income	**6,209**	875
– Receipt in advance – others	**711**	765
– VAT payables	**6,040**	5,532
– Other payables *(note (ii))*	**12,392**	18,790
– Amounts due to an ex-substantial shareholder and its subsidiaries *(note (iii))*	**2,501**	2,518
– Payables for acquisition of intangible assets	**–**	37
	137,495	223,576
Non-current liabilities		
Rental deposit received	**3,137**	–
Receipt in advance – rental income	**1,151**	–
	4,288	–

Notes:

(i) Further details of bill payables are set out below:

	2025	2024
	HK$'000	HK$'000
Guaranteed by the Company, secured by the Group's bank deposits of Nil (2024: approximately HK$32,326,000) *(Note 26(a))* and certain properties in the PRC	**–**	32,326
Guaranteed by the Company and secured by certain properties in the PRC	**–**	32,326
Secured by the Group's deposits of Nil (2024: approximately HK$28,130,000) *(Note 26(a))*	**–**	28,126
Guaranteed by the Company	**53,519**	53,867
	53,519	146,645

The abovementioned properties were owned by a company which was independent to the Group.

(ii) As at 31 March 2024, there were unsecured interest-free advances of approximately HK$1,024,000 (2025: Nil) from an independent third party.

(iii) The amounts are unsecured, interest-free and repayable on demand.

35. TRADE AND OTHER PAYABLES (Continued)

Included in trade and other payables are trade and bill payables of approximately HK$85,773,000 (2024: HK$180,543,000) and an aging analysis based on the invoice date at the end of the reporting period, is as follows:

	2025	2024
	HK$'000	HK$'000
0 to 90 days	**2,240**	160,837
91 to 180 days	**1,050**	1,617
181 to 365 days	**12,598**	17,498
Over 365 days (note)	**69,885**	591
	85,773	180,543

Note: Included in trade and bill payables aged "Over 365 days" were payables of approximately HK$7,858,000 (2024: HK$8,446,000 as included in the band aged "181 to 365 days") which were related to litigation against Gongcai Network, and the details of litigation were set out in Notes 39(i) to the consolidated financial statements, while approximately HK$57,959,000 (2024: HK$53,867,000 as included in the band aged "0 to 90 days") were related to litigations against Hangzhou Chenghui (as defined in Note 39(ii) to the consolidated financial statements) and the details of litigations were set out in Notes 39(vi) and (viii) to the consolidated financial statements.

Included in bill payables were payables to companies which are associates of Ms. Liu of HK$1,078,000 (2025: Nil) as at 31 March 2024.

Included in other payables were payables to companies which are controlled by close family members of Ms. Liu of HK$1,740,000 (2025: Nil) as at 31 March 2024.

The carrying amounts of the Group's trade and other payables are denominated in RMB. All of the trade and other payables classified as current liabilities are expected to be settled or recognised as income within one year or are repayable on demand.

36. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

		2025	2024
	Notes	**HK$'000**	HK$'000
Arising from performance under:			
– Energy management contracting business	(i)	**3,342**	2,803
– Other IT services	(i)	**3,054**	7,900
– Provision of EPC services	(ii)	**–**	9,704
		6,396	20,407

Notes:

(i) It represented the Group's rights to consideration for services provided but unbilled to customers resulting from provision of energy management contracting business, procurement of goods for EPC services and other IT services. The contract assets are transferred to trade receivables when the rights to considerations become unconditional. The changes in contract assets during the years ended 31 March 2025 and 2024 were the net effect of the commencement of new projects/services and the entitlement of considerations becoming unconditional.

(ii) The contracts of provision of EPC services include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group normally agreed to a 1-year defect liability period for certain percentages of the contract value. This amount is included in contract assets until the end of the defect liability period as the Group's entitlement to this final payment is unconditional upon the Group's work satisfactorily passing inspection at the end of the defect liability period.

As at 1 April 2023, contract assets net of allowance for credit losses amounted to approximately HK$6,384,000.

All the contract assets are expected to be recovered within one year or within the Group's normal operating cycle.

Included in contract assets were contract assets from companies which are (i) controlled by close family members of Ms. Liu of approximately HK$1,060,000 (2024: HK$1,718,000) with allowance of credit losses of approximately HK$210,000 (2024: HK$104,000); and (ii) associates of Ms. Liu of approximately HK$2,006,000 (2024: HK$1,984,000) with allowance of credit losses of approximately HK$438,000 (2024: HK$21,000).

36. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

(b) Contract liabilities

	2025	2024
	HK$'000	HK$'000
Billings in advance of performance obligation:		
– Provision of corporate IT solution services	**1,567**	1,973
– Energy management contracting business	**1,011**	464
– Procurement of goods for EPC services	**–**	35,425
	2,578	37,862

As at 1 April 2023, contract liabilities amounted to approximately HK$3,230,000.

Contract liabilities are expected to be settled within the Group's normal operating cycle and are classified as current liabilities.

Contract liabilities relating to service contracts are balances due to customers under service contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method, and such amount will be recognised as revenue when the relevant revenue recognition criteria are met.

There was no revenue recognised during the year that related to performance obligations that were satisfied in prior years.

36. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

(b) Contract liabilities (Continued)

Movements in contract liabilities are as follows:

	Provision of other IT services	Energy management contracting business	Provision of goods for EPC services	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	3,230	–	–	3,230
Increase in contract liabilities as a result of advance received from customers during the year	1,598	468	35,773	37,839
Decrease in contract liabilities as a result of recognising revenue that was included in the contract liabilities at the beginning of the year	(2,612)	–	–	(2,612)
Exchange differences	(243)	(4)	(348)	(595)
At 31 March 2024	1,973	464	35,425	37,862
At 1 April 2024	**1,973**	**464**	**35,425**	**37,862**
Increase in contract liabilities as a result of advance received from customers during the year	**511**	**1,303**	**2,509**	**4,323**
Decrease in contract liabilities as a result of recognising revenue that was included in the contract liabilities at the beginning of the year	**(1,148)**	**(425)**	**(872)**	**(2,445)**
Transfer to trade and other receivables *(note i)*	**–**	**(324)**	**(2,509)**	**(2,833)**
Transfer to other payables *(note ii)*	**–**	**–**	**(34,589)**	**(34,589)**
Exchange differences	**231**	**(7)**	**36**	**260**
At 31 March 2025	**1,567**	**1,011**	**–**	**2,578**

Notes:

(i) During the year ended 31 March 2025, the Group and certain customers entered into settlement agreements, pursuant to which that the Group agreed to refund the amount of approximately HK$324,000 and HK$2,509,000 to these customers as settlement of the Group's trade and other receivables from these customers respectively.

(ii) During the year ended 31 March 2025, the Group and the relevant parties of an EPC project entered into a supplemental agreement. As at the date of the supplemental agreement, the Group paid an aggregate amount of approximately HK$33,106,000 to suppliers as prepayment for goods for EPC services, and the Group received an amount of approximately HK$34,589,000 from a customer and recognised it as contract liability. Pursuant to the supplemental agreement, all parties mutually agreed to (i) terminate the EPC project; (ii) assign the Group's prepayment for goods for EPC services of approximately HK$33,106,000 (Note 24(iii)) to the customer as a settlement of contract liabilities; and (iii) settle the remaining balance of contract liability of approximately HK$1,483,000 to the customer on or before 31 August 2025.

Included in contract liabilities were contract liabilities to companies which are associates of Ms. Liu of approximately HK$129,000 (2025: Nil) as at 31 March 2024.

37. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) Convertible bonds

CB 2029

On 19 April 2022, the Company had successfully placed convertible bonds to Sea Best Group Limited and Mr. WU Feng (collectively the "**Bondholders**") in an aggregate principal amount of HK$27,500,000 with a term of 7 years (together referred to as "**CB 2029**"). The Bondholders are independent to the Group. CB 2029 carry coupon interest at a rate of 5% per annum which is payable on the last business day before each of the anniversary of the issue date and thereafter and on the maturity date (the "**Maturity Date**") (i.e. the date falling on the expiry of seven years from the date of issue of the CB 2029, provided that if such date is not a business day, the business day immediately after such date). Backgrounds of the Bondholders are further set out in the announcement of the Company dated 19 April 2022.

CB 2029 are denominated in Hong Kong dollars which entitle the Bondholders to convert them into ordinary shares of the Company at any time commencing on the issue date of convertible bonds and up to 4:00 p.m. on the five business days immediately before the Maturity Date, at a conversion price of HK$1.50 per conversion share (subject to anti-dilutive adjustments).

The Bondholders have the right to convert the whole or any part (in the minimum amount of or in multiple of HK$1,000,000) of the outstanding principal amount of convertible bonds into such number of ordinary shares of the Company as will be determined by dividing the principal amount of convertible bonds to be converted by the conversion price in effect on the date of conversion. In addition, the Company has the right to redeem the whole outstanding principal amount of CB 2029 by giving not less than 30 nor more than 60 days' notice (the "**Early Redemption Notice**") to the Bondholders, on the date specified in the Early Redemption Notice at 100% of the outstanding principal amount held by the Bondholders together with interest accrued but unpaid to such date (if any).

The fair value of CB 2029 upon issuance is determined using valuation model which involved unobservable inputs. The day-one gain of approximately HK$685,000, which represented the difference between the nominal value and the fair value of CB 2029 at the issue date, is not recognised in the consolidated statement of profit or loss immediately but is deferred.

Upon issuance of CB 2029, amounts of approximately HK$22,419,000, HK$16,267,000 and HK$11,871,000 were recognised as liability component, derivative component embedded in CB 2029 (liability) and derivative component embedded in CB 2029 (asset), respectively. The day-1 gain of approximately HK$685,000 is included in the liability component of convertible bonds and will be amortised over the term of CB 2029.

During the years ended 31 March 2025 and 2024, the Bondholders did not convert any part of CB 2029, and the Company did not redeem any part of CB 2029.

37. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Convertible bonds (Continued)

CB 2029 (Continued)

As at 31 March 2025 and 2024, the outstanding principal of CB 2029 were HK$27,500,000.

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the derivative components of CB 2029 as follows:

	CB 2029	
	At 31 March 2025	At 31 March 2024
Share price	**HK$0.36**	HK$0.51
Dividend yield	**0%**	0%
Expected volatility	**106.86%**	97.40%
Risk-free rate	**2.89%**	3.43%

The movements of the liability components of CB 2029 are set out below:

	Liability component	**Deferred day-1 gain**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 April 2023	22,048	587	22,635
Interest paid	(1,375)	–	(1,375)
Effective interest on convertible bonds *(Note 11)*	2,084	–	2,084
Amortisation of deferred day-1 gain *(Note 9)*	–	(98)	(98)
Coupon interest accrued and included in other payables at 31 March 2023	1,306	–	1,306
Coupon interest accrued and included in other payables at 31 March 2024	(1,306)	–	(1,306)
At 31 March 2024	22,757	489	23,246
At 1 April 2024	**22,757**	**489**	**23,246**
Interest paid	**(1,375)**	**–**	**(1,375)**
Effective interest on convertible bonds *(Note 11)*	**2,150**	**–**	**2,150**
Amortisation of deferred day-1 gain *(Note 9)*	**–**	**(98)**	**(98)**
Coupon interest accrued and included in other payables at 31 March 2024	**1,306**	**–**	**1,306**
Coupon interest accrued and included in other payables at 31 March 2025	**(1,306)**	**–**	**(1,306)**
At 31 March 2025	**23,532**	**391**	**23,923**

The effective interest rate of the liability components of CB 2029 is 9.5%.

Upon the application of the 2020 Amendments in the current year, the Group reclassified the carrying amounts of convertible bonds of approximately HK$23,246,000 and HK$22,635,000 as at 31 March 2024 and 1 April 2023 respectively from non-current liabilities to current liabilities retrospectively.

37. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) Derivative components of convertible bonds

The movements of the derivative components of CB 2029 are set out below:

	Assets – CB 2029	Liabilities – CB 2029	Total
	HK$'000	HK$'000	HK$'000
At 1 April 2023	(9,904)	14,670	4,766
Change in fair value	6,940	(8,632)	(1,692)
At 31 March 2024	(2,964)	6,038	3,074
Balance at 1 April 2024	**(2,964)**	**6,038**	**3,074**
Change in fair value	**419**	**(2,916)**	**(2,497)**
At 31 March 2025	**(2,545)**	**3,122**	**577**

The fair value gain on derivatives embedded in of the convertible bonds for the year ended 31 March 2025 of approximately HK$2,497,000 (2024: HK$1,692,000) and amortisation of day one gain of approximately HK$98,000 (2024: HK$98,000) were recognised in the consolidated statement of profit or loss, of which fair value gain of approximately HK$2,497,000 (2024: HK$1,692,000) was related to derivative components of convertible bonds at 31 March 2025. The related interest expense of the liability component of the convertible bonds for the year ended 31 March 2025 amounted to approximately HK$2,150,000 (2024: HK$2,084,000), which was calculated using the effective interest method.

In April 2024, the Group missed the payment of coupon interests to the Bondholders in an aggregate amount of HK$1,375,000. Pursuant to the terms and conditions of CB 2029, the Bondholders have the right at any time to require the Company to redeem the whole of the outstanding convertible bonds due to the delayed interest payment. The Group took remedial action and repaid the outstanding coupon interests in an aggregate amount of HK$1,375,000 to the Bondholders by July 2024. The Company has been in continuous contact with the Bondholders, and during the year ended 31 March 2025 and as at the date of approval for issuance of these consolidated financial statements, the Bondholders have not exercised their early redemption right. In addition, the Group paid the coupon interests of HK$1,375,000 to the Bondholders in April 2025 pursuant to the terms of CB 2029.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings	Lease liabilities	Convertible bonds	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	113,801	1,523	27,401	142,725
Financing cash flows:				
– Principal elements of lease payments	–	(815)	–	(815)
– Interests paid	(4,595)	–	(1,375)	(5,970)
– New bank and other borrowings raised	103,370	–	–	103,370
– Repayment of bank and other borrowings	(110,986)	–	–	(110,986)
Total changes from financing cash flows	(12,211)	(815)	(1,375)	(14,401)
Fair value gain on derivatives embedded in convertible bonds	–	–	(1,692)	(1,692)
Amortisation of deferred day-1 gain	–	–	(98)	(98)
Interest elements of lease payments	–	(46)	–	(46)
Interest expenses	4,595	46	2,084	6,725
Interest accrued and included in other payables at 31 March 2024	–	–	(1,306)	(1,306)
Interest accrued and included in other payables at 31 March 2023	–	–	1,306	1,306
Lease modification	–	(33)	–	(33)
Exchange differences	(5,974)	(23)	–	(5,997)
At 31 March 2024	100,211	652	26,320	127,183

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Reconciliation of liabilities arising from financing activities (Continued)

	Bank and other borrowings	Lease liabilities	Convertible bonds	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2024	100,211	652	26,320	127,183
Financing cash flows:				
– Principal elements of lease payments	–	(264)	–	(264)
– Interests paid	(4,789)	–	(1,375)	(6,164)
– New bank and other borrowings raised	136,114	–	–	136,114
– Repayment of bank and other borrowings	(109,594)	–	–	(109,594)
Total changes from financing cash flows	21,731	(264)	(1,375)	20,092
Fair value gain on derivatives embedded in convertible bonds	–	–	(2,497)	(2,497)
Amortisation of deferred day-1 gain	–	–	(98)	(98)
Interest elements of lease payments	–	(21)	–	(21)
Interest expenses	5,570	21	2,150	7,741
Addition of lease liabilities	–	527	–	527
Interest accrued and included in other payables at 31 March 2025	(781)	–	(1,306)	(2,087)
Interest accrued and included in other payables at 31 March 2024	–	–	1,306	1,306
Lease modification	–	(162)	–	(162)
Non-cash transactions (Note 38(c)(i))	21,568	–	–	21,568
Exchange differences	(1,006)	–	–	(1,006)
At 31 March 2025	147,293	753	24,500	172,546

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprises the followings:

	2025	2024
	HK$'000	HK$'000
Within operating cash flows	336	266
Within financing cash flows	264	815
	600	1,081

These amounts relate to the following:

	2025	2024
	HK$'000	HK$'000
Lease rental paid	600	1,081

(c) Major non-cash transactions

During the year ended 31 March 2025

(i) The Group and two suppliers of the Group (collectively the "**Suppliers**") entered into arrangements that the Suppliers obtained facilities from a PRC bank which deposited a sum of approximately RMB20,000,000 (or equivalent to approximately HK$21,568,000) into designated bank accounts of the Suppliers for earlier settlements. The Group was obliged to settle these borrowings to the PRC bank. The abovementioned bank borrowings were fully settled by the Group in April 2025.

(ii) The Group, certain debtors of the Group and certain creditors of the Group entered into settlement arrangements and pursuant to these arrangements, the Group assigned trade receivables of approximately HK$10,312,000 and other receivables of approximately HK$192,000 to designated creditors of the Group as settlement of the Group's trade payables of approximately HK$7,743,000 and other payables of approximately HK$2,761,000.

(iii) The Group, certain debtors the Group and relevant companies (the "**Relevant Companies**") entered into settlement arrangements and pursuant to these arrangements, the abovementioned debtors of the Group assigned certain of their receivables from the Relevant Companies to the Group as settlement of the Group's trade receivables of approximately HK$6,179,000.

39. LITIGATIONS

(i) On 8 January 2024, the People's Court of Wuhan Donghu New Technology Development Zone, Hubei Province, the PRC ("**People's Court of Wuhan Donghu**") sent a summons and related filing materials to Gongcai Network. According to the related filing materials, Nanchang Nanfei Fire Protection Equipment Manufacturing Co., Ltd. (the "**Plaintiff 1**") requested Gongcai Network and China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., the main project developer of an EPC project, to repay approximately RMB9,144,000 together with a penalty for late payment in respect of a purchase order for fixing stands. The fixing stands were materials used in a 100 megawatt photovoltaic power station project in Daishan County, Zhejiang Province, the PRC and procured by Gongcai Network. Gongcai Network had instructed its business departments to negotiate with Plaintiff 1. On 25 March 2025, Gongcai Network entered into a mediation agreement with the Plaintiff 1 that Gongcai Network would pay a total amount of RMB7,340,000 by 31 October 2025 to settle this case. As at 31 March 2025, the Group had recognised a payable to the Plaintiff 1 of approximately RMB7,340,000 (equivalent to approximately HK$7,858,000) (2024: RMB7,839,000 (equivalent to approximately HK$8,446,000)) (Note 35) in the consolidated financial statements.

(ii) On 22 February 2024, a civil lawsuit was brought by Ningbo Zhongchun Hi-Tech Co., Ltd. (the "**Plaintiff 2**") against Hangzhou Chenghui Engineering Technology Co., Ltd. ("**Hangzhou Chenghui**"), a wholly-owned subsidiary of the Company, in regard of a procurement order of pile foundation for a construction contract. The Plaintiff 2 claimed that it had completed the shipments to Hangzhou Chenghui and claimed against Hangzhou Chenghui for the outstanding amount of approximately RMB3,433,000 and interest for the overdue payment. As at 31 March 2024, the Group recognised a trade payable to the Plaintiff 2 of approximately RMB3,433,000 (equivalent to approximately HK$3,699,000) in the consolidated financial statements. On 19 November 2024, Hangzhou Chenghui entered into an mediation agreement with the Plaintiff 2 that Hangzhou Chenghui shall settle the claim balance through assignment of the Group's receivables from Jiangsu Rongmo (defined in Note 39(iv)) to the Plaintiff 2. The assignment was completed during the year ended 31 March 2025 and the case was settled accordingly.

(iii) On 8 March 2024, Gongcai Network filed a civil lawsuit at People's Court of Wuhan Donghu against Yancheng Zhuozhouyong Trading Co., Ltd., Cai Kouzhang, Chen Xuerong, Cai Kouzhong (collectively the "**Defendants Group 1**") in regard of a contract dispute with contract sum of approximately RMB23,870,000. Gongcai Network claimed that it had completed all shipments of fixing stands to the Defendants Group 1 and requested Defendants Group 1 to honor the contract and repay the remaining contract sum of approximately RMB8,880,000 and interest for the overdue payment. On 25 March 2025, Gongcai Network entered into a civil mediation agreement with the Defendents Group 1 that the Defendents Group 1 would pay a total amount of RMB7,567,000 to Gongcai Network by 30 September 2025 to settle this case. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from the Defendant Group 1 of approximately RMB7,567,000 (equivalent to approximately HK$8,102,000) (2024: RMB8,880,000 (equivalent to approximately HK$9,569,000)).

(iv) On 27 March 2024, Hangzhou Chenghui filed a civil lawsuit at Hangzhou Yuhang District People's Court, Zhejiang Province, the PRC ("**Yuhang District Court**") against Jiangsu Rongmo Technology Development Co., Ltd. ("**Jiangsu Rongmo**"), Shen Jing, Chen Xuerong, Cai Kouzhong (collectively the "**Defendants Group 2**") in regard of a dispute of purchase contract for pile foundation supply. Confirmation for the order shipments was signed and agreed by Hangzhou Chenghui and Jiangsu Rongmo in December 2023. Hangzhou Chenghui did not receive the remaining contract sum of approximately RMB5,003,000 at the agreed time. Hence, the Group took legal action against the Defendants Group 2. As at 31 March 2024, the Group had recognised a gross amount of receivable from the Defendant Group 2 of approximately RMB5,003,000 (equivalent to approximately HK$5,391,000). Yuhang District Court accepted this case and conducted mediation works. Based on civil mediation letter issued by Yuhang District Court on 29 October 2024, Jiangsu Rongmo accepted the claim and settled the amount through undertaking three trade payables of the Group totalling RMB5,003,000 (including the trade payable set out in Note 39(ii) above). As at 31 March 2025, this case was closed.

39. LITIGATIONS (Continued)

(v) On 27 September 2024, Suzhou Industrial Park People's Court, Jiangsu Province, the PRC sent a summons and related filing materials to Gongcai Network. According to the related filing materials, Zhu Yanfang (the "**Plaintiff 3**") filed a statement of claim against Gongcai Network for a breach of loan agreement due to failure in repayment of loan in amount of RMB14,000,000 on time and requested Gongcai Network to repay the loan principal together with a penalty and professional fees for late payment. The first hearing of the legal proceeding was conducted on 5 November 2024 and a substantial portion of the Group's investment properties with an aggregate fair value of approximately HK$43,616,000 (2024: N/A) had been seized by the court. Two mutual agreements between the Plaintiff 3 and Gongcai Network were made subsequently. Gongcai Network will repay to the Plaintiff 3 a sum of approximately RMB14,781,000 by installments no later than 31 October 2025. An interest, which is calculated at twice of the LPR quoted by the National Interbank Funding Centre, will be charged on the sum for the period from 1 November 2024 till to the loan clearance date. Subsequent to 31 March 2025, the Plaintiff filed another application to Suzhou Industrial Park People's Court that (i) remaining portion of the Group's investment properties with an aggregate fair value of approximately HK$103,734,000 (2024: N/A); (ii) property, plant and equipment, representing a building portion, of approximately HK$1,381,000 (2024: N/A); and (iii) the relevant leasehold lands of approximately HK$7,417,000 (2024: N/A), had been seized by the court. As at 31 March 2025, the Group recognised the other borrowing, overdue interest and professional fees in an aggregate amount of approximately RMB13,481,000 (equivalent to approximately HK$14,432,000) (2024: N/A) in the consolidated financial statements.

(vi) In January 2025, Hefei High-Tech Industrial Development Zone People's Court, Anhui Province, the PRC sent a summon and related filing materials to Hangzhou Chenghui. According to the related filing materials, Sungrow Power Supply Co., Ltd (the "**Plaintiff 4**") requested Hangzhou Chenghui to honor a payment for balance of RMB4,147,000 and a late charge of approximately RMB608,000 for a procurement contract with contract sum of RMB9,830,000. The first hearing was conducted on 10 February 2025. Subsequently, the Plaintiff 4 and Hangzhou Chenghui entered into a mediation agreement on 20 May 2025. Pursuant to the terms of the mediation agreement, the Plaintiff 4 accepted (i) a payment of approximately RMB2,633,000 from Hangzhou Chenghui's customer, namely China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd., being the Defendant 3 as defined in Note 39(vii)); and (ii) the remaining balance of approximately RMB1,514,000 together with legal expenses of approximately RMB112,000 will be paid by Hangzhou Chenghui by installments no later than 31 October 2025. As at 31 March 2025, the Group had recognised a trade payable of RMB4,147,000 (equivalent to approximately HK$4,440,000) (2024: N/A) to the Plaintiff 4 in the consolidated financial statements.

(vii) On 7 February 2025, Hangzhou Chenghui filed a civil lawsuit at Yuhang District Court against China Energy Construction Group Anhui Electric Power Construction Second Engineering Co., Ltd. (the "**Defendant 3**") in regard of a procurement contract with contract sum of approximately RMB26,333,000. While all shipments and goods inspection were completed, the Defendant 3 had paid a total of approximately RMB23,700,000 to Hangzhou Chenghui and the outstanding balance of approximately RMB2,633,000 remains unsettled even it has been informed several payment requests. Therefore, Hangzhou Chenghui requested the Defendant 3 to honor the payment and is liable for a penalty of approximately RMB404,000. As at 31 March 2025, the Group had recognised a gross amount of trade receivable from the Defendant Group 3 of approximately RMB2,633,000 (equivalent to approximately HK$2,819,000) (2024: N/A). On 20 May 2025, the case was settled through a mutual agreement made between Hangzhou Chenghui, the Defendant 3 and the Plaintiff 4 (Note 39(vi)). Pursuant to the mutual agreement, Hangzhou Chenghui accepted the Defendant 3 to pay a total of approximately RMB2,633,000 to the Plaintiff 4 at a specified time on its behalf to close the case. In June 2025, the Defendant 3 has paid the amount of approximately RMB2,633,000 to the Plaintiff 4 and the case is closed.

39. LITIGATIONS (Continued)

(viii) On 21 March 2025 and 7 March 2025, Hangzhou Chenghui received a notice of lawsuit from Hangzhou Chengjing Industrial Co., Ltd. (the "**Plaintiff 5**") in respect of material sales contract 1 with contract sum of approximately RMB30,334,000 (the "**Material Sales Contract 1**") and material sales contract 2 with contract sum of approximately RMB32,154,000 (the "**Material Sales Contract 2**") respectively. The Material Sales Contract 1 and the Material Sales Contracts 2 were effective on 23 March 2024 and 25 March 2024 respectively. According to the Material Sales Contract 1 and the Material Sales Contracts 2, Hangzhou Chenghui paid 20% of the respective contract sum as deposits and issued two bill payables to the Plaintiff 5 for the remaining amounts of approximately RMB24,267,000 and RMB25,723,000 respectively. Subsequently, there were disputes over goods receipt in respect of the Material Sales Contracts 1 and 2. The bills were not honored accordingly.

Consequently, the Plaintiff 5 claimed a repayment of approximately RMB26,582,000 against Hangzhou Chenghui for the Material Sales Contract 1 and filed the claim with Hangzhou Intermediate People's Court, Zhejiang Province, the PRC ("**Hangzhou Intermediate People's Court**"). Hangzhou Intermediate People's Court accepted the case. The first hearing is rescheduled to 4 September 2025.

For the Material Sales Contract 2, the Plaintiff 5 has filed a lawsuit with Hangzhou Xihu District People's Court, Zhejiang Province, the PRC ("**Hangzhou Xihu District People's Court**") and claimed a repayment of approximately RMB28,186,000 against Hangzhou Chenghui. The case has been accepted by Hangzhou Xihu District People's Court and is in stage of mediation.

As at 31 March 2025, the Group has recognised the bill payables of approximately RMB49,991,000 (equivalent to approximately HK$53,519,000) (2024: RMB49,991,000 (equivalent to approximately HK$53,867,000)).

(ix) On 10 March 2025, a former employee (the "**Plaintiff 6**") of the Group took legal proceedings against Guocai (Beijing) Technology Limited ("**Guocai (Beijing)**") and Guocai (Hubei) Technology Limited ("**Guocai (Hubei)**") and filed a claim with Chaoyang District People's Court of Beijing for payments of employee compensation. Guocai (Beijing) is a non-wholly owned subsidiary of the Company, and Guocai (Hubei) is a wholly-owned subsidiary of the Company. The first hearing of the legal proceeding was conducted on 2 July 2025 and the case is now pending for the court's judgement.

On 21 April 2025, another former employee of the Group (the "**Plaintiff 7**") filed an arbitration application with Hangzhou Yuhang District Labor and Personnel Dispute Arbitration Committee against Zhejiang Chenghui Industrial Holdings Group Limited ("**Zhejiang Chenghui**"), a wholly-owned subsidiary of the Company, for demanding outstanding salaries and other compensation. The first hearing was conducted on 16 June 2025 and the case is pending for the committee's judgement.

The Group has performed impairment assessment on the relevant trade receivables under the ECL model, and substantially recorded the relevant trade payables, other payables and other borrowing against the plaintiffs.

39. LITIGATIONS (Continued)

Furthermore, based on the advice of the Group's PRC legal adviser, the Group recognised provision for litigation liabilities of approximately RMB6,757,000 (or equivalent to approximately HK$7,288,000) (2024: Nil) for the cases abovementioned as at 31 March 2025 other than the legal proceedings/arbitration filed by the Plaintiff 6 and the Plaintiff 7, which the Group recognised provision for litigation liabilities of approximately RMB3,788,000 (or equivalent to approximately HK$4,085,000) (2024: Nil) in this regard. The total provision for litigation liabilities amounted to approximately HK$11,373,000 (2024: Nil) for the year ended 31 March 2025.

As a result of the abovementioned cases, certain investment properties of the Group with fair value of approximately HK$43,616,000 (2024: Nil) as at 31 March 2025 had been seized by the relevant court in the PRC and, certain bank deposits of the Group of approximately RMB1,926,000 (or equivalent to approximately HK$2,062,000) (2024: RMB1,025,000 (or equivalent to approximately HK$1,105,000)) as at 31 March 2025 were temporarily frozen as disclosed in Notes 19 and 26(a) to the consolidated financial statements respectively.

40. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2025	2024
	HK$'000	HK$'000
Acquisition of intangible assets	**7,156**	7,203

41. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Operating lease payments represent rentals payable by the Group for certain of its office premises and staff quarters. Leases are negotiated for terms ranging from 1 to 5 years (2024: 0.83 to 3 years) and rentals are fixed over the lease terms and do not include contingent rentals.

The Group regularly entered into short-term leases for the staff quarters and office premises. As at 31 March 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 20.

As at 31 March 2025, the outstanding lease commitments relating to short-term leases of these staff quarters and office premises are HK$19,000 (2024: HK$36,000).

The Group as lessor

Property rental income earned during the year ended 31 March 2025 was approximately HK$13,454,000 (2024: HK$15,340,000). All of the Group's investment properties are held for rental purposes. Generally, leases are negotiated for term of 5 years (2024: 1 to 10 years). The lessees do not have an option to purchase the property at the expiry of the lease period.

41. OPERATING LEASE ARRANGEMENTS (Continued)

The Group as lessor (Continued)

Minimum lease payments receivable on leases are as follows:

	2025	2024
	HK$'000	HK$'000
Within one year	–	10,961
After one year but within two years	4,996	10,365
After two years but within three years	6,156	6,652
After three years but within four years	6,156	4,065
After four years but within five years	5,643	3,166
After five years	–	6,013
Total	22,951	41,222

42. RELATED PARTY DISCLOSURES

(a) Related party transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following related party transactions during the years ended 31 March 2025 and 2024:

Relationship	Nature of transaction	2025	2024
		HK$'000	HK$'000
Companies which are controlled by close family members of Ms. Liu[1]	Payment of principal element of lease liabilities	53	16
	Payment of interest element of lease liabilities	15	7
	Provision of energy management contracting services	47	94
	Provision of other IT services	–	988
	Provision of administrative services	–	235
	Allowance of credit losses on:		
	– contract assets	108	88
Companies which are associates of Ms. Liu[1]	Provision of energy management contracting services	730	1,373
	Provision of other IT services	–	1,027
	Provision of procurement services[2]	–	8,252
	Procurement of goods for EPC services	16,518	–
	Cost of provision of procurement services	284	629
	Agency fee income	380	–
	Allowance of credit losses on:		
	– trade receivables	19,013	84
	– contract assets	420	19

42. RELATED PARTY DISCLOSURES (Continued)

(a) Related party transactions (Continued)

[1] Ms. Liu is the settlor of a discretionary trust of which Trident Trust Company (Singapore) Pte Limited is the trustee and it indirectly owned 38.70% (2024: 46.44%) of the Company's issued ordinary shares as at 31 March 2025.

[2] During the year ended 31 March 2024, the Group entered into continuing connected transactions with Ms. Liu's Associates pursuant to the procurement services framework agreement dated 14 August 2023 for a period up to 31 March 2024 and recognised revenue of approximately HK$5,292,000. Further details of the procurement services framework agreement were set out in the Company's announcement dated 14 August 2023.

In addition, a related company which is an associate of Mr. Zou granted the use of an office premise to the Group free of charge for the period from 20 April 2023 to 13 September 2024; and the use of another office premise to the Group free of charge for the period from 14 September 2024 to 13 September 2025.

(b) Related party balances

Save as disclosed elsewhere in the consolidated financial statements, the Group does not have other outstanding balances with related parties at 31 March 2025 and 2024.

(c) Compensation of key management personnel

Directors of the Company are key management personnel of the Group whose remuneration is disclosed in Note 15 to the consolidated financial statements.

43. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 March 2025 are as follows:

Name	Place of incorporation/ establishment and operation	Particulars of issued share capital/registered capital	Proportion of ownership interest: The Group's effective interest	Held by the Company	Held by the Company's subsidiaries	Principal activities
Directly held:						
Guocai Financial Information Consultancy Limited*,# 國採金融信息諮詢有限公司	The PRC	Registered/contributed capital RMB100,000,000/RMB19,998,992	100%	100%	–	Inactive
Indirectly held:						
Gongcai Network*,# 公採網絡科技有限公司	The PRC	Registered/contributed capital US$55,000,000/US$50,153,407	100%	–	100%	Provision of rental income, corporate IT solution services, trading goods and investment holding
Guocai Jinggang Investment Limited*,# 國採京港投資有限公司	The PRC	Registered/contributed capital RMB50,000,000/RMB Nil	90%	–	100%	Inactive
Guocai (Beijing)*,# 國採(北京)技術有限公司	The PRC	Registered and contributed capital RMB60,000,000	90%	–	90%	Provision of procurement and corporate IT solution services and investment holding
Guocai (Hubei)*,# 國採(湖北)技術有限公司	The PRC	Registered and contributed capital RMB10,000,000	100%	–	100%	Provision of procurement and corporate IT solution services and investment holding
Guocai (Qinghai) *,^ 國採(青海)招標有限公司	The PRC	Registered and contributed capital RMB2,000,000	100%	–	100%	Provision of procurement services
Guocai (Shenzhen) Information Technology Limited*,# 國採(深圳)信息技術有限公司	The PRC	Registered and contributed capital RMB4,000,000	60%	–	60%	Provision of corporate IT solution services

43. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ establishment and operation	Particulars of issued share capital/registered capital	Proportion of ownership interest: The Group's effective interest	Held by the Company	Held by the Company's subsidiaries	Principal activities
Indirectly held: (Continued)						
Public Procurement Limited	Hong Kong	Ordinary share capital HK$34,000,000	100%	–	100%	Investment holding
Shanghai Chenghua Ruian Energy Group Co., Ltd.*,# 上海承華睿安能源集團有限公司	The PRC	Registered/contributed capital US$50,000,000/US$1,009,079	100%	–	100%	Provision of procurement services and investment holding
Jiangsu Chengguang New Energy Limited*, ^ 江蘇承光新能源有限公司	The PRC	Registered/contributed capital RMB1,000,000/RMB Nil	100%	–	100%	Provision of energy management contracting services
Zhejiang Chenghui*, ^ 浙江承輝實業控股集團有限公司	The PRC	Registered/contributed capital US$11,803,587/RMB82,248,542	100%	–	100%	Provision of energy management contracting services
Hangzhou Zhongcai Shuzhihua Technology Limited*, ^ 杭州中採數智化科技有限公司	The PRC	Registered/contributed capital RMB10,000,000/RMB10,000,000	100%	–	100%	Provision of corporate IT solution services
Hangzhou Chenghui Electrical Technology Limited*, ^ 杭州承輝電力科技有限公司	The PRC	Registered/contributed capital RMB50,000,000/RMB10,820,000	100%	–	100%	Provision of EPC services
Hangzhou Chenghui*, ^ 杭州承輝工程技術有限公司	The PRC	Registered/contributed capital RMB223,798,300/RMB201,418,470	100%	–	100%	Provision of EPC services
Mingshui Zhanjing Photovoltaic Technology Limited*, ^ 明水縣展晶光伏科技有限責任公司	The PRC	Registered/contributed capital RMB100,000/RMB500	100%	–	100%	Provision of energy management contracting services
Shanghai Chengguang Zhongcai Electrical Development Limited*,^ 上海承光中採電力發展有限公司	The PRC	Registered/contributed capital RMB10,000,000/RMB9,000,000	100%	–	100%	Provision of energy management contracting services

* For identification purposes only.

\# Foreign investment enterprise.

^ Domestic invested enterprise.

43. PRINCIPAL SUBSIDIARIES (Continued)

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. None of the subsidiaries has issued any debt securities.

The following table shows information of a subsidiary that have non-controlling interests ("**NCI**") material to the Group. The summarised financial information represents amounts before inter-company elimination.

	Guocai (Beijing)	
	2025	2024
Principal place of business/country of establishment	**The PRC/ The PRC**	The PRC/ The PRC
% of ownership interests/voting rights held by NCI	**10%**	10%
	HK$'000	HK$'000
Non-current assets	**17,921**	18,242
Current assets	**14,277**	14,069
Current liabilities	**(88,282)**	(88,233)
Net liabilities	**(56,084)**	(55,922)
Accumulated NCI	**(12,266)**	(12,251)

	2025	2024
	HK$'000	HK$'000
Revenue	**2,340**	5,425
Profit/(loss)	**27**	(2,529)
Other comprehensive (expense)/income	**(189)**	1,939
Total comprehensive expense	**(162)**	(590)
Profit/(loss) allocated to NCI	**3**	(253)
Total comprehensive expense allocated to NCI	**(16)**	(59)
Net cash generated from operating activities	**591**	343
Net cash used in investing activities	**(449)**	(56)
Net cash generated from/(used in) financing activities	**14**	(446)

44. DISPOSAL OF SUBSIDIARIES

(a) During the year ended 31 March 2025

During the year ended 31 March 2025, an indirect wholly-owned subsidiary, namely Sanchunhui Network (formerly known as Hangzhou Chenghui Jicai Energy Technology Co., Ltd.*), introduced a new shareholder. The Group's equity interest over Sanchunhui Network was diluted from 100% to 27.5%, resulting a gain on deemed disposal of a subsidiary of approximately HK$406,000 (Note 9); a reclassification of cumulative foreign currency translation reserve to retained profits of approximately HK$3,000; and cash outflow from deemed disposal of a subsidiary of approximately HK$2,000. The Group exercised significant influence over Sanchunhui Network, and it became an associate of the Group thereafter. Sanchunhui Network was inactive prior to the introduction of a new shareholder.

Sanchunhui Network did not contribute significantly to the results and cash flows of the Group during the period prior to the disposal.

* For identification purpose only

(b) During the year ended 31 March 2024

During the year ended 31 March 2024, the Group disposed of its entire equity interest in 連雲港科新新能源有限公司 (Lianyungang Kexin New Energy Co., Ltd.*) ("**Lianyungang Kexin**") to a company which was independent to the Group. Lianyungang Kexin was inactive during the year ended 31 March 2024. The aggregate amounts of assets and liabilities attributable to approximately HK$631,000 on the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	483
Other receivables	137
Bank balance	11
	631
Loss on disposal of a subsidiary:	
Consideration received	631
Net assets disposed of	(631)
Reclassification of cumulative foreign currency translation reserve upon disposal	(10)
	(10)
Net cash inflows arising on disposal:	
Cash consideration received	631
Less: Bank and cash balances disposed of	(11)
	620

* For identification purpose only

44. DISPOSAL OF SUBSIDIARIES (Continued)

(b) During the year ended 31 March 2024 (Continued)

Lianyungang Kexin did not contribute significantly to the results and cash flows of the Group during the period prior to the disposal.

45. CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY

During the year ended 31 March 2024

The Group underwent a group restructuring to streamline the Group structure. As part of the reorganisation, the entire equity interest of Guocai (Qinghai) was transferred from a non-wholly owned subsidiary of the Group to a wholly-owned subsidiary of the Group. Consequently, the Group's effective interest over Guocai (Qinghai) increased from 93% to 100%.

An amount of approximately HK$624,000 (being the proportionate share of the carrying amount of the net assets of Guocai (Qinghai)) has been credited to "Other reserves".

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current period presentation.

Five-Year Financial Summary

	Year ended 31 March			Fifteen months ended 31 March	Year ended 31 December
	2025	2024	2023	2022	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Revenue	**98,252**	782,180	271,719	140,256	93,555
(Loss)/profit before tax	**(138,997)**	(10,486)	(3,401)	(41,363)	172
Income tax credit	**15,091**	11,290	16,995	7,445	49
(Loss)/profit for the year/period	**(123,906)**	804	13,594	(33,918)	221
Attributable to:					
Owners of the Company	**(123,885)**	656	13,282	(31,923)	1,643
Non-controlling interests	**(21)**	148	312	(1,995)	(1,422)
	(123,906)	804	13,594	(33,918)	221

	At 31 March			At 31 December	
	2025	2024	2023	2022	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**538,006**	727,927	593,424	369,218	360,002
Total liabilities	**(344,970)**	(432,617)	(283,057)	(174,559)	(155,526)
Total equity	**193,036**	295,310	310,367	194,659	204,476
Attributable to:					
Owners of the Company	**204,718**	307,005	321,874	206,913	214,380
Non-controlling interests	**(11,682)**	(11,695)	(11,507)	(12,254)	(9,904)
	193,036	295,310	310,367	194,659	204,476

Particulars of Investment Properties

Location	Existing use	Type of lease
G/F – 6/F, 7/F (Partial), 8/F – 11/F, Wuhan CPP building, Jinronggang Road Central, No 77 Guanggu Avenue, Donghu New Technology Development Zone, Wuhan, Hubei Province, the PRC	Commercial	Medium term