



CENTURY PLAZA

新都酒店



**2024/25**  
ANNUAL REPORT

# CENTURY PLAZA HOTEL GROUP

## 新都酒店集團

*(Formerly known as Greatwall Inc.)*  
*(Incorporated in the Cayman Islands with limited liability)*  
Stock Code: 8315



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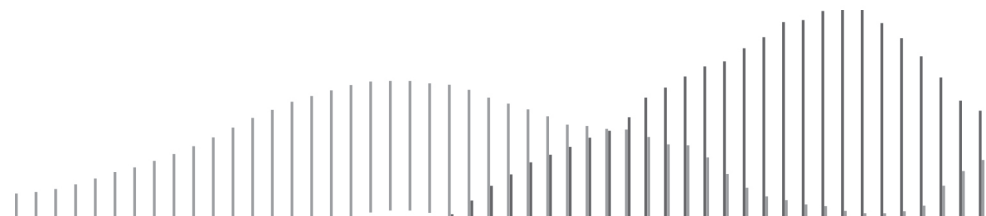
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## CORPORATE INFORMATION

### DIRECTORS

#### *Executive Directors:*

Mr. Song Xiaoming (*Chairman*)

Ms. Song Shiqing

Mr. Su Congyue

#### *Non-executive Director:*

Mr. Lam Wing Yiu (*Appointed on 27 June 2024*)

#### *Independent Non-executive Directors:*

Mr. Li Zhongfei

Mr. Zhao Jinsong

Mr. Liu Chengwei

### AUDIT COMMITTEE

Mr. Zhao Jinsong (*Chairman*)

Mr. Li Zhongfei

Mr. Liu Chengwei

### REMUNERATION COMMITTEE

Mr. Li Zhongfei (*Chairman*)

Mr. Zhao Jinsong

Mr. Liu Chengwei

### NOMINATION COMMITTEE

Mr. Song Xiaoming (*Chairman*)

Mr. Zhao Jinsong

Mr. Li Zhongfei

### COMPANY SECRETARY

Ms. Li Yan

### AUTHORISED REPRESENTATIVES

Ms. Song Shiqing

Mr. Song Xiaoming

### COMPLIANCE OFFICER

Ms. Song Shiqing

### INDEPENDENT AUDITOR

Linksfeld CPA Limited

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

Room 2001-02, 20/F., Podium Plaza

5 Hanoi Road

Tsim Sha Tsui

Hong Kong

### REGISTERED OFFICE

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3502, 35/F.,

Infinitus Plaza,

199 Des Voeux Road Central,

Sheung Wan, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F., Far East Financial Centre

16 Harcourt Road,

Hong Kong

### PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

### COMPANY WEBSITE

[www.greatwalle.cn](http://www.greatwalle.cn)

### STOCK CODE

8315



## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Century Plaza Hotel Group (the “**Company**”) and its subsidiaries (collectively as the “**Group**”), it is my great pleasure to present to the shareholders the annual report of the Company for the year ended 31 March 2025 (the “**Year**”).

During the reporting year, the Group faces a challenging macroeconomic environment and dynamic market conditions. In response, the Group implemented a series of prudent deleveraging initiatives, including the disposal of certain underperformed businesses and subsidiaries. These measures have enhanced the Group's net asset value, and the results were reflected in the consolidated statement of profit or loss, with the Group recorded a net profit for the year under review. Further detail of our financial performance are set out in the section “Management Discussion and Analysis” in this annual report.

Look ahead, with the gradual rollout of economic stimulus policies by the PRC government in the third quarter of 2024, we anticipate that the domestic economy will remain stable and continue to progress. In the year under review, large-scale equipment upgrade, the “old-for-new” consumer goods policy and the issuance of ultra-long-term special government bonds have been implemented and their positive impact on investment and consumption is expected to emerge progressively. During the reporting year, the Group also expanded its asset management business in an orderly manner, resulting in a significant increase in the relevant segment's performance. Going forward, we will continue to deepen our presence in asset management and the culture and tourism sections, with the aim of diversifying our business development strategies by entering new markets and expanding our operations to maintain our competitiveness.

I would like to take this opportunity to express my sincere gratitude to the management team and all employees for their valuable contributions and dedicated service, I am grateful for the strong support of all business partners and shareholders of the Group. Looking forward, the Group will start a new journey for development amidst opportunities and challenges. Despite the challenges, the Group will forge ahead, steadily promote the transformation of its principal business, and build the Group into a renowned investment holding company in the industry, so as to reward our customers, society and shareholders with better performance.

**Song Xiaoming**  
*Chairman*

27 June 2025





## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year, the subsidiaries of the Group principally engaged in (i) the provision of security guarding, property management and human resources services (the “**Security Guarding, Property Management and Human Resources Services**”); (ii) the provision of business advisory and asset management services (the “**Asset Management Services**”); and (iii) the provision of hospitality catering and beverage services (the “**Hospitality Catering and Beverage Services**”).

#### (a) Security Guarding, Property Management and Human Resources Services

For the Group’s Security Guarding, Property Management and Human Resources Services, the Group operates solely in the People’s Republic of China (the “**PRC**”), following the disposal of loss-making subsidiaries in both Hong Kong and the PRC at the beginning of the year. Compared to the corresponding years, revenue decreased by approximately HK\$18.8 million from HK\$51.0 million for the year ended 31 March 2024 to approximately HK\$32.2 million for the year.

During the year, all revenue from the Security Guarding, Property Management and Human Resources Services was generated from the PRC and it declined by approximately HK\$16.8 million from HK\$49.0 million for the year ended 31 March 2024 to approximately HK\$32.2 million for the year. It is primarily due to the contract of the PRC economy which resulted in reduced demand, as well as the Group’s disposal of certain loss-making subsidiaries engaged in such business at the beginning of the year. Despite the decline in revenue, the losses of this segment were significantly narrowed. The Group will continue to maintain its Security Guarding, Property Management and Human Resources Services while exercising stringent control over its performance.

#### (b) Asset Management Services

Since 2019, the Company has begun to gradually develop its Asset Management Services. In the PRC, the Group holds a private equity investment fund manager licence from the Asset Management Association of China. The Greater China asset management industry is facing both new challenges and new opportunities under the influence of policies such as China’s economic structural transformation and dual circulation.

For the year ended 31 March 2025, revenue derived from asset management services recorded a significant increase from approximately HK\$0.5 million for the year ended 31 March 2024 to approximately HK\$8.8 million. The increase was mainly attributable to the Group engaged in asset restructuring consultant service to a state-owned enterprise for a service fee of approximately HK\$8.3 million for the current year. Revenue generated from funds management for the year ended 31 March 2025 remained steady compared to the year ended 31 March 2024 to approximately HK\$0.5 million.

The Group targets to invest in (i) buyout or leveraged buyout funds; (ii) medium to long-term investment towards companies with long-term development value and have a leading position in a particular market segment; (iii) bonds; and (iv) providing corporate relief consultation services. The asset management team has been committed to exploring business and investment opportunities, aiming for quality and long-term investments and to increase the scale of funds.



## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### (c) Hospitality Catering and Beverage Services

Since the launching of the Group's hotel catering and beverage business in the PRC last year, the Group recorded a revenue of approximately HK\$6.9 million in Hospitality Catering and Beverage Services, which was approximately HK\$3.8 million increased compared to HK\$3.1 million for the year ended 31 March 2024. Owing to differences between the Group and the landlord regarding on the lease and management direction, the Group suspended its catering business in the second half of the year and is actively searching for a suitable location to resume operations. In addition to actively seeking new restaurant locations, the Group is also actively pursuing the development of cultural and tourism business within PRC.

### BUSINESS OUTLOOK

The Group will continue to increase its transparency and present a better corporate image to both existing and potential customers in order to capture the rich potential in the Security Guarding, Property Management and Human Resources Services, Asset Management Services and Hospitality Catering and Beverage Services in the PRC. The Group has a plan to apply its experience in the Hospitality Catering and Beverage Services to develop its hospitality business, especially in the cultural and tourism industry.

As the contract of economic on the business environment of domestic enterprises continued to expand, it is expected that the scale of non-performing loans for enterprises will continue to increase against the backdrop of mounting downward pressure on the macro economy after the exposure of non-performing loan risks. There is an increasing demand in the market for introducing professional teams to provide non-performing asset disposal services. Leveraging on its extensive experience in the asset management market, technical expertise and sound brand reputation, the Group plans to provide advisory services on alleviating difficulties to certain enterprises and provide one-stop transaction advisory and value analysis services for enterprises in need. The advisory services cover bulk transfer of non-performing retail bonds, disposal of assets in satisfaction of debts, debt-to-equity swaps, debt restructuring and other transactions, in both domestic and overseas markets. Meanwhile the Group intends to establish investment funds through our asset management platform, connecting the upstream and downstream educational industrial chains with portfolio investment management, as such to transform the Group into a boutique asset management vehicle.

The Board believes that the Group's strategy to extension of businesses could provide a better return to the shareholders of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### FINANCIAL REVIEW

#### Revenue

For the year ended 31 March 2025 and corresponding period in 2024, the Group's revenue was generated from (i) the provision of Security Guarding, Property Management and Human Resources Services in the PRC and in Hong Kong; (ii) the provision of Asset Management Services; and (iii) the provision of Hospitality Catering and Beverage Services. Total revenue of the Group decreased by approximately HK\$6.7 million or 12.3% from approximately HK\$54.6 million for the year ended 31 March 2024 to approximately HK\$47.9 million for the year ended 31 March 2025. The following table sets forth the breakdown of the Group's revenue by business segment for the year ended 31 March 2025 and 2024:

	Year ended 31 March			
	2025		2024	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding, Property Management and Human Resources Services	32,177	67.2%	51,002	93.4%
Asset Management Services	8,789	18.4%	465	0.9%
Hospitality Catering and Beverage Services	6,891	14.4%	3,133	5.7%
Total	47,857	100%	54,600	100%

#### (a) *Security Guarding, Property Management and Human Resources Services*

Security Guarding, Property Management and Human Resources Services for the year amounted to HK\$32.2 million, it represented a decreased of 36.9% or approximately HK\$18.8 million, as compared with revenue approximately HK\$51.0 million for the year ended 31 March 2024.

During the year, all revenue from the Security Guarding, Property Management and Human Resources Services was generated from the PRC and it declined by approximately HK\$16.8 million from HK\$49.0 million for the year ended 31 March 2024 to approximately HK\$32.2 million for the year. It is primarily due to the contract of the PRC economy which resulted in reduced demand, as well as the Group's disposal of certain loss-making subsidiaries engaged in such business at the beginning of the year. Despite the decline in revenue, the losses of this segment were significantly narrowed. The Group will continue to maintain its Security Guarding, Property Management and Human Resources Services while exercising stringent control over its performance.





## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### **(b) Asset Management Services**

For the year ended 31 March 2025, revenue derived from asset management services recorded a significant increase by over 100% from approximately HK\$0.5 million for the year ended 31 March 2024 to approximately HK\$8.8 million. The increase was mainly attributable to the Group engaged in asset restructuring consultant service to a state-owned enterprise for a service fee of approximately HK\$8.3 million for the current year. Revenue generated from funds management for the year ended 31 March 2025 remained steady compared to the year ended 31 March 2024 to approximately HK\$0.5 million.

### **(c) Hospitality Catering and Beverage Services**

Since the launching of the Group's hotel catering and beverage business in the PRC last year, the Group recorded a revenue of approximately HK\$6.9 million in Hospitality Catering and Beverage Services, which was approximately HK\$3.8 million increased compared to HK\$3.1 million for the year ended 31 March 2024. However, due to the auction of the business premises and the request for relocation from the new landlord, the Group suspended its catering business in the second half of the year and is actively searching for a suitable location to resume operations.

## **Cost of sales and services**

For the year ended 31 March 2024 and 2025, the cost of sales and services amounted to approximately HK\$57.5 million and HK\$42.7 million respectively.

### **(a) Security Guarding, Property Management and Human Resources Services**

The cost of services rendered mainly consists of direct guard costs amount to approximately HK\$30.8 million and HK\$52.5 million for the year ended 31 March 2025 and 2024 respectively, representing over 95.7% and over 100% of the segment's revenue respectively. Compared to gross loss for the corresponding period, the Group disposed certain loss-making subsidiaries in the PRC and Hong Kong, resulted in a gross profit of approximately HK\$1.4 million.

### **(b) Asset Management Services**

In contrast to the labour-intensive character in the Security Guarding, Property Management and Human Resources Services, cost of services rendered of Asset Management Services for the year ended 31 March 2025 mainly consists of professional services provided by employees of approximately HK\$2.1 million, as compared to business surcharge of approximately HK\$4,000 for the year ended 31 March 2024. The increase in the cost of Asset Management Services was in line with the increase in corresponding revenue.

### **(c) Hospitality Catering and Beverage Services**

The cost of Hospitality Catering and Beverage Services increased by approximately HK\$8.3 million from HK\$1.6 million for the year ended 31 March 2024 to HK\$9.9 million for the current year. The cost of Hospitality Catering and Beverage Services mainly consists of food and beverage cost and utilities cost associated in production and the increase was in line with the increase in revenue.



## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$8.1 million from gross loss of approximately HK\$2.9 million for the year ended 31 March 2024 to gross profit of HK\$5.2 million for the year ended 31 March 2025. The increase in gross profit and gross profit margin were mainly due to disposal of gross loss-making subsidiaries in the PRC and Hong Kong and relatively high gross profit margin derived from the Asset Management Services.

### Other income and losses, net

Other income increased by approximately HK\$13.4 million from HK\$12.0 million for the year ended 31 March 2024 to approximately HK\$25.4 million for the year ended 31 March 2025. The increase was mainly due to (i) discharge of liabilities for the outstanding principal and related interest of the promissory note payable of approximately HK\$9.0 million; (ii) compensation income received from a sublessor for lease termination of approximately HK\$2.2 million; and (iii) gain on disposal of subsidiaries of approximately HK\$11.8 million.

### Administrative expenses

Administrative expenses primarily comprised staff costs, legal and professional fee and depreciation of property, plant and equipment and right-of-use assets. Under the stringent supervision of management, administrative expenses decreased by approximately HK\$6.1 million or 30.5% from approximately HK\$20.0 million for the year ended 31 March 2024 to HK\$13.9 million for the year ended 31 March 2025. The decrease in administrative expenses was mainly attributable to (i) decrease in salaries and associated costs of approximately HK\$4.6 million or 36.8% from approximately HK\$12.5 million for the year ended 31 March 2024 to approximately HK\$7.9 million due to stringent control of staff expenses; and (ii) the decrease of depreciation of right-of-use assets of approximately HK\$2.2 million from approximately HK\$3.2 million for the year ended 31 March 2024 to approximately HK\$1.0 million due to the disposal of right-of-use of assets.

### Impairment losses of property, plant and equipment

As at 31 March 2025, the directors of the Company determined that there was an impairment loss of approximately HK\$1,325,000 in the hospitality catering and beverage services segment due to the temporary suspension of the business following the early termination of lease agreements during the year.

As at 31 March 2024, property, plant and equipment with the carrying amounts of approximately HK\$3,888,000 (before impairment) is attributable to the cash-generating unit of provision of security guarding services in the PRC by Jingwudun Security Management Group Co., Limited ("**Jingwudun Security Guarding CGU**"). The Group determines that the Jingwudun Security Guarding CGU has impairment indicator due to the economic performance being worse than expected and impairment test is performed for the CGU. The recoverable amount of the Jingwudun Security Guarding CGU has been determined based on value-in-use calculations estimated by the management with reference to the valuation performed by an independent professional valuer. The calculation uses cash flow projections based on a detailed budget plan approved by the management, and a discount rate of 17.3%. The key assumptions were determined by the management based on its expectations for the business development. The estimated cash flows include budget revenue based on the historical performance, estimation of market development and future performance of the Jingwudun Security Guarding CGU made by the management of the Group. The discount rate used is pre-tax and reflects specific risks relating to the industry in relation to Jingwudun Security Guarding CGU. The directors of the Company determined that there was an impairment loss of approximately HK\$3,411,000 on the Jingwudun Security Guarding CGU under security guarding, property management and human resources segment for the year ended 31 March 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### Net impairment losses on financial assets

The impairment losses as on financial assets of approximately HK\$4.4 million and HK\$3.7 million were recognised for the year ended 31 March 2024 and 31 March 2025, respectively.

In accordance with HKFRS 9, the Group makes allowances on items subject to expected credit losses (“ECL”) (including trade and other receivables) based on assumptions about the risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. An ECL assessment is performed at each reporting date using provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group also performs ECL assessment of whether a financial instrument’s credit risk has increased significantly since initial recognition.

The Group has implemented a credit policy to monitor the performance of its customers by performing an ageing analysis and reviewing the past history of payments made and the customers’ financial position.

### Finance costs

The Group’s finance costs mainly consisted of interest on unsecured debenture, it decreased by approximately HK\$0.8 million from approximately HK\$1.8 million for the year ended 31 March 2024 to approximately HK\$1.0 million for the year ended 31 March 2025. The decrease in finance costs was mainly due to the discharge of liabilities for the outstanding principal of the promissory note and interest associated thereof.

### Profit/(loss) for the year

Profit attributable to owners of the Company for the year ended 31 March 2025 amounted to approximately HK\$10.2 million, as compared to the loss attributable to owners of the Company for the year ended 31 March 2024 of approximately HK\$16.9 million. The increase in the Group’s profit for the year mainly due to (i) the Group recorded gross profit of approximately HK\$5.2 million; (ii) increase in other income as mentioned above; and (iii) decrease in administrative expenses, impairment losses of property, plant and equipment and provision for impairment loss on financial assets of approximately HK\$8.9 million.

### Income tax expense

No income tax expense was recognised for the year ended 31 March 2025 and 31 March 2024.

### Final dividend

The Board did not recommend the payment of final dividend for the year ended 31 March 2025 (2024: nil).



## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### Liquidity, financial resources and capital structure

The management review the capital structure regularly. The Group manages the capital structure and makes adjustments to it in 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 amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

As at 31 March 2025, the share capital and total equity attributable to owners of the Company amounted to approximately HK\$29.1 million and approximately HK\$2.8 million respectively (2024: HK\$29.1 million and total deficit in equity attributable to owners of the Company of HK\$6.1 million respectively). As at 31 March 2025, the cash at banks and in the hand of the Group amounted to approximately HK\$6.0 million (2024: approximately HK\$9.7 million). The Group did not carry out any interest rate hedging policy.

### Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

### Charges over assets of the Group

As at 31 March 2025 and 2024, none of the Group's assets had been charged.

### Gearing ratio

As at 31 March 2025, the gearing ratio of the Group was 106% (2024: 179%). The gearing ratio is calculated on the net debt divided by the total capital at the year-end date and multiplied by 100%. Net debt includes the contract liabilities, loan from a related party, amounts due to related parties, lease liabilities, and borrowings, less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position, plus net debt.

### Capital commitments

As at 31 March 2025, the Group had no capital commitments (31 March 2024: nil).

### Foreign exchange exposure

The Group's business operations are primarily conducted in the PRC and Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in RMB and Hong Kong dollars. During the year ended 31 March 2025, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates between the currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year (2024: nil).



## MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED

### **Significant investment held, material acquisitions and disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets**

During the year, the Company did not have any significant investment and had no material acquisition or disposal of subsidiaries or affiliated companies. As at 31 March 2025, the company did not have any plans for material investments or capital assets.

### **Future plans for material investment or capital assets**

Saved as disclosed under the section headed “Fund raising activity – share consolidation” in this announcement, the Group did not have other future plans for material investment or capital assets as at 31 March 2025.

### **Employees and Remuneration Policies**

The Group had 687 employees as at 31 March 2025 (2024: 925 employees). The total staff costs (including Directors’ remuneration) for the year ended 31 March 2025 amounted to approximately HK\$44.4 million (2024: approximately HK\$67.0 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high-quality staff and enable smooth operations within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The Group’s remuneration policy is revised periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are employed.

On 14 December 2018, 18 April 2019, 5 September 2019 and 11 October 2021, the Group granted the share options to the eligible participants including employees within the Group and certain Directors under the share option scheme adopted by the Company on 31 July 2014 to motivate and compensate their contributions to the Group.

### **Fund raising activity – Share consolidation and connected transaction involving subscription of new shares under specific mandate on 2 August 2021 (the “Subscription”)**

The gross proceeds and the net proceeds from the Subscription (after deduction professional fees and other related expenses) were approximately HK\$68.5 million and HK\$67.5 million respectively. As at 31 March 2025, all proceeds from the Subscription have been fully utilised for general working capital of the Group and a total amount of approximately HK\$960,000 out of the net proceeds had been used by the Group for the year ended 31 March 2025.





## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining corporate governance of high standards and quality procedures. The Company believes that an effective corporate governance practice is fundamental to enhancing shareholders value and safeguarding the interests of shareholders and other stakeholders. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business. The code provision set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules have been adopted as the Company's corporate governance practices.

### CORPORATE GOVERNANCE CODE

#### Compliance with the corporate governance code

The Company has adopted and complied with applicable code provision (the “**Code Provision(s)**”) in the CG Code contained in Appendix 15 to the GEM Listing Rules during the Year except for Code Provision C.2.1. Code Provision C.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any officer with the title of chief executive officer but the Company has appointed several staff at the subsidiary level for each business segment who were responsible for the oversight of each business segment's operation. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code from time to time.

#### Compliance with the required standard of dealings by Directors

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions. The Company issued notices to the Directors reminding them to the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group. A specific enquiry has been made to all Directors and they have confirmed that they have complied with the required standard of dealings during the Year.

Our Group's vision is to be a leading boutique cross-border fund house, and to provide our stakeholders with sustainable and outstanding returns from operations through strategic planning and collaboration, leverage of professionals and enhancement of services.

Our corporate culture is moulded by the abovementioned vision and mission. We value the growth of the Company as well as our employees and communication with our shareholders. We strive to optimise our operations and enhance our technical expertise with an aim to provide excellent service to our clients. We support our employees by creating a harmonious working environment. We will provide multiple channels for stakeholders to maintain effective communication, allowing us to continuously seek feedback from our stakeholders to evaluation our business performance and goals.

In order to promptly respond to market needs and to attain long-term sustainability of the Group, the Board is committed to regularly reviewing and adjusting its business strategies based on the market circumstances from time to time.



## CORPORATE GOVERNANCE REPORT – CONTINUED

### THE BOARD OF DIRECTORS

#### Role and function

The Board is primarily responsible for leading and controlling the Company, overseeing as well as supervising the Group's business, approval of strategic plans and monitoring the Group's performance.

The Board reserves for its decision on major strategic and business matters, including the approval and monitoring of all policy matters, overall strategic and budgets, internal control and risk management system, material transactions (in particular those that may involve conflict interests), financial information, Board composition and remuneration, corporate governance matters and other significant financial and operational matters.

The management is responsible for the day-to-day operations of the Group. To oversee particular aspects of the Company's affairs, the Board has established Board committees (together, the **"Board Committees"**). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. Further details of these committees are set out in the sections headed "AUDIT COMMITTEE", "NOMINATION COMMITTEE" and "REMUNERATION COMMITTEE" below.

#### Composition

As at the date of this annual report, the Board is chaired by Mr. Song Xiaoming and comprises seven members, consisting of three executive Directors, one non-executive Director and three independent non-executive Directors. The list of Directors is set out in the section headed "DIRECTORS' REPORT" in this annual report. Biographical details of Directors are set out in the section headed "Biographies of Directors" in this annual report.

The Company has adopted a board diversity policy (the **"Board Diversity Policy"**) which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Company will continue to review and enhance the Board Diversity Policy to ensure compliance with CG Code and align with the latest developments.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, cultural and education background, experience, skills, knowledge and length of services.

For the Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. As at the date of this annual report, the Board consists of six male members and one female member, aging from 30 to 60 years old. The Board places emphasis on diversity (including gender diversity) across all levels of the Group. As at 31 March 2025, the Group had 72.0% male staff and 28.0% female staff. The Board considers that the gender diversity in respect of the Board and the Group's employees taking into account the business model and specific needs of the Company is satisfactory. The Board targets by the ends of year to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity by the end of 2026. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

The Board sets measurable objectives to implement the Board Diversity Policy and reviews such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. During the Year, the Nomination Committee has considered a number of factors including but limited to age, education background and experience when reviewing the structure, size composition of the Board.



## CORPORATE GOVERNANCE REPORT – CONTINUED

The Nomination Committee reviewed the Board Diversity Policy during the Year, and consider the said policy as appropriate and effective. Such review will be performed annually, as appropriate, to ensure the effectiveness of the said policy from time to time.

During the Year, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

### Nomination policy

The Company has adopted a nomination policy, which establishes written guidelines for the nomination committee of the Company (the “**Nomination Committee**”) to identify individuals suitably qualified to become Board members and make recommendations to the Board to the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for the selection and appointment of new Directors. The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business. Collectively, they have competencies in areas which are relevant and valuable to the Group.

### Dividend Policy

The Company has adopted a dividend policy in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- the Group’s financial results;
- the Group’s cashflow, liquidity and capital requirements;
- the Group’s debt to equity ratios and the debt level;
- the retained earnings and distributable reserves of the Group;
- the Group’s shareholders’ interest;
- the Group’s current and future business operations, conditions, cycle and strategies;
- the general market conditions;
- the shareholders and investors’ expectation and industry’s norm;
- any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- statutory and regulatory restrictions;
- past dividend records; and
- any other factors the Board may deem relevant.



## CORPORATE GOVERNANCE REPORT – CONTINUED

The Board has complete discretion on whether to pay a dividend and the form to pay, subject to any restrictions under the Companies Act of Cayman Islands and any other applicable laws, rules and the Articles. Any final dividends declared by the Company must be approved by an ordinary resolution of the shareholders at an annual general meeting and must not exceed the amount recommended by the Board. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends. There is no assurance that dividends will be paid in any particular amount for any given period.

The Company shall review and reassess the Dividend Policy and its effectiveness from time to time. Any revision to the Dividend Policy shall be considered and approved by the Board.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman of the Company is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role in setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda.

Under the CG Code provision C.2.1, the role of the chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Ms. Pang Xiaoli as the chief executive officer of the Company on 25 August 2020, the Company does not have any officer with the title of the chief executive officer but the Company has appointed several staff at the subsidiary level for each business segment, who was responsible for the oversight of the respective business segment's operations.

### NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied at all times with rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications and accounting or related financial management expertise. The terms of the independent non-executive Director are also subject to retirement by rotation and re-election under the Articles.

The independent non-executive Directors are considered by the Board to be independent of the management and free of any relationship that materially interferes with the exercise of their independent judgements. The Board considered that each of the independent non-executive Directors bring his own relevant expertise to the Board and its deliberations. None of the independent non-executive Directors has any business or financial interests with the Group nor has any relationship with other Directors.

The Company has received annual confirmations of all independent non-executive Directors, in accordance with rule 5.09 of the GEM Listing Rules. The board has assessed their independence and conclude that all independent non-executive Directors are independent.

### APPOINTMENTS AND RE-ELECTIONS OF DIRECTORS

Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of three years and thereafter shall continue year to year subject to termination provisions therein, provisions on retirement by rotation and re-election of Directors are set out in the Articles.

At each annual general meeting (the “AGM”), one-third of the Directors for the timing being (or if their number is not a multiple of three, then the number neared to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement. A retiring Director shall be eligible for re-election.

## CORPORATE GOVERNANCE REPORT – CONTINUED

Any Director appointed by the Board to fill a casual vacancy shall hold the office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under this Article 112 shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

### DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the CG Code, every newly appointed director is provided formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure proper understanding of the business and operations of the Company and full awareness of the director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expense of the Company where necessary. During the Year, each of the Directors has participated in continuous professional development by attending seminars and/or studying materials relevant to the director's duties and responsibilities.

The Directors are required to provide the Company with details of the training records. Board on those training records, the Directors received the following training during the Year:

Name of Director	Type of training	
	Reading and/or on-line training	Seminars and/or workshop
<b>Executive Directors</b>		
Mr. Song Xiaoming	✓	✓
Ms. Song Shiqing	✓	✓
Mr. Su Congyue	✓	✓
<b>Non-executive Director</b>		
Mr. Chung Man Lai ( <i>Resigned on 27 June 2024</i> )	—	—
Mr. Lam Wing Yiu ( <i>Appointed on 27 June 2024</i> )	✓	✓
<b>Independent non-executive Director</b>		
Mr. Li Zhongfei	✓	
Mr. Zhao Jinsong	✓	
Mr. Liu Chengwei		✓





## CORPORATE GOVERNANCE REPORT – CONTINUED

### CORPORATE GOVERNANCE FUNCTIONS

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board in performing its corporate governance functions under the CG Code include:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board is responsible for performing the corporate governance functions set out in the Code Provision A.2.1 of the CG Code. As at the date of this annual report, the Board has reviewed and monitored (i) the Company's corporate governance policies and practices; (ii) training and continuous professional development of Directors and senior management; (iii) the Company's policies and practices on compliance with legal and regulatory requirements; (iv) the Company's code of conduct; and (v) the Company's compliance with the CG Code disclosure requirements.

### DIRECTORS' INSURANCE

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibility.

## CORPORATE GOVERNANCE REPORT – CONTINUED

### BOARD MEETINGS

Code Provision C.5.1 of the CG Code states that at least four regular Board meetings should be held each year at approximately quarterly intervals with active anticipation of a majority of directors, either in person or through other electronic means of communication.

Members of the Board met on a regular basis and on an ad hoc basis to discuss the overall strategy as well as the operation and financial performance of the Group. The management is committed to providing to the Board with appropriate and sufficient explanation and information of the Group's affair through financial reports and business and operational reports in a timely manner, enabling them to make informed decisions. The Directors are also provided access to the Group's management and the secretary of the Company (the "**Company Secretary**") at all times to obtain relevant information for carrying out their duties as Directors.

There were five Board meetings held during the Year. Notice of at least 14 days should be given of a regular Board meeting to allow all Directors to attend. For all other Board meetings, reasonable notice should be given. Minutes of the Board and committee meetings are prepared and kept by the Company Secretary, and are open for inspection by Directors upon request. All Directors have access to the advice and services of the company secretary, and are allowed to ask for external professional advice if needed.

Details of the attendance of the Board meeting, the Audit Committee meetings, the Remuneration Committee meetings and Nomination Committee meetings and general meetings of the Company held during the Year are summarised as follows:

	Meetings attended/meetings eligible to attend				
	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	General meetings
<b>Executive Directors</b>					
Mr. Song Xiaoming	5/5	N/A	N/A	1/1	1/1
Ms. Song Shiqing	5/5	N/A	N/A	N/A	1/1
Mr. Su Congyue	5/5	N/A	N/A	N/A	1/1
<b>Non-executive Directors</b>					
Mr. Chung Man Lai ( <i>Resigned on 27 June 2024</i> )	N/A	N/A	N/A	N/A	N/A
Mr. Lam Wing Yiu ( <i>Appointed on 27 June 2024</i> )	5/5	N/A	N/A	N/A	1/1
<b>Independent non-executive Directors</b>					
Mr. Li Zhongfei	4/5	3/3	1/1	1/1	1/1
Mr. Zhao Jinsong	4/5	3/3	1/1	1/1	1/1
Mr. Liu Chengwei	3/5	2/3	1/1	1/1	1/1

Besides the above Board meeting, the chairman of the Board, Mr. Song Xiaoming held one Directors' meeting with all independent non-executive Directors without the presence of other Directors during the Year.

Apart from the said meeting, matters requiring Board approval were also arranged by means of circulation of written resolutions of all Board members.

## CORPORATE GOVERNANCE REPORT – CONTINUED

### BOARD COMMITTEES

The Board is entrusted with the duty to put in place a proper corporate governance structure for the Company. It is primarily responsible for setting directions, formulating strategies, monitoring performance and managing the risks of the Group. Under the Board, there are currently three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The Audit Committee and Remuneration Committee perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management. The Nomination Committee assists the Board in nominating candidates for directorship, reviewing the size and composition and board diversity of the Board and making a recommendation to the Board on the appointment of directors. Each of the committees is established with defined written terms of reference which are available on the Company's website and The Stock Exchange website. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Details of the membership of each of the three committees during the Year and up to the date of this annual report are as follows:

	Audit Committee	Remuneration Committee	Nomination Committee
<b>Executive Directors</b>			
Mr. Song Xiaoming	–	–	C
Ms. Song Shiqing	–	–	–
Mr. Su Congyue	–	–	–
<b>Non-executive Director</b>			
Mr. Chung Man Lai ( <i>Resigned on 27 June 2024</i> )	N/A	N/A	N/A
Mr. Lam Wing Yiu ( <i>Appointed on 27 June 2024</i> )	–	–	–
<b>Independent non-executive Directors</b>			
Mr. Li Zhongfei	M	C	M
Mr. Zhao Jinsong	C	M	M
Mr. Liu Chengwei	M	M	–

Notes:

C: Chairman of the relevant Board Committees

M: Member of the relevant Board Committees



## CORPORATE GOVERNANCE REPORT – CONTINUED

### Audit Committee

The Company established the Audit Committee with terms of reference adopted on 31 July 2014 with terms of reference aligned with the Code Provision as set out in Appendix 15 of the GEM Listing Rules. Details of the terms of reference of the Audit Committee are set out on the Company's website and the website of The Stock Exchange. As at the date of this annual report, the Audit Committee comprised three members, namely Mr. Zhao Jinsong (chairman), Mr. Li Zhongfei and Mr. Liu Chengwei. Each of the Audit Committee members has unrestricted access to the Group's external auditor and the management.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of an external auditor, to evaluate the overall effectiveness of the internal control and risk management frameworks, to review the accounting principles and practices adopted by the Group and other financial reporting matters and ensure the completeness, accuracy and fairness of the financial statements, to monitor compliance with statutory and listing requirements and to oversee the relationship with the external auditors.

During the Year, the Audit Committee held four meetings. The Audit Committee reviewed (i) the annual financial statements, results and report of the Group for the Year; (ii) the interim result and report of the Group for the six months ended 30 September 2024; (iii) the significant issue on the financial reporting and compliance procedures, internal control and risk management and its effectiveness. The Audit Committee also held a meeting with the Company's external auditor, in the absence of management, to discuss matters relevant to the audit and no matter of significance arose from the meeting.

During the Year, the Board had no disagreement with the Audit Committee's view on the appointment of the external auditors. The consolidated financial statements for the Year and this annual report have been reviewed by the Audit Committee.

### AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment and re-election of the Company's external auditor. For the Year, the Group engaged Linksfield CPA Limited as the Group's external auditor. During the Year, the fee paid/payable to the auditor in respect of audit service provided by the auditor to the Group were as follows:

	2025 HK\$'000	2024 HK\$'000
Audit services	600	650

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL REPORTING

The Board acknowledged its responsibility for preparing the Group's financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and their responsibilities stated on a statement by the auditors in the auditors' report on the financial statements. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.



## CORPORATE GOVERNANCE REPORT – CONTINUED

The statement of the external auditors of the Company regarding their reporting responsibilities on the financial statements of the Company is set out in the section “Independent Auditor’s Report” of this report.

### Remuneration Committee

The Company established the Remuneration Committee with terms of reference adopted on 31 July 2014 with terms of reference aligned with the Code Provision as set out in Appendix 15 of the GEM Listing Rules. Details of the terms of reference of the Remuneration Committee are set out on the Company’s website and the website of The Stock Exchange. The primary duty of the Remuneration Committee is to make recommendations to the Board regarding the Group’s policy and structure for remuneration of Directors and senior management and to determine the specific remuneration packages of Directors and senior management of the Company. As at the date of this annual report, the Remuneration Committee comprises three members, namely Mr. Li Zhongfei (chairman), Mr. Zhao Jinsong and Mr. Liu Chengwei.

Under the Group’s remuneration policy, the remuneration of the Directors and senior management is determined with reference to their responsibilities, workloads, individual performance, the time devoted to the Group and the performance of the Group. The Remuneration Committee also ensures that no individual will be involved in determining his or her own remuneration.

During the Year, one meeting of the Remuneration Committee were held to making recommendation to the Board on the remuneration packages of individual Directors and senior management. Details of the Directors’ remuneration for the Year were set out in note 10 to the consolidated financial statements. There were no new shares schemes nor material matters relating to the Share Option Scheme during the Year.

The remuneration for the Director comprises Directors’ fees, salaries, allowances and benefits, equity-settled share options expenses and retirement scheme contributions. Salary adjustments are made where the Remuneration Committee takes into account the performance, contribution and responsibilities of the individual. Apart from basic salary, executive Directors and employees are eligible to receive a discretionary bonus taking into account factors such as market conditions as well as corporate and individual’s performance during the Year.

### Nomination Committee

The Company established the Nomination Committee with terms of reference adopted on 31 July 2014 with terms of reference aligned with the Code Provision as set out in Appendix 15 of the GEM Listing Rules. Details of the terms of reference of the Nomination Committee are set out on the Company’s website and the website of The Stock Exchange. The primary function of the Nomination Committee is to make recommendations to the Board regarding the appointment of Directors and candidates to fill vacancies on the Board. As at the date of this annual report, the Nomination Committee comprises three members, namely Mr. Song Xiaoming (chairman), Mr. Li Zhongfei and Mr. Zhao Jinsong.

During the Year, one Nomination Committee Meeting are held to review the structure, size and composition (including the skills, knowledge and experience) of the Board, assess the independence of independent non-executive Directors and make recommendations to the Board on the appointment of new Directors and composition of the Board Committees.





## CORPORATE GOVERNANCE REPORT – CONTINUED

In considering the nomination of new Directors, the Company has proposed the candidate to the Nomination Committee which reviewed and made a recommendation to the Board based on the expertise, skills and experience of the candidate appropriate to the requirements of the business of the Company. The composition of the Board has a significant element of diversity in terms of skills, regional and industry experience and background.

The Board is of the view that the Nomination Committee had properly discharged its duties and responsibilities during the Year and up to the date of this report.

### COMPANY SECRETARY

Ms. Li Yan was appointed as Company Secretary with effect from 1 February 2022. Company Secretary is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the Company Secretary is responsible for facilitating communications among Directors as well as with management.

She holds a bachelor's degree in Accountancy from Macquarie University. Ms. Li is also a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Prior to joining the Company, Ms. Li had worked for an international accounting firm and as an internal auditor, financial controller and company secretary for a number of listed companies in Hong Kong with over 10 years of experience in accounting, auditing, finance and company secretarial matters.

During the year ended 31 March 2025, the Company Secretary has undertaken more than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

### SENIOR MANAGEMENT REMUNERATION

The remuneration of the members of the senior management excluding Directors of the Group by the band for the Year and the year ended 31 March 2023 are set out as below:

	2025 Number of individuals	2024 Number of individuals
HK\$2,000,001 to HK\$3,000,000	–	1
HK\$1,000,001 to HK\$2,000,000	–	1
Nil to HK\$1,000,000	3	1
	<b>3</b>	<b>3</b>

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its duty to monitor the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material misstatement, errors, losses, fraud and non-compliance.



## CORPORATE GOVERNANCE REPORT – CONTINUED

Reference is made to the announcement of the Company dated 5 February 2025 regarding further information on the financial results for the year ended 31 March 2024 sets out in detail and the background of a discloseable and continuing connected transaction in relation to provision of loans and advance to an entity (the “**Matter**”). Due to an inadvertent omission by the Company, the Company did not announce the transactions in a timely manner in accordance with the requirements of the GEM Listing Rules. The management of the Group is highly concerned of the Matter and carried out a self-review throughout the Group and assigned more experienced staff in the preparation of financial statements and the supervision of the Company’s internal control. The management is determined to strengthen and improve the internal control system to avoid the occurrence of the same incident in the future.

Subsequently, the Company made an announcement on strengthening internal controls on 20 March 2025 to to strengthen and rectifying the internal controls by the proposing and adopting a series of measures as follows:

- (i) The Company has set up a team integrates compliances, internal control and financial reporting staff on 21 February 2025 which responsible for formulating the financial operational and compliance control measures and reviewing, on a regular basis, the effectiveness of such control measures to ensure they are updated on meet the financial, operational and regulatory needs and requirement of the Group;
- (ii) a revamped and strengthen written whistle-blowing system has been circulated to the Board and all staff of the Company. Internal control staff provided a brief explanation to the entire company regarding the reporting procedures for compliance violations/suspicious activities on 21 February 2025. Any suspicious activities shall be reported to and investigated by staff assigned by independent non-executive Directors which is accountable to the Board and the Audit Committee. This system enables the Company to identify, monitor, report and follow-up with any suspicious activities that may involve dishonesty or fraud that are or may be encountered by the Group on a regular basis;
- (iii) an integrated financial reporting workflow is currently being discussed and development by the management which aims to effectively manage and oversee the internal accounting and financial reporting of the Group and to eliminate any risk that may be brought about by financial reporting fraud; an enhanced financial reporting workflow has been presented to the Board and the Board has agreed to roll-out the financial reporting workflow on 21 February 2025;
- (iv) Directors, senior management and accounting staff of the Group were invited to a training focused on the GEM Listing Rules and reporting procedures of connected transactions and notifiable transactions has been carried out on 11 March 2025; the Company will periodically provide training on laws and regulations to the aforementioned individuals, i.e. quarterly;
- (v) with reference to the latest published financial statements, the financial controller and company secretary of the Company determined the monetary threshold for identifying and potential events with disclosure obligations pursuant to the GEM Listing Rules on a quarterly basis. The financial department, all senior management of each department of the Company and the Board agreed on the monetary threshold. Any transactions not entered into in the ordinary and usual course of business shall be compared with the monetary threshold;



## CORPORATE GOVERNANCE REPORT – CONTINUED

- (vi) material transactions conducted by the Group were first reviewed by the internal control staff and then submitted to the financial controller to determine whether any of the transactions constitute a discloseable event under the GEM Listing Rules before being conducted. Reference was made to the announcement of the Company dated 10 June 2025, the Group has entered into a connected transaction where the transaction was reviewed by internal control staff and the financial controller has reported the connected transaction to the Board immediately to discuss before the transaction was entered;
- (vii) the accounting department would not process any payments to be made by the Group in respect of the material transactions without getting confirmations from the internal control staff and financial controller that such transactions were in compliance with the relevant GEM Listing Rules;
- (viii) meeting between internal staff, subsidiaries, internal legal staff, account staff and company secretary was held for every 2 months to discuss any of the possible transactions that will bring to the attention to the Board. The internal control staff has sample-checked on transactions conducted by the Group and no irregularity report as presented to the Board on 11 March and 27 June 2025. The Group designated internal control staff to its operating subsidiaries, the internal control staff reviewed the material transactions and performed regular sample-check on the transactions conducted by the Group. The internal control staff made quarterly report to the financial controller, who also made report to the Directors for discussion on regular basis.

The Board, through the Audit Committee, has reviewed effectiveness of both design and implementation of the risk management and internal control system of the Group for the Year, covering all material controls, including financial, operational and compliance controls. Such review will be made at least annually to monitor the adequacy and the effectiveness of the risk management and internal control system of the Group. In this respect, the Audit Committee communicates any material issue to the Board.

The Group has not established a standalone internal audit department. However, the Board has put in place adequate measures and assigned an internal control staff with sufficient accounting, financial and compliance experience to perform the internal audit function in relation to different aspects including (i) the Board has established formal policies to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the GEM Listing Rules and all relevant laws and regulations; and (ii) the Group engaged an independent consultant to perform an internal review on certain scope covered major operational, financial and compliance controls, as well as risk management functions of different systems been performed on a systematic rotational basis on the risk assessment of the operations and controls. The internal audit review report is submitted to the Audit Committee for review. Saved as the Matter mentioned above, there was no major issues with the internal control systems have been identified during the Year.

The Group considers that the existing organisation structure and close supervision by management and the abovementioned engagement of the independent consultant can maintain sufficient risk management and internal control of the Group. The Board will review the need to set up an internal audit function by assessing the size, nature and complexity of the business of the Group from time to time and may set up an internal audit team if the need arises.



## CORPORATE GOVERNANCE REPORT – CONTINUED

### Inside information policy

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with the aim to ensure the insiders are abiding by the confidentiality requirement and are fulfilling the disclosure obligation of the inside information.

The policy provides guidelines on the reporting system and handling procedures of potential inside information. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. Only designated staff are allowed to access the inside information. Information contained in announcements are reviewed and approved by the senior management of the Group to ensure that no false or misleading information presents. In case the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would disclose the information to the public as soon as reasonably practicable.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR AND INVESTOR RELATIONS

The Company uses two-way communication channels to shareholders and investors for the performance, business and strategies of the Company. In order to maintain good and effective communication, the Company together with the Board extend their invitation to all shareholders and encourage them to attend the forthcoming AGM and all future general meetings at which Directors are available to answer questions on the business. The Company has adopted the shareholders' communication policy with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company (including the financial performance, strategic goals and plans, material development, governance and risk profiles). Extensive information about the Group's activities is provided in its annual report, interim report and quarterly reports which are sent to shareholders and investors. The Company's announcements, press releases and publications are published and available on the GEM website and on the Company's website at [www.greatwalle.cn](http://www.greatwalle.cn).

To promote the effective communication, the Company maintains the website at [www.greatwalle.cn](http://www.greatwalle.cn), where up-to-date information of the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Latest information on the Group including annual and interim reports, announcements and other corporate communications will be updated on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website in a timely fashion.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy including steps taken at the general meetings, the handling of queries received (if any) and the channel of communication and engagement in place and considered that the shareholders' communication policy has been properly implemented during the Year under review and is effective.

### SHAREHOLDERS' RIGHTS

#### Procedures for convening general meetings by shareholders

The general meeting of the Company provides an opportunity for communication between the Shareholders and the Board. Pursuant to Article 64 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting (the "EGM").



## CORPORATE GOVERNANCE REPORT – CONTINUED

EGMs shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Procedures for putting forward proposals at shareholders' meetings

Shareholders can also send enquiries and proposals to be put forward at general meetings for shareholders' consideration to the Board or Company Secretary by mail to the headquarters of the Company at Unit 3502, 35/F., Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

### Procedures for shareholders nomination of Directors

Pursuant to article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company. The period for lodgement of the notices required under the Articles will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than fourteen days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least fourteen days.

### Information disclosure

The Company discloses information in compliance with the securities regulations of the Stock Exchange, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. Our primary focus is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public, to make rational and informed decisions.

### Shareholders' enquiries

For matters in relation to the Board, all enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificate or dividends warrant, the registered shareholders of the Company can contact the branch registrar and transfers in Hong Kong.

## CONSTITUTIONAL DOCUMENTS

There has been no significant change in the Company's constitutional documents during the Year.





## BIOGRAPHIES OF DIRECTORS

As at the date of this annual report, the biographies of Directors are set out as below:

### EXECUTIVE DIRECTORS

**Mr. Song Xiaoming** (“**Mr. Song**”), aged 51, was appointed as an executive Director on 6 August 2019. He is also the chairman of the Board and controlling shareholder of the Company and the chairman of Nomination Committee of the Company. Mr. Song is the founder of Shenzhen Great Walle Capital Management Co., Ltd.\* (深圳長城匯理資產管理有限公司), a company incorporated in May 2013 and principally engaged in the provision of asset management service. In 2015 it became a subsidiary of Shenzhen Great Walle Investment Corp., Ltd.\* (深圳長城匯理投資股份有限公司) (“**Great Walle Investment**”), one of the controlling shareholders of the Company. Since June 2015, Mr. Song has become the director of Walle Holding Limited, one of the controlling shareholders of the Company. He has been the chief executive officer of Shenzhen Great Walle Capital Management Co., Ltd. since May 2013 and the president of Great Walle Investment since July 2015.

Mr. Song graduated from Sun Yat-sen University with a bachelor degree in economics in June 1997 and obtained an executive master of business administration degree from Tsinghua University, the PRC in January 2014. In June 2021, he obtained an executive master of business administration degree from Singapore Management University.

Mr. Song is the elder brother of Ms. Song, an executive Director.

**Ms. Song Shiqing** (“**Ms. Song**”), aged 35, was appointed as an executive Director, the compliance officer and an authorised representative of the Company on 25 August 2020. She joined Great Walle Investment, one of the controlling shareholders of the Company in July 2015 and holds the position of supervisor at Great Walle Investment since. Currently she is the director of certain subsidiaries of the Company. Ms. Song was a director of Star Lake Bioscience Co., Inc. Zhaoqing Guangdong (the shares of which are listed on the Shanghai Stock Exchange, stock code: 600866) from August 2020 to September 2021. She was an editor for CCTV-2 (Business Channel) from May 2012 to July 2014. Ms. Song obtained a master degree of business administration from Sun Yat-sen University in 2019.

Ms. Song is the younger sister of Mr. Song.

**Mr. Su Congyue** (“**Mr. Su**”), aged 54, was appointed as an executive Director on 22 July 2022. Since November 2015, Mr. Su worked in Great Walle Investment as director and the deputy general manager. From October 2018 to May 2022, Mr. Su worked in Shenzhen Guanhui Jiye Property Management Limited\* (深圳冠輝基業物業管理有限公司), a subsidiary of the Company, as an executive manager. Mr. Su commenced his career in China Southern Airlines in July 1994 and subsequently held senior executive position thereto until November 2015.

Mr. Su obtained a degree of master of business administration in the City University of Seattle (formerly known as City College) in December 2005 and obtained a degree of bachelor of politics in Jilin University\* (吉林大學) in July 1994.

\* For identification purpose only



## BIOGRAPHIES OF DIRECTORS – CONTINUED

### NON-EXECUTIVE DIRECTOR

**Mr. Lam Wing Yiu (“Mr. Lam”)**, aged 46, was appointed as a non-executive Director on 27 June 2024. He has over 15 years of experience in credit control and risk management. Mr. Lam is currently the head of credit and risk control department of Emperor Capital Group Limited (stock code: 717). Prior to that, Mr. Lam worked with Yuanta Securities (Hong Kong) Company Limited with the title of associate director and head of credit control department. He had various positions related to credit control and risk management in financial institutions including Industrial Securities (HK) Financial Holdings Company Limited, BOCOM International Holdings Company Limited and Core-Pacific Yamaichi International (H.K.) Limited. Mr. He is currently a certified Financial Risk manager (FRM). Since 19 May 2023, Mr. Lam served as a non-executive Director of Chinlink International Holdings Limited. Since September 2024, Mr. Lam served as a non-executive Director of Elegance Optical International Holdings Limited (stock code: 907).

Lam received his Bachelor of Commerce in Finance and Economics from University of Wollongong and his Master of Commerce in Fund Management from University of New South Wales.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Li Zhongfei (“Mr. Li”)**, aged 61, was appointed as an independent non-executive Director on 12 July 2018. He is also the chairman of the Remuneration Committee of the Company and a member of the Audit Committee and Nomination Committee of the Company. He is currently a chair professor of Department of Finance of College of Business of Southern University of Science and Technology and director of the Center for Financial Engineering and Risk Management of Sun Yat-sen University in the PRC.

Mr. Li obtained a bachelor of science from Lanzhou University in the PRC in July 1985, and then a master of science from Inner Mongolia University in the PRC in June 1990. He further obtained a Ph.D. in Management from the Academy of Mathematics and Systems Science of the Chinese Academy of Science in the PRC in August 2000.

**Mr. Zhao Jinsong (“Mr. Zhao”)**, aged 49, was appointed as an independent non-executive Director on 12 July 2018. He is also the chairman of the Audit Committee of the Company and a member of the Nomination Committee and Remuneration Committee of the Company. He worked in 中華人民共和國審計署駐深圳特派員辦事處 (Shenzhen Branch, National Audit Office of the People's Republic of China\*) from July 2000 to June 2017, and his last position was the Commissioner of that office.

Mr. Zhao obtained a bachelor's degree in International Finance from Sun Yat-sen University in the PRC in June 1997. He further obtained a master of Finance degree from Sun Yat-sen University in the PRC in June 2000. Mr. Zhao was accredited as a member of The Association of Chartered Certified Accountants in November 2006, a fellow member of The Association of Chartered Certified Accountants in April 2012 and was granted the designation of Financial Risk Manager from the Global Association of Risk Professionals in March 2017.

**Mr. Liu Chengwei (“Mr. Liu”)**, aged 47, was appointed as an independent non-executive Director on 10 September 2021, he is also a member of Nomination Committee and Remuneration Committee. Mr Liu, is a professor, doctoral supervisor and deputy dean at the College of Comparative Law of China University of Political Science and Law. Mr. Liu obtained a bachelor of law degree from Hunan University in July 1999 and a master of law degree from Northwest University of Political Science and Law in June 2002, and then subsequently obtained a doctorate of law degree from the Institute of Law of Chinese Academy of Social Sciences in June 2005.

\* For identification purpose only



## REPORT OF THE DIRECTORS

The Board is pleased to present the annual report together with the audited consolidated financial statements for the Year.

### PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company is located at Unit 3502, 35/F., Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company and its subsidiaries are set out in notes 1 and 26 to the consolidated financial statements respectively.

### BUSINESS REVIEW

The business review of the Group for the Year and discussion on the Group's future business development are set out in the section headed "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" on page 4 and pages 5 to 12 respectively in this annual report. The description of key risks and uncertainties facing the Group and financial risk management and fair value measurement are set out in this Directors' Report on pages 30 to 45 in this annual report and note 3 to the consolidated financial statements. These discussion forms an integral part of this Report of the Directors.

### RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Group as at 31 March 2025 are set forth in the consolidated financial statements on pages 52 to 54 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2024: nil).

### FIVE YEARS FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years are set out on page 114.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group realises the importance of environmental protection in pursuing long-term sustainability. The Group is committed to improving environmental sustainability and will closely monitor its performance. In accordance with Appendix 20 to the GEM Listing Rules, the Company's environmental, social and governance report will be available on its website at the same time of publication of this annual report.

### LITIGATIONS

Save as disclosed below, to the best of the knowledge and belief of the Directors, the Group had not been involved in any significant legal proceedings and there are no significant legal proceedings or claims pending or threatened against the Group.



## REPORT OF THE DIRECTORS – CONTINUED

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Directors are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year and up to the date of this annual report, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

### KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

#### Employees

The Group has maintained a good relationship with employees. In addition, the Group offers employees competitive salaries, bonuses and other cash subsidies. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of employees, which forms the basis of the decisions with respect to salary increments, bonuses and promotions.

#### Customers

The Group has established stable relationship with its customers in the PRC. The Group's clients ranged from state-owned enterprises and property management companies. The Group maintains a database of customers that facilitate contact with them and is dedicated to providing quality services to them. The Group invites comments from its customers on the services it provided and follows up on their comments seriously and proactively. The Directors believe that quality of services is the key to retaining its customers and stable and continuous relationships have contributed to the success of the Group with a solid recurrent income base.

#### Suppliers

The Group's business nature is a service-oriented industry, apart from individual persons as security guards, the Group carefully evaluates the performance of individuals. The Group also stays connected with its suppliers and has ongoing communication with its suppliers through various channels such as telephone, electronic mail and physical meetings to obtain their feedback and suggestions.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.



## REPORT OF THE DIRECTORS – CONTINUED

### KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group.

#### Uncertain external factors

The Group's operations are located in the PRC and uncertain external factors including the possible downturn in the economy in the PRC may materially and adversely affect the Group's performance. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

#### Manpower and retention risk

Security guarding and property management is a labour-intensive industry, and labour turnover in this industry is relatively high. The management policy to mitigate this risk is to diversify the Group's businesses e.g. expanding its Security Guarding, Property Management and Human Resources Services in different provinces and customers with various backgrounds.

Furthermore, asset management in the PRC is a highly competitive industry, the Group may face the risk of not being able to attract and retain personnel and talents with appropriate and required skills, experience and competence. Management will closely monitor the manpower turnover rate and design effective measure pertaining to human resources. More incentive scheme or attractive remuneration package will also be considered where necessary.

#### Financial risks

Details of financial risks are set out in note 3 to the consolidated financial statements.

### CHARITABLE DONATIONS

The Group did not made any charitable donations during the Year (2024: nil).

### EMOLUMENTS POLICY FOR DIRECTORS

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Director of the Group. The remuneration of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

### SHARE CAPITAL AND SHARE PREMIUM

The Company's total issued share capital as at 31 March 2025 was 581,442,248 ordinary shares of the Company (the "Shares") of HK\$0.01 each.

Details of movements of the share capital and the share premium of the Company during the Year are set out in the notes 19 and 20 to the consolidated financial statements, respectively.



## REPORT OF THE DIRECTORS – CONTINUED

### EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed “Share Option Scheme”, no equity-linked agreement was entered into by the Company during the Year.

### DIVIDEND

The Board did not recommend payment of final dividend to shareholders of the Company for the Year (2024: nil).

### PERMITTED INDEMNITY CLAUSE

The Company has arranged for appropriate insurance coverage for Directors’ and officers’ liabilities in respect of legal actions against its Directors and senior management arising from corporate activities. Such permitted indemnity provision has been in force throughout the Year and at the time of approval of this annual report.

Pursuant to the Articles, every Director shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

### MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the Year.

### DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save for the disclosed under the sections headed “Related Party Transactions” below and the related party transactions disclosed in note 29 to the consolidated financial statements, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest directly or indirectly subsisted at the end of the Year or at any time during the Year and no contract of significance has been entered into during the Year between the Company or any of its subsidiaries and the controlling shareholders or any its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into during the Year.

### DIRECTORS

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

#### Executive Directors

Mr. Song Xiaoming (*Chairman*)  
Ms. Song Shiqing  
Mr. Su Congyue





## REPORT OF THE DIRECTORS – CONTINUED

### Non-executive Director

Mr. Chung Man Lai (*Resigned on 27 June 2024*)

Mr. Lam Wing Yiu (*Appointed on 27 June 2024*)

### Independent Non-executive Directors

Mr. Li Zhongfei

Mr. Zhao Jinsong

Mr. Liu Chengwei

Mr. Chung Man Lai has confirmed that he has no disagreement with the Board and that there is no matter relating to his resignation which needs to be brought to the attention of the Stock Exchange or the Shareholders.

In accordance with Article 108(a) of the Articles, Ms. Song Shiqing, Mr. Su Congyue and Mr. Li Zhongfei will retire by rotation, and being eligible, offer themselves for re-election as Directors at the Company's forthcoming AGM.

### EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors of the Group. The remuneration of the Directors is determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

Details of the emoluments of the Directors and the five highest paid individuals of the Group during the Year are set out in note 10 to the consolidated financial statements.

Since 23 June 2021, two Directors, namely Mr. Song Xiaoming and Ms. Song Shiqing waived their Directors' fee. During the Year, Mr. Song Xiaoming and Ms. Song Shiqing have waived their Directors' fee of HK\$450,000, HK\$360,000 respectively. Except for the above, there was no arrangement under which a Director waived or agreed to waive any remuneration during the Year.

### SUFFICIENCY OF PUBLIC FLOAT

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

### RESERVES

Details of movements of reserves of the Group are set out in the consolidated statement of changes in equity on page 55.

As at 31 March 2025, the capital deficiency of the Company available for distribution, as calculated under the provisions of Cayman Islands' legislation, were approximately HK\$58 million (2024: the capital deficiency of the Company available for distribution of approximately HK\$51 million).



## REPORT OF THE DIRECTORS – CONTINUED

### PRE-EMPTIVE RIGHTS

There are no provisions for the pre-emptive rights under the Articles and the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

### DIRECTORS' SERVICE CONTRACTS

Each of the existing executive Directors has entered into a service contract with the Company for a term of three years commencing from the date of the appointment and thereafter shall continue year to year, unless terminated subject to termination provisions. Each of the existing independent non-executive Directors has entered into a service contract with the Company for a term of three years unless terminated by not less than three months' notice in writing served by either party on the other. Non-executive Director has entered into a service contract with the Company for for a term of three years and thereafter shall continue year to year unless terminated by not less than one month's notice in writing served by either party on the other.

No director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Each of the executive Directors shall also be entitled to a discretionary bonus to be determined by the Board based on, among other things, the performance of the individual directors and the overall financial position of the Group, and is subject to the recommendation of the Remuneration Committee.

### RELATED PARTY TRANSACTION

Details of related party transactions undertaken in the normal course of business of the Group are set out in note 29 to the consolidated financial statements. None of these transactions with the related parties of the Group carried out during the Year constituted non-exempted connected transactions or continuing connected transactions under Chapter 20 of the GEM Listing Rules, which require disclosure in the annual report. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

### CONNECTED TRANSACTIONS

Apart from the connected transaction and its respective remedial measures as disclosed in the section headed "RISK MANAGEMENT AND INTERNAL CONTROL" in corporate governance report in this annual report. The Group did not enter into any connected transactions or continuing connected transaction under Chapter 20 of the GEM Listing Rules which require disclosure in this annual report.

Save as disclosed in the annual report, the Directors consider that those related party transactions disclosed in note 29 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirement under the GEM Listing Rules.

### SUBSIDIARIES

Particulars of the Company's principal subsidiaries during the Year are set out in note 26 to the consolidated financial statements.



## REPORT OF THE DIRECTORS – CONTINUED

### SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Share Option Scheme**”) on 31 July 2014. In line with the amended Chapter 23 of the GEM Listing Rules, a summary of the terms of the Share Option Scheme are set out below:

**(a) Purpose**

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable to the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity which is an associated company of any member of the Group.

**(b) Qualifying participants**

The Directors shall, in accordance with the provision of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer to any employee (whether full time or part time, including the Directors (including any executive Director and non-executive Director and independent non-executive Director)) of the Company, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group.

**(c) Total number of Shares available for issue under the Share Option Scheme and percentage to the issued share capital as at the date of this report**

58,144,224 shares (approximately 10% of the total issued share capital as at the date of this annual report).

**(d) Maximum entitlement of each participant under the Share Option Scheme**

Not exceeding 1% of the issued share capital of the Company for the time being in any 12-month period. Any further grant of options in excess of such limit must be separately approved by the Company’s shareholders in general meeting.

**(e) The period within which the Shares must be taken up under an option**

A period (which may not expire later than 10 years from the date of offer of that option) to be determined and notified by the Directors to the grantee thereof.

**(f) The minimum period for which an option must be before it can be exercised**

Unless otherwise determined by the Directors, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

## REPORT OF THE DIRECTORS – CONTINUED

### (g) The amount payable on application or acceptance of the option and the period within which payments or calls must or made be made

A remittance in favour of the Company of HK\$1.00 on or before the date of acceptance (which may not be later than 21 days from the date of offer).

### (h) The basis of determining the exercise price

Being determined by the Directors and being not less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and
- (iii) the nominal value of the Shares on the date.

### (i) The remaining life of the Share Option Scheme

The Share Option Scheme is valid and effective for a period of 10 years commencing on 13 August 2014 (being the date of adoption of the Share Option Scheme).

The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme during the Year are set out as follows:

Name or category of grantees	Exercise price per share on or after 2 August 2021 (HK\$)	Date of grant (Note 1)	Exercisable period (Note 2)	Number of share options					Balance outstanding as at 31 March 2025
				Balance outstanding as at 1 April 2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	
Directors									
Mr. Li Zhongfei	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	–	–	–	–	186,578
	0.445	18 April 2019	18 April 2019 to 7 April 2029	17,194	–	–	–	–	17,194
Mr. Zhao Jinsong	1.1170	14 December 2018	14 December 2018 to 13 December 2028	186,578	–	–	–	–	186,578
	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	–	–	–	–	17,194
Mr. Su Congyue	0.445	18 April 2019	18 April 2019 to 17 April 2029	2,534,256	–	–	–	–	2,534,256

## REPORT OF THE DIRECTORS – CONTINUED

Name or category of grantees	Exercise price per share on or after 2 August 2021 (HK\$)	Date of grant (Note 1)	Exercisable period (Note 2)	Number of share options					Balance outstanding as at 31 March 2025
				Balance outstanding as at 1 April 2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	
<b>Former Directors</b>									
Ms. Guan Yan	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	–	–	–	–	186,578
	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	–	–	–	–	17,194
Mr. Hon Hoi Chuen	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	–	–	–	–	1,865,788
	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	–	–	–	–	668,467
Mr. Li Mingming	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	–	–	–	–	1,865,788
Ms. Pang Xiaoli	0.445	18 April 2019	18 April 2019 to 17 April 2029	410,653	–	–	–	–	410,653
<b>Employee of the Group</b>									
In aggregate	0.445	18 April 2019	18 April 2019 to 17 April 2029	119,938	–	–	–	–	119,938
	0.2242	11 October 2021	11 October 2021 to 10 October 2026	33,235,133	–	–	–	–	33,235,133
				41,311,339	–	–	–	–	41,311,339

- Notes: 1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. All the share options granted have no vesting period or vesting condition.

## REPORT OF THE DIRECTORS – CONTINUED

3. The fair values of the share options granted on 11 October 2021, 5 September 2019, 18 April 2019 and 14 December 2018 respectively under the Scheme were determined using the binomial option pricing model. Significant inputs into the model and assumptions were as follows:

Parameter	11 October 2021	5 September 2019	18 April 2019	14 December 2018
Share price on date of grant ( <i>note 1</i> )	HK\$0.201	HK\$0.147*	HK\$0.0900*	HK\$0.260*
Exercise price ( <i>note 2</i> )	HK\$0.2242	HK\$0.147*	HK\$0.0904*	HK\$0.265*
Risk-free rate	0.78%	1.52%	1.71%	2.27%
Expected option life	5 years	2 years	10 years	10 years
Expected volatility	107%	97%	106%	104%
Early exercise behavior (of the exercise price)	N/A	N/A	N/A	N/A

\* Before adjustment of share consolidation and rights issue.

*Note 1:* The price of the Shares disclosed as immediately preceding the grant date of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options.

The expected volatility represents the historical volatility of the share price of the ordinary shares of the Company.

The share options and weighted average share price are summarised as follows for the reporting periods presented:

	Number of share options HK\$'000	Weighted average exercise price HK\$'000
<b>Outstanding at 1 April 2023</b>	45,833,329	0.411
Lapsed during the year	(4,571,990)	1.037
<b>Outstanding at 31 March 2024 and 2025</b>	41,311,339	0.342

The share options outstanding at 31 March 2025, which are all exercisable.

At the end of the reporting period, the Company had 41,311,339 (2024: 41,311,339) share options outstanding under the Scheme which representing approximately 7.10% (2024: 7.10%) of the Company's shares in issue as at 31 March 2025. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 41,311,339 (2024: 41,311,339) additional ordinary shares of the Company and additional share capital of HK\$2,066,000 (2024: HK\$2,066,000) and share premium of HK\$12,073,000 (2024: HK\$12,073,000) (before issue expenses).

Subsequent to the end of the reporting period, no share options was exercised.

At the date of approval of these consolidated financial statements, the Company has 41,311,339 share options outstanding under the Scheme, which represented approximately 7.10% of the Company's share in issue as at that date.



## REPORT OF THE DIRECTORS – CONTINUED

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

### DISCLOSURE OF INTERESTS

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

As at 31 March 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rule 5.46 to 5.68 of the GEM Listing Rules (the “**Required Standard of Dealings**”), were as follows:

#### Long position in the Shares and underlying Shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary Shares held/interested in	Number of underlying Shares held/interested in pursuant to share options	Approximate percentage of the total number of issued Shares of the Company
Mr. Song	Interests in a controlled corporation	433,555,955(L) <sup>(Note 1)</sup>	–	74.57%
Mr. Su	Beneficial owner	–	2,534,255(L) <sup>(Note 2)</sup>	0.4%
Mr. Li Zhongfei	Beneficial owner	–	203,772(L) <sup>(Note 2)</sup>	0.04%
Mr. Zhao Jinsong	Beneficial owner	–	203,772(L) <sup>(Note 2)</sup>	0.04%

(L) represents a long position in the Shares

#### Notes:

1. According to information available to the Company:

(a) 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.

(b) Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited\*) (“**Nansha Huiming**”).

\* For identification purpose only



## REPORT OF THE DIRECTORS – CONTINUED

- (c) Nansha Huiming is held as to 99.99% by 深圳匯理九號投資諮詢企業（有限合夥）(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership\*) (“**Huili Jiu Hao Investment**”) and as to 0.0008% by Mr. Song.
  - (d) Huili Jiu Hao Investment is held as to 99.99% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd\*) (“**Great Walle Investment**”).
  - (e) Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務有限公司 (Shenzhen HongDe Commercial Services Corporation Limited\*)).
  - (f) As such, each of Nansha Huiming, Huili Jiu Hao Investment, Great Walle Investment and Mr. Song is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under the SFO.
  - (g) 249,090,909 Shares are held by Walle Holding Limited in the capacity of beneficial owner. Walle Holding Limited is wholly-owned by Mr. Song. As such, Mr. Song is deemed to be interested in 249,090,909 Shares held by Walle Holding Limited under SFO.
2. These long positions represent in the share options granted by the Company under the Share Option Scheme. For details, please refer to the section headed “SHARE OPTION SCHEME” in this annual report.

Save as disclosed above, as at 31 March 2025, none of the Directors or the chief executive had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred in Rule 5.46 to 5.67 of the GEM Listing Rules.

### Long positions in the interest in the associated corporations

As at 31 March 2025, the Directors and chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange to the required standard of dealings were as follows:

## REPORT OF THE DIRECTORS – CONTINUED

Name of Directors	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/interested	Approximate percentage of total number of issued shares of the Associated Corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	Nansha Huiming	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	Huili Jiu Hao	Interest in a controlled corporation	990,000 <i>(Note)</i>	99.0000%
	Great Walle Investment	Beneficial owner	3,828,902	68.9039%
		Interest in a controlled corporation	1,222,486	21.9995%
Mr. Su	Great Walle Investment	Beneficial owner	18,523	0.3333%

*Note:* The associated corporation is a limited partnership with no share description or shares. The total number of shares represented the amount of capital contributed.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings.

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS IN SECURITIES OF THE COMPANY

As at 31 March 2025, persons (other than a director or chief executive of the Company) who had or were deemed to have interests or short positions in the Shares and underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group were as follows:

## REPORT OF THE DIRECTORS – CONTINUED

### Long positions in the Shares and underlying Shares of the Company

Name of substantial shareholders	Capacity/Nature of interests	Number of Shares held/interested in	Approximate percentage of the total number of issued Shares of the Company
Greatwalle Holding Limited	Beneficial owner	184,465,046(L)	31.73%
Nansha Huiming	Interest of corporation controlled by substantial shareholder <i>(Note)</i>	184,465,046(L)	31.73%
Huili Jiu Hao	Interest of corporation controlled by substantial shareholder <i>(Note)</i>	184,465,046(L)	31.73%
Great Walle Investment	Interest of corporation controlled by substantial shareholder <i>(Note)</i>	184,465,046(L)	31.73%
Walle Holding Limited	Beneficial owner	249,090,909(L)	42.84%

(L) represents a long position in the Shares

*Note:* According to information available to the Company:

- (a) 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
- (b) Greatwalle Holding Limited is wholly-owned by Nansha Huiming.
- (c) Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and so as to 0.0008% by Mr. Song.
- (d) Huili Jiu Hao Investment is held as to 99.99% by Great Walle Investment.
- (e) As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under SFO.

Save as disclosed above, as at 31 March 2025, the Company had not been notified of other interests or short positions of substantial shareholders or any other person (other than the Directors, and chief executives of the Company) in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.



## REPORT OF THE DIRECTORS – CONTINUED

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's five largest customers accounted for approximately 52.9% (2024: approximately 68.1%) of the total revenue of the Group and the largest customer of the Group accounted for approximately 35.9% (2024: approximately 25.5%) of the total revenue.

During the Year, the Group's five largest suppliers accounted for approximately 15.6% (2024: approximately 9.3%) and the largest supplier of the Group accounted for approximately 8.7% (2024: approximately 2.9%) of the total cost of service rendered.

None of the Directors, their close associates, or any shareholder of the Company (which to the knowledge of the Directors own 5% or more of the Company's total number of issued shares) had any interest in the Group's five largest customers and suppliers.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the section headed "SHARE OPTION SCHEME" disclosed above, 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 associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### INTERESTS IN COMPETING BUSINESS

During the year ended 31 March 2025, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

### AUDITORS

The consolidated financial statements of the Company for both year ended 31 March 2025 and 2024 have been audited by Linksfeld CPA Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM of the Company. A resolution for re-appointment of Linksfeld CPA Limited is to be proposed at the forthcoming AGM.

### AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the Audit Committee with written terms of reference aligned with the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee comprises Mr. Zhao Jinsong (chairman of the Audit Committee), Mr. Li Zhongfei and Mr. Liu Chengwei all of which are independent non-executive Directors.

The Audit Committee had reviewed the audited annual result of the Group for the Year, and was of the opinion that the audited consolidated financial statements had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.



## REPORT OF THE DIRECTORS – CONTINUED

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) Reference is made to the announcement made by the Company on 10 June 2025, subsequent to the year ended 31 March 2025, a subsidiary of the Company has entered into a connected transaction in relation to the provision of asset management service agreement to a company substantially hold by the chairman of the board and an executive director of the Company for a term of one year commencing from 10 June 2025 to 9 June 2026 for the consideration of RMB6.0 million.
- (ii) Subsequent to 31 March 2025, the Group reached a settlement with a creditor regarding the outstanding balance of approximately HK\$437,000, and on 22 April 2025, the creditor has withdrawn the winding-up petition against the Company.

Save as disclosed herein, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this annual report.

On behalf of the Board  
**Song Xiaoming**  
*Chairman and Executive Director*

Hong Kong, 27 June 2025





## INDEPENDENT AUDITOR'S REPORT



**LINKSFIELD**  
CPA LIMITED

LINKSFIELD CPA LIMITED  
金道連城會計師事務所有限公司  
Room 2001-02, 20/F., Podium Plaza, 5 Hanoi Road,  
Tsim Sha Tsui, Hong Kong  
香港尖沙咀河內道5號普基商業中心20樓2001-02室

### TO THE SHAREHOLDERS OF CENTURY PLAZA HOTEL GROUP

*(Incorporated in the Cayman Islands with limited liability)*

#### OPINION

##### What we have audited

The consolidated financial statements of Century Plaza Hotel Group (the “Company”) and its subsidiaries (the “Group”) set out on pages 52 to 113, which comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

##### Our opinion

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 Standards (“HKFRSs”) 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 (“HKSA”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

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.



## INDEPENDENT AUDITOR'S REPORT – CONTINUED

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

As set out in Note 2.1 to the consolidated financial statements, the Group reported a net operating cash outflow of approximately HK\$12,681,000 for the year ended 31 March 2025. A winding-up petition was presented by a creditor to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region on 20 March 2025 in an aggregate amount of approximately HK\$437,000. These conditions, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about 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 judgment, 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 matters identified in our audit are summarised as follows:

- Impairment for trade receivables; and
- Impairment for other receivables.



## INDEPENDENT AUDITOR'S REPORT – CONTINUED

### Key Audit Matters

#### Impairment for trade receivables

Refer to Note 3.1(b), Note 4(b) and Note 17 to the consolidated financial statements.

As at 31 March 2025, the Group had total gross trade receivables of approximately HK\$10,036,000, and loss allowance of approximately HK\$4,456,000 have been provided.

The Group applies HKFRS 9 simplified approach for measuring the expected credit losses (the “ECL”) of trade receivables, which use a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, the Group categorises its trade receivables based on nature of customers and shared credit risk characteristics.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

We focused on this area due to the magnitude of the balances of trade receivables, and the higher degree of estimation and judgment involved in determining the loss allowance of trade receivables.

### How our audit addressed the Key Audit Matters

We performed the following procedures to address the key audit matter:

- Understood, evaluated and validated, on a sample basis, the key control procedures over the management's estimation of loss allowance and periodic review of aged trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors associated with estimating the ECL;
- Evaluated the significant judgments and assumptions involved in the loss allowance of trade receivables, including management's assessment of credit risks of the debtors, considering their ageing profile, credit information and forward-looking factors such as macroeconomic factors used in management's assessment, and assessed the reasonableness of the judgments and assumptions adopted;
- Challenged management's basis and judgment in determining loss allowance on trade receivables, including the reasonableness of management's grouping of the customers into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information);
- Involved our internal valuation expert to develop an auditor's point estimate in assessing the ECL allowance including forward-looking information;
- Tested, on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices; and
- Tested, on a sample basis, the subsequent settlement of trade receivables.

Based upon the procedures performed above, we found that the estimation and judgment made by management in respect of the loss allowance of trade receivables were supported by the available evidence.



## INDEPENDENT AUDITOR'S REPORT – CONTINUED

### Key Audit Matters

#### Impairment for other receivables

Refer to Note 3.1(b), Note 4(c) and Note 17 to the consolidated financial statements.

As at 31 March 2025, the Group had total gross other receivables of approximately HK\$6,589,000, and loss allowance of approximately HK\$1,814,000 have been provided.

The Group applies the general approach in HKFRS 9 to measure the ECL of other receivables. Management assessed the ECL based on estimation about risk of default, expected loss rates and whether there has been any significant increase in credit risk since initial recognition for other receivables. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, including the credit loss experience, historical settlement records, internal credit ratings, financial positions, relationships with debtors and other factors that impacted their ability of repayment. Management also took into account of forward-looking information.

We focused on this area due to the magnitude of the balances of other receivables, and the higher degree of estimation and judgment involved in determining the loss allowance of other receivables.

### How our audit addressed the Key Audit Matters

We performed the following procedures to address the key audit matter:

- Obtained an understanding of management's internal control and assessment process of the ECL of other receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity of models and subjectivity of significant assumptions and data used;
- Assessed the key assumptions and data used in management's estimate of expected credit loss by agreeing information to relevant supporting documents;
- Challenged management's estimation of the risk of default and ECL rate referencing to the debtors' credit information including settlement records, their financial positions and ability of repayment and collaborated management's explanations with publicly available information and supporting evidence;
- Involved our internal valuation expert to develop an auditor's point estimate in assessing the ECL allowance including forward-looking information; and
- Tested, on a sample basis, the historical and subsequent settlement to assess the effectiveness of management's estimation process.

Based upon the procedures performed above, we found that the estimation and judgment made by management in respect of the loss allowance of other receivables were supported by the available evidence.



## INDEPENDENT AUDITOR'S REPORT – CONTINUED

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than 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 THE AUDIT COMMITTEE 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 HKFRSs 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.

The Audit Committee is 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. We report our opinion solely to you, as a body, 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional scepticism 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.



## INDEPENDENT AUDITOR'S REPORT – CONTINUED

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Kwok Chi Kan.

**Linksfeld CPA Limited**  
Certified Public Accountants

**Kwok Chi Kan**  
Practising Certificate Number: P06958

Hong Kong, 27 June 2025



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	6	<b>47,857</b>	54,600
Cost of sales and services		<b>(42,679)</b>	(57,464)
<b>Gross profit/(loss)</b>		<b>5,178</b>	(2,864)
Other income and gains, net	7	<b>25,355</b>	12,026
Administrative expenses		<b>(13,859)</b>	(20,007)
Impairment losses of property, plant and equipment	14	<b>(1,325)</b>	(3,411)
Provision for impairment losses on financial assets		<b>(3,726)</b>	(4,384)
<b>Operating profit/(loss)</b>		<b>11,623</b>	(18,640)
Finance costs	8	<b>(1,032)</b>	(1,848)
<b>Profit/(loss) before income tax</b>	9	<b>10,591</b>	(20,488)
Income tax expense	11	–	–
<b>Profit/(loss) for the year</b>		<b>10,591</b>	(20,488)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		<b>(1,040)</b>	(1,783)
<b>Other comprehensive loss</b>		<b>(1,040)</b>	(1,783)
<b>Total comprehensive income/(loss) for the year</b>		<b>9,551</b>	(22,271)
<b>Profit/(loss) for the year attributable to:</b>			
– owners of the Company		<b>10,165</b>	(16,938)
– non-controlling interests		<b>426</b>	(3,550)
		<b>10,591</b>	(20,488)
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
– owners of the Company		<b>9,093</b>	(18,885)
– non-controlling interests		<b>458</b>	(3,386)
		<b>9,551</b>	(22,271)
<b>Earnings/(loss) per share attributable to owners of the Company (in HK cents)</b>			
– Basic and diluted	13	<b>1.75</b>	(2.91)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	763	16,143
Total non-current assets		763	16,143
<b>Current assets</b>			
Inventories	16	2,895	211
Trade receivables	17	5,580	3,413
Prepayments, deposits, and other receivables	17	5,191	4,606
Amounts due from related companies	29(b)	22	8,277
Cash and cash equivalents	18	5,968	9,728
Total current assets		19,656	26,235
<b>Total assets</b>		<b>20,419</b>	<b>42,378</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	29,072	29,072
Reserves		(26,263)	(35,137)
		2,809	(6,065)
Non-controlling interests		(3,224)	(6,319)
<b>Total deficits</b>		<b>(415)</b>	<b>(12,384)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONTINUED

AS AT 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	14(c)	–	10,215
Borrowings	24	<b>6,779</b>	–
Total non-current liabilities		<b>6,779</b>	10,215
<b>Current liabilities</b>			
Trade payables	22	<b>412</b>	1,316
Accrued expenses and other payables	22	<b>6,846</b>	15,425
Contract liabilities	6(a)	<b>1,933</b>	148
Loan from a related company	29(b)	–	25
Amounts due to related parties	29(b)	<b>4,455</b>	9,556
Lease liabilities	14(c)	–	2,196
Promissory note payable	23	–	8,668
Borrowings	24	<b>409</b>	7,213
Total current liabilities		<b>14,055</b>	44,547
<b>Total liabilities</b>		<b>20,834</b>	54,762
<b>Total equity and liabilities</b>		<b>20,419</b>	42,378
<b>Net current assets/(liabilities)</b>		<b>5,601</b>	(18,312)

The consolidated financial statements on pages 52 to 113 were approved by the Board of Directors on 27 June 2025 and were signed on its behalf.

**Song Xiaoming**  
Executive Director

**Song Shiqing**  
Executive Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Foreign exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity/ (deficits) HK\$'000
<b>At 1 April 2023</b>	29,072	224,877	7,241	(5,270)	–	(857)	(242,243)	12,820	(3,055)	9,765
<b>Comprehensive loss</b>										
Loss for the year	–	–	–	–	–	–	(16,938)	(16,938)	(3,550)	(20,488)
<b>Other comprehensive (loss)/income</b>										
Exchange difference on translation of foreign operations	–	–	–	–	–	(1,947)	–	(1,947)	164	(1,783)
Total comprehensive loss for the year	–	–	–	–	–	(1,947)	(16,938)	(18,885)	(3,386)	(22,271)
Transactions with owners in their capacity as owners:										
Incorporation of subsidiaries	–	–	–	–	–	–	–	–	122	122
Lapse of share options	–	–	(1,951)	–	–	–	1,951	–	–	–
<b>At 31 March 2024 and 1 April 2024</b>	29,072	224,877	5,290	(5,270)	–	(2,804)	(257,230)	(6,065)	(6,319)	(12,384)
<b>Comprehensive income</b>										
Profit for the year	–	–	–	–	–	–	10,165	10,165	426	10,591
<b>Other comprehensive (loss)/income</b>										
Exchange difference on translation of foreign operations	–	–	–	–	–	(1,072)	–	(1,072)	32	(1,040)
Total comprehensive (loss)/income for the year	–	–	–	–	–	(1,072)	10,165	9,093	458	9,551
Transactions with owners in their capacity as owners:										
Disposal of subsidiaries (Note 27)	–	–	–	–	–	(219)	–	(219)	2,637	2,418
Transfer upon disposal of subsidiaries	–	–	–	5,270	(5,270)	–	–	–	–	–
<b>At 31 March 2025</b>	29,072	224,877	5,290	–	(5,270)	(4,095)	(247,065)	2,809	(3,224)	(415)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>			
Cash used in operations	28(a)	(12,689)	(16,186)
Interest received		8	59
Net cash used in operating activities		(12,681)	(16,127)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(371)	(4,527)
Proceeds from disposal of non-current assets held for sale		–	12,000
Net cash outflows from disposal of subsidiaries	27	(1,385)	–
Advance to amounts due from related companies		–	(10,754)
Repayment of amounts due from related companies		8,229	2,371
Net cash generated from/(used in) investing activities		6,473	(910)
<b>Cash flows from financing activities</b>			
Contribution from a non-controlling interest		–	122
Interest paid for promissory note	28(b)	–	(239)
Interest paid for borrowings	28(b)	(601)	(552)
Repayments of principal elements of lease liabilities	28(b)	(195)	(2,957)
Repayments of interest elements of lease liabilities	28(b)	(2)	(301)
Advance from loan from a related company	28(b)	–	3,797
Repayments of loan from a related company	28(b)	(25)	(3,797)
Advance from amounts due to related parties	28(b)	3,334	2,433
Repayment of promissory note payable	28(b)	–	(10,800)
Net cash generated from/(used in) financing activities		2,511	(12,294)
Net decrease in cash and cash equivalents		(3,697)	(29,331)
Cash and cash equivalents at the beginning of the year		9,728	40,917
Effect of exchange rate changes on cash and cash equivalents		(63)	(1,858)
Cash and cash equivalents at the end of the year	18	5,968	9,728

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

Century Plaza Hotel Group (the “Company”, together with its subsidiaries are collectively referred to as the “Group”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit 3502, Level 35, Infinitus Plaza, 199 Des Voeux Road, Central, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 26 to the consolidated financial statements.

The directors of the Company considered the Company’s ultimate holding company is Shenzhen Great Walle Investment Corp., Ltd. (“Shenzhen Great Walle”), a company established in the People’s Republic of China (the “PRC”) and its ultimate controlling party is Mr. Song Xiaoming.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKAS”) 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 Cap.622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

#### *Going concern*

The Group reported a net operating cash outflow of approximately HK\$12,681,000 for the year ended 31 March 2025. As at 31 March 2025, the Group had trade payables, accrued expenses and other payables and amounts due to related parties in an aggregate amount of approximately HK\$11,713,000 while the Group only maintained its cash and cash equivalents of approximately HK\$5,968,000. In addition, a winding-up petition was presented by a creditor to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region on 20 March 2025 in an aggregate amount of approximately HK\$437,000.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 2.1 Basis of preparation – Continued

##### *Going concern – Continued*

The directors of the Company have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 March 2025. The directors of the Company are of the opinion that, taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2025.

- (i) Subsequent to 31 March 2025, the Group reached a settlement with the creditor regarding the outstanding balance of approximately HK\$437,000, and on 22 April 2025, the creditor has withdrawn the winding-up petition;
- (ii) The Group is actively following up the settlement with its overdue trade receivables;
- (iii) The Group is actively exploring for new business opportunities with strong profitability and continues to strengthen its operation and management to improve operational efficiency; and
- (iv) The Group's related parties have given undertakings not to demand repayment from the Group for the amounts of approximately HK\$4,455,000 due to them until such time when repayment will not affect the ability of the Group to repay other creditors in the normal course of business. In addition, Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership, an intermediate holding company, had issued a letter to the Group and agreed to provide financial support to the Group for a period up to 30 September 2026 to enable the Group to meet its liabilities and obligations as and when they fall due and to carry on its business without a significant curtailment of operations.

In the opinion of the directors of the Company, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 March 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether management of the Group can achieve the plans and measures described in (ii) to (iv) above. Whether the Group will be able to continue as a going concern would depend upon whether customers settle the outstanding trade receivables on time; the Group's ability to implement the business plan(s) to generate cash inflows; and the Group's ability to obtain the financial support from an intermediate holding company as and when needed.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 2.1 Basis of preparation – Continued

##### (a) *New and amended standards adopted by the Group*

The Group has applied the following new and amended standards for the first time for their annual reporting period commencing 1 April 2024:

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

The adoption of these new and amended standards has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these amendments.

##### (b) *New standards, amendments to existing standards and interpretations not yet adopted*

The following new standards, amendments to existing standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1	Lack of Exchangeability (Amendments)	1 April 2025
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (Amendment)	1 April 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (Amendments)	1 April 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	To be determined



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 2.1 Basis of preparation – Continued

**(b) *New standards, amendments to existing standards and interpretations not yet adopted – Continued***

HKFRS 18 will be effective for annual reporting periods beginning on or after 1 April 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements. The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective.

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group is exposed to a variety of financial risks which result from the use of financial instruments in its ordinary course of operations. The financial risks include market risks (mainly foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The directors meet regularly to identify and evaluates risks and formulates strategies to manage financial risks on timely and effective manner. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below.

**(a) *Market risk***

**(i) *Foreign exchange risk***

Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities denominated in a currency that is not the functional currency of the relevant group entities. The Group mainly operates in Hong Kong and the PRC. The Group's monetary assets, monetary liabilities, financing and transactions are principally denominated in Hong Kong dollar ("HK\$") and Renminbi ("RMB"). The Group is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in a currency other than the Group entities' functional currency.

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure as management considers its exposure is not significant.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### (a) **Market risk – Continued**

###### (i) *Foreign exchange risk – Continued*

The foreign exchange risks of the Company and its subsidiaries are not significant as most of their transactions are carried out in their respective functional currencies.

###### (ii) *Interest rate risk*

The Group's cash flow interest rate risk arises primarily from the Group's bank deposits. Loan from a related company, promissory note payable and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group has minimum interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

##### (b) **Credit risk**

Credit risk refer to the risk that the counter-party fails to meet its contractual obligations resulting in financial loss to the Group. The credit risk of the Group mainly arises from trade receivables, deposits and other receivables, amounts due from related companies and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The Group applies HKFRS 9 simplified approach for measuring the expected credit losses (the “ECL”) which use a lifetime expected loss allowance for all trade receivables resulting from transactions within the scope of HKFRS 15. To measure the ECL, trade receivables have been grouped based on nature of customers and shared credit risk characteristics and assessed for likelihood of recovery.

The Group applies the general approach in HKFRS 9 to measure the ECL for balances not qualified for simplified approach. The general approach which uses a three-stage model to calculate the loss allowances. According to the changes of credit risk of financial instruments since the initial recognition, the Group calculates the ECL by three stages:

Stage 1: A financial instrument of which the credit risk has not significantly increase since initial recognition. The amount equal to 12-month ECL is recognised as loss allowance.

Stage 2: A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount equal to lifetime ECL is recognised as loss allowance.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount equal to lifetime ECL is recognised as loss allowance.

##### *Assessment of significant increase in credit risk*

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date with the risk of default at origination (after considering the passage of time). ‘Significant’ does not mean statistically significant nor is it reflective of the extent of the impact on the Group's consolidated financial statements. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria, e.g. payment being past due by more than 30 days.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### **(b) Credit risk – Continued**

###### *Assessment of credit-impaired*

Credit-impaired financial assets comprise those assets that have experienced an observed credit event and are in default. Default represents those assets that are unlikely to pay, such as bankruptcy, fraud, death or more than 90 days past due. This definition is consistent with internal credit risk management and the regulatory definition of default.

###### *Trade receivables*

As at 31 March 2025, the Group is exposed to concentration of credit risk as 99.4% (2024: 55.5%) of the total trade receivables due from largest five customers and the top customer accounted for 80.2% (2024: 17.8%) of total trade receivables. The Group continuously evaluates the credit risk of its customers to ensure appropriateness of the amount of credit granted. Credit terms are extended to certain customers based on the evaluation of individual customer's financial conditions. In addition, the Group reviews the recoverable amount of each individual trade debtor at that reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group during the year and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure ECL, the Group categorises its trade receivables based on nature of customers, shared credit risk characteristics and the days past due. The debtors are categorised into two groups: group 1 for government authority and state-owned enterprise, and group 2 for other customers, which reflect their credit risk and how the loss allowance is determined for each of those categories, with ECL for group 1 customers assessed individually and ECL for group 2 customers assessed collectively.

The Group uses two categories for those trade receivables which reflect their credit risk and how the loss allowance is determined for each of those categories.

###### *Measurement of expected credit loss on individual basis*

For trade receivables relating to group 1 customers of approximately HK\$8,055,000, the Group assessed the ECL individually for impairment allowance. As at 31 March 2025, loss allowance of approximately HK\$4,288,000 was recognised after considering the current condition and the forward-looking information on macroeconomic factors including gross domestic product.

###### *Measurement of expected credit loss on collective basis*

For trade receivables relating to group 2 customers, the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. ECL is estimated by grouping the receivables and collectively assessed for the risk of default by applying the ECL rates to the ageing categories of their respective gross carrying amounts. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group also considered the forward-looking information on macroeconomic factors including gross domestic product.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### (b) Credit risk – Continued

###### Trade receivables – Continued

The following tables provide information about the Group's exposure to credit risk for trade receivables (other than the trade receivables from a stated-owned enterprise customer) which are assessed based on provision matrix within lifetime ECL:

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
<b>As at 31 March 2025</b>			
Current	2.3	1,061	24
1 to 30 days past due	5.0	439	22
31 to 90 days past due	17.9	424	76
91 to 180 days past due	80.7	57	46
		<b>1,981</b>	<b>168</b>
<b>As at 31 March 2024</b>			
Current	1.0	2,473	24
1 to 30 days past due	2.9	137	4
31 to 90 days past due	13.1	236	31
91 to 180 days past due	36.9	225	83
181 to 365 days past due	67.0	1,467	983
More than 1 year past due	100.0	5,898	5,898
		<b>10,436</b>	<b>7,023</b>

The decrease in the loss allowance as at 31 March 2025 was attributable to the derecognition of the balances following the disposal of subsidiaries.

The movements of loss allowance for trade receivables are shown as follows:

	2025 HK\$'000	2024 HK\$'000
Opening loss allowance at 1 April	7,023	5,450
Provision for impairment losses	3,630	1,787
Disposal of subsidiaries	(6,164)	–
Exchange realignment	(33)	(214)
Closing loss allowance at 31 March	<b>4,456</b>	<b>7,023</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### (b) Credit risk – Continued

*Deposits and other receivables and amounts due from related companies*

The Group adopted general approach for ECL of deposits and other receivables and amounts due from related companies.

The measurement basis for the financial assets at amortised cost using the general approach are as follows:

	12-month ECL HK\$'000
<b>As at 31 March 2025</b>	
Deposits and other receivables	5,000
Amounts due from related companies	22
	<b>5,022</b>
<b>As at 31 March 2024</b>	
Deposits and other receivables	4,181
Amounts due from related companies	8,277
	<b>12,458</b>

The movements of loss allowance for deposits and other receivables are shown as follows:

	Deposits and other receivables 12-month ECL HK\$'000	Lifetime ECL HK\$'000	Total HK\$'000
Opening loss allowance balances at 1 April 2023	–	–	–
Provision for impairment losses	17	2,580	2,597
Exchange realignment	–	(9)	(9)
Closing loss allowance at 31 March 2024 and 1 April 2024	17	2,571	2,588
Provision for impairment losses	3	93	96
Disposal of subsidiaries	–	(860)	(860)
Exchange realignment	–	(10)	(10)
Closing loss allowance at 31 March 2025	20	1,794	1,814



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### **(b) Credit risk – Continued**

###### *Deposits and other receivables and amounts due from related companies – Continued*

The decrease in the loss allowance as at 31 March 2025 was attributable to the derecognition of the balances following the disposal of subsidiaries.

For amounts due from related companies, the Group considered these financial assets as a low risk of default and assessed that the expected credit losses for these financial assets are not material under the 12 months expected losses method. No loss allowance provision was recognised.

###### *Cash and cash equivalents*

The credit risk on cash and cash equivalents is limited because the counterparties are several reputable and creditworthy banks and financial institutions. Therefore, ECL rate of cash and cash equivalents is assessed to be immaterial and no provision was made as at 31 March 2025 and 2024.

##### **(c) Liquidity risk**

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables, accrued expenses and other payables, loan from a related company, amounts due to related parties, lease liabilities, promissory note payable and borrowings. The Group's objective is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short and longer term. The Group's liquidity risk is further mitigated through the availability of financial support from its intermediate holding company, when needed, so as to enable the Group to meet its liabilities as and when they fall due and to continue operating for the foreseeable future.

The liquidity policies have been followed by the Group during the year and are considered by the directors to have been effective in managing liquidity risk.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.1 Financial risk factors – Continued

##### (c) Liquidity risk – Continued

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years and not later than 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
<b>As at 31 March 2025</b>					
Trade payables	412	–	–	412	412
Accrued expenses and other payables	5,530	–	–	5,530	5,530
Amounts due to related parties	4,455	–	–	4,455	4,455
Borrowings	576	7,355	–	7,931	7,188
	<b>10,973</b>	<b>7,355</b>	<b>–</b>	<b>18,328</b>	<b>17,585</b>
<b>As at 31 March 2024</b>					
Trade payables	1,316	–	–	1,316	1,316
Accrued expenses and other payables	10,684	–	–	10,684	10,684
Loan from a related company	25	–	–	25	25
Amounts due to related parties	9,556	–	–	9,556	9,556
Lease liabilities	2,588	2,391	8,584	13,563	12,411
Promissory note payable	8,668	–	–	8,668	8,668
Borrowings	7,405	–	–	7,405	7,213
	<b>40,242</b>	<b>2,391</b>	<b>8,584</b>	<b>51,217</b>	<b>49,873</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.2 Fair value estimation

Fair value measurements by level of a fair value measurement hierarchy are not disclosed as no financial assets and liabilities are stated at fair value on the three level hierarchy basis in the consolidated statement of financial position.

The carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values. The fair value for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

#### 3.3 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year.

The Group sets the amount of capital in proportion to its overall financing structure. 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 amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt includes loan from a related company, amounts due to related parties, lease liabilities, promissory note payable and borrowings, less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position, plus net debt. The Group's policy is to maintain a gearing ratio at a reasonable level.

The gearing ratios as at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Loan from a related company	–	25
Amounts due to related parties	4,455	9,556
Lease liabilities	–	12,411
Promissory note payable	–	8,668
Borrowings	7,188	7,213
Total debt	11,643	37,873
Less: cash and cash equivalents	(5,968)	(9,728)
Net debt	5,675	28,145
Total deficits	(415)	(12,384)
Total capital	5,260	15,761
Gearing ratio	108%	179%

The gearing ratio decreased from 179% to 108% was attributable to the extent of decrease in net debt outweighed the decrease in total capital as at 31 March 2025.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 3 FINANCIAL RISK MANAGEMENT – CONTINUED

#### 3.4 Offsetting financial assets and financial liabilities

No material financial assets and financial liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 March 2025 and 2024.

### 4 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Going concern

The Group prepares cash flow projections that cover a period of not less than twelve months from 31 March 2025. Taking into account the plans and measures as described in Note 2.1, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the statement of financial position. The consolidated financial statements are prepared on a going concern basis.

A material uncertainty exists as to whether management of the Company will be able to achieve its plans and measures as described in Note 2.1 to the consolidated financial statements. The assumption that the Group will be able to operate as a going concern is a critical judgment that has the most significant effect on the amounts recognised in the consolidated financial statements. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the plans as described in Note 2.1 to the consolidated financial statements.

#### (b) Loss allowance of trade receivables

The Group applies HKFRS 9 simplified approach for measuring the ECL of trade receivables, which use a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying the ECL rates to the respective gross carrying amounts of the receivables. The Group uses judgment in making these assumptions and selecting the inputs to the ECL calculation. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional expected loss allowance to the consolidated statement of profit or loss and other comprehensive income.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 4 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES – CONTINUED

#### (c) Loss allowance of other receivables

The Group makes provision for impairment of other receivables based on estimation about risk of default, the ECL rates and whether there has been any significant increase in credit risk since initial recognition. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, including the credit loss experience, historical settlement records, internal credit ratings, financial positions, relationships with debtors as well as forward-looking estimates at the date of the statement of financial position. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional expected loss allowance to the consolidated statement of profit or loss and other comprehensive income.

#### (d) Current and deferred income tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

#### (e) Impairment of property, plant and equipment

Management is required to perform impairment assessment when there is an indication that may lead to impairment of non-financial assets. Where an impairment indicator exists, the recoverable amount of the asset is determined. The recoverable amount is determined based on higher of value-in-use calculation or fair value less costs of disposal ("FVLCD"). The Group allocated the assets to the cash-generating units ("CGUs"), and the calculations of value-in-use require the use of judgment and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of property, plant and equipment within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors.

#### (f) Revenue recognition – principal versus agent

Significant judgment is required in determining whether the Group is acting as principal, and reports revenue on a gross basis, or agent, and reports revenue on a net basis. The management evaluates each revenue stream and assess whether the Group controls each specified goods or services before that goods or services is transferred to the customers. The following indicators when determining whether it is acting as principal or agent in a transaction are also considered: (i) primary responsibility for fulfilling the promise to provide the specified goods or service, (ii) inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer and (iii) discretion in establishing the price for the specified good or service.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 5 SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (“CODM”) that are used to make strategic decisions. The CODM have been identified as the Company’s executive directors.

Operating segments are reported in manner consistent with the internal reporting to the Group’s key management personnel as follows:

- (a) Security guarding, property management and human resources segment involves provision of security guarding, property management and human resources services;
- (b) Asset management segment involves provision of business advisory and asset management services; and
- (c) Hospitality catering and beverage services involves operation of a Chinese restaurant.

The executive directors monitor the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted profit/(loss) before income tax.

The adjusted profit/(loss) before income tax is measured consistently with the Group’s profit/(loss) before income tax except that gains on disposal of subsidiaries, gain on modification of terms of promissory note, corporate and other unallocated expenses and finance costs are excluded from such measurement.

Segment assets exclude certain corporate cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis. Segment liabilities exclude promissory note payable, borrowings and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Information provided to the executive directors is measured in a manner consistent with that of the consolidated financial information.

	Security guarding, property management and human resources		Asset management		Hospitality catering and beverage services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from external customers</b>	<b>32,177</b>	51,002	<b>8,789</b>	465	<b>6,891</b>	3,133	<b>47,857</b>	54,600
Segment results	<b>185</b>	(3,426)	<b>(2,799)</b>	(8,233)	<b>(1,677)</b>	(2,407)	<b>(4,291)</b>	(14,066)
Gains on disposal of subsidiaries							<b>11,814</b>	–
Gain on modification of terms of promissory note							<b>8,961</b>	–
Corporate and other unallocated expenses							<b>(4,861)</b>	(4,574)
Finance costs							<b>(1,032)</b>	(1,848)
Profit/(loss) before income tax							<b>10,591</b>	(20,488)
Income tax expense							<b>–</b>	–
Profit/(loss) for the year							<b>10,591</b>	(20,488)

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 5 SEGMENT INFORMATION – CONTINUED

	Security guarding, property management and human resources		Asset management		Hospitality catering and beverage services		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other segment information</b>										
Cost of inventories sold	-	-	-	-	(2,389)	(1,579)	-	-	(2,389)	(1,579)
Employee benefit expenses	(31,509)	(57,551)	(6,342)	(5,435)	(5,296)	(2,225)	(1,288)	(1,804)	(44,435)	(67,105)
Depreciation of property, plant and equipment	(118)	(1,783)	(162)	(418)	(1,574)	(810)	(324)	(623)	(2,178)	(3,634)
Impairment loss on property, plant and equipment	-	(3,411)	-	-	(1,325)	-	-	-	(1,325)	(3,411)
Reversal of/(provision for) impairment loss on trade receivables	396	(1,517)	(4,026)	(270)	-	-	-	-	(3,630)	(1,787)
Provision for impairment loss on other receivables	(88)	(874)	(7)	(1,692)	(1)	(11)	-	(20)	(96)	(2,597)
Write-off of property, plant and equipment	-	(2,165)	-	-	(1,681)	-	-	-	(1,681)	(2,165)
Gains on lease termination	-	5,574	-	-	2,325	-	-	-	2,325	5,574
Addition to non-current assets	-	-	24	-	334	4,527	13	-	371	4,527

	Security guarding, property management and human resources		Asset management		Hospitality catering and beverage services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment assets</b>	<b>4,792</b>	16,534	<b>9,331</b>	1,078	<b>5,575</b>	18,644	<b>19,698</b>	36,256
Corporate cash and cash equivalents							<b>31</b>	405
Corporate and other unallocated assets							<b>690</b>	5,717
Total							<b>20,419</b>	42,378
<b>Segment liabilities</b>	<b>(4,422)</b>	(20,042)	<b>(1,323)</b>	(1,108)	<b>(2,112)</b>	(9,386)	<b>(7,857)</b>	(30,536)
Promissory note payable							-	(8,668)
Borrowings							<b>(7,188)</b>	(7,213)
Corporate and other unallocated liabilities							<b>(5,789)</b>	(8,345)
Total							<b>(20,834)</b>	(54,762)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 5 SEGMENT INFORMATION – CONTINUED

#### Geographical information

##### (a) Revenue from external customers

The Group's revenue from external customers by geographical area, which is based on the location where the services are rendered.

	2025 HK\$'000	2024 HK\$'000
The PRC	47,857	52,605
Hong Kong	–	1,995
	<b>47,857</b>	<b>54,600</b>

##### (b) Non-current assets

The Group's non-current assets by geographic area are as follows:

	2025 HK\$'000	2024 HK\$'000
The PRC	763	16,143

#### Information about major customers

Revenue from major customers in the segments of security guarding, property management and human resources and asset management, each of them accounted for 10% or more of the Group's revenue, are set out below:

	2025 HK\$'000	2024 HK\$'000
Customer A	17,186	13,915
Customer B	N/A	10,054
Customer C	N/A	6,938
Customer D	N/A	6,291
Customer E	8,109	N/A



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 6 REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of revenue from contracts with external customers

	2025 HK\$'000	2024 HK\$'000
Provision of security guarding, property management and human resources services	32,177	51,002
Provision of business advisory and asset management services	8,789	465
Provision of hospitality catering and beverage services	6,891	3,133
	<b>47,857</b>	<b>54,600</b>
	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition:		
Over time	40,966	51,467
At a point in time	6,891	3,133
	<b>47,857</b>	<b>54,600</b>

#### (a) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities related to		
– security guarding, property management and human resources services	1,933	–
– hospitality catering and beverage services	–	148
	<b>1,933</b>	<b>148</b>

The following table shows the amount of revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Hospitality catering and beverage services	148	–

The Group elected the practical expedient of not disclosing the amount of the transaction price allocated to remaining performance obligations, as the performance obligations are part of a contract that has an original expected duration of one year or less.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 6 REVENUE FROM CONTRACTS WITH CUSTOMERS – CONTINUED

#### Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point of time.

Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

#### **(i) Provision of security guarding, property management and human resources services**

Since the Group controls security guarding, property management and human resources services before transferring to the customers, it is primarily responsible for fulfilling the contracts to ensure the performance of the services, it is subject to the risks associated with employment of the employees, and has discretion in establishing prices, the revenue is recognised on a gross basis over time as the customers simultaneously receive and consume the benefits provided by the Group's performance. Invoices for security guarding, property management and human resources services are issued on a monthly basis and are usually payable within 30 to 90 days.

#### **(ii) Provision of business advisory and asset management services**

Revenue from business advisory and asset management services is recognised over time as those services are provided. Invoices for regulated financial services are issued on a monthly basis and are usually payable within 90 days.

#### **(iii) Provision of hospitality catering and beverage services**

The Group operates a Chinese restaurant. Revenue from restaurant operation is recognised at the point in time when hospitality catering and beverage services have been provided to customers. Payment of the transaction price is due immediately when hospitality catering and beverage services are completed.

#### Accounting policies of contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customers, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 7 OTHER INCOME AND GAINS, NET

	2025 HK\$'000	2024 HK\$'000
Bank interest income	8	59
Net foreign exchange gains	2	1
Government grant	–	81
Compensation income received from a sublessor for lease termination (Note (i))	2,162	–
Gains on disposal of non-current assets held for sale (Note (ii))	–	8,476
Gains on disposal of subsidiaries (Note 27)	11,814	–
Write-off of property, plant and equipment	–	(2,165)
Gains on lease termination	2,325	5,574
Gains on modification of terms of promissory note (Note 23)	8,961	–
Sundry income	83	–
	<b>25,355</b>	<b>12,026</b>

Notes:

- (i) During the year ended 31 March 2025, a sublessor has early terminated a lease agreement with the Group prior to the end of the lease term, and provided approximately HK\$2,162,000 as the compensation for the early termination.
- (ii) The Group entered into a legally binding provisional agreement with independent third parties to dispose the properties of the Group at an aggregate consideration of HK\$12,000,000 during the year ended 31 March 2023. The disposal of the properties had not yet been completed as at 31 March 2023 and the properties had been reclassified as non-current assets held for sale under security guarding, property management and human resources segment as at 31 March 2023. The disposal of the properties was completed on 12 April 2023 and gains on disposal of approximately HK\$8,476,000 were recognised for the year ended 31 March 2024.

### 8 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expense on promissory note payable	293	957
Interest expense on loan from a related company	–	12
Interest expense on borrowings	576	578
Interest expense on lease liabilities	163	301
	<b>1,032</b>	<b>1,848</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 9 PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	600	650
Cost of inventories sold	2,389	1,579
Depreciation of property, plant and equipment ( <i>Note 14</i> )	2,178	3,634
Employee benefit expenses (including directors' emoluments) included in ( <i>Note 10</i> )	44,435	67,015
– Cost of sales and services	36,570	54,488
– Administrative expenses	7,865	12,527
Expense relating to short-term leases	558	112
Expense relating to low-value assets	18	22
Impairment loss on property, plant and equipment	1,325	3,411
Write-off of property, plant and equipment	1,681	–
Provision for impairment loss on financial assets	3,726	4,384

### 10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK\$'000	2024 HK\$'000
Salaries, wages and allowances	42,585	63,900
Contribution to defined contribution plans	1,850	3,115
	44,435	67,015

#### (a) Directors' emoluments

The remuneration of directors for the years ended 31 March 2025 and 2024 are set out below:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Other emoluments HK\$'000	Total HK\$'000
<b>For the year ended 31 March 2025</b>					
<i>Executive directors</i>					
Mr. Song Xiaoming ( <i>Note (i)</i> )	–	580	115	–	695
Ms. Song Shiqing	–	747	48	–	795
Mr. Su Congyue	–	–	–	–	–
<i>Non-executive director</i>					
Mr. Chung Man Lai ( <i>Note (ii)</i> )	12	–	–	–	12
Mr. Lam Wing Yiu ( <i>Note (iii)</i> )	–	–	–	–	–
<i>Independent non-executive directors</i>					
Mr. Zhao Jinsong	180	–	–	–	180
Mr. Li Zhongfei	180	–	–	–	180
Mr. Liu Chengwei	180	–	–	–	180
	552	1,327	163	–	2,042

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) – CONTINUED

#### (a) Directors' emoluments – Continued

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Other emoluments HK\$'000	Total HK\$'000
<b>For the year ended 31 March 2024</b>					
<i>Executive directors</i>					
Mr. Song Xiaoming (Note (i))	–	720	111	–	831
Ms. Song Shiqing	–	341	90	–	431
Mr. Su Congyue	–	–	–	–	–
<i>Non-executive director</i>					
Mr. Chung Man Lai (Note (ii))	50	–	–	–	50
Mr. Lam Wing Yiu (Note (iii))	–	–	–	–	–
<i>Independent non-executive directors</i>					
Mr. Zhao Jinsong	180	–	–	–	180
Mr. Li Zhongfei	180	–	–	–	180
Mr. Liu Chengwei	180	–	–	–	180
	590	1,061	201	–	1,852

#### Notes:

- (i) Mr. Song Xiao is the Chief Executive Officer of the Company.
- (ii) Mr. Chung Man Lai is resigned as a non-executive director of the Company on 27 June 2024.
- (iii) Mr. Lam Wing Yiu is appointed as a non-executive director of the Company on 27 June 2024.

The remunerations of the executive directors shown above represent remunerations received from the Group by these directors in their capacity as employees to the Group during the year ended 31 March 2025 (2024: Nil).

For the years ended 31 March 2025 and 2024, except for Mr. Song Xiaoming and Ms. Song Shiqing who waived directors' remuneration amounting to HK\$450,000 and HK\$360,000 respectively, no directors waived any emolument.

No emoluments were paid by the Group to the directors as an inducement to join the subsidiaries of the Company, or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil).

#### (b) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year ended 31 March 2025 (2024: Nil).

No payment was made to the directors as compensation for early termination of the appointment during the year ended 31 March 2025 (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) – CONTINUED

#### (c) Consideration provided to third parties for making available directors' services

The Company did not pay consideration to any third parties for making available directors' services for the year ended 31 March 2025 (2024: Nil).

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in the Note 29, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors during the year ended 31 March 2025 (2024: Same).

#### (e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 29, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of the subsidiaries of the Company was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2025 (2024: Same).

#### (f) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two (2024: two) directors whose emoluments are reflected in Note 10(a) during the year ended 31 March 2025. The emoluments paid/payable to the remaining three individuals (2024: three) are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	1,791	4,986
Retirement scheme contributions	158	54
	<b>1,949</b>	<b>5,040</b>

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument band:		
Nil to HK\$1,000,000	3	1
HK\$1,500,001 – HK\$2,000,000	–	1
HK\$2,000,001 – HK\$2,500,000	–	1
	<b>3</b>	<b>3</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 11 INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong for the years ended 31 March 2025 and 2024.

No provision for the PRC Enterprise Income Tax has been made as the Group entities have sufficient tax losses brought forward to set off the estimated assessable profits, or they have no assessable profits arising in the PRC for the years ended 31 March 2025 and 2024.

The income tax expense for the year can be reconciled to the profit/(loss) before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax	10,591	(20,488)
Tax calculated at the application taxation rate of the jurisdictions concerned	(628)	(3,908)
Tax effect of non-deductible expenses	1,874	2,552
Tax effect of non-taxable income	(1,532)	(1,406)
Tax effect of unrecognised temporary differences	–	18
Utilisation of tax losses from prior years	(2,327)	–
Tax losses not recognised	2,613	2,744
Income tax expense	–	–

### 12 DIVIDEND

No dividend has been paid or declared by the Company during the year ended 31 March 2025 (2024: Nil).

### 13 EARNINGS/(LOSS) PER SHARE

#### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit/(loss) attributable to owners of the Company (HK\$'000)	10,165	(16,938)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share (in thousands)	581,442	581,442
Basic earnings/(loss) per share (HK cents)	1.75	(2.91)

#### (b) Diluted earning/(loss) per share

Diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding during the year ended 31 March 2025.

For the year ended 31 March 2024, diluted loss per share is the same as the basic loss per share as the exercise of the outstanding share options would have anti-dilutive effects to the basic loss per share.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
<b>Cost</b>					
<b>At 1 April 2023</b>	3,243	3,109	2,482	30,468	39,302
Additions	1,409	2,195	923	12,255	16,782
Write-off	(3,243)	(3,066)	(1,411)	–	(7,720)
Lease modification	–	–	–	(21,165)	(21,165)
Currency translation differences	(8)	(13)	(57)	(2,363)	(2,441)
<b>At 31 March 2024 and 1 April 2024</b>	1,401	2,225	1,937	19,195	24,758
Additions	335	36	–	–	371
Disposal of subsidiaries ( <i>Note 27</i> )	–	–	–	(6,216)	(6,216)
Write-off	(1,732)	(414)	–	–	(2,146)
Lease modification	–	–	–	(12,940)	(12,940)
Currency translation differences	(4)	(21)	(19)	(39)	(83)
<b>At 31 March 2025</b>	–	1,826	1,918	–	3,744
<b>Accumulated depreciation and impairment</b>					
<b>At 1 April 2023</b>	1,078	3,092	1,863	20,635	26,668
Depreciation	20	77	377	3,160	3,634
Write-off	(1,078)	(3,066)	(1,411)	–	(5,555)
Lease modification	–	–	–	(17,639)	(17,639)
Impairment	–	–	–	3,411	3,411
Currency translation differences	(1)	(2)	(25)	(1,876)	(1,904)
<b>At 31 March 2024 and 1 April 2024</b>	19	101	804	7,691	8,615
Depreciation	349	443	428	958	2,178
Disposal of subsidiaries ( <i>Note 27</i> )	–	–	–	(5,718)	(5,718)
Write-off	(367)	(98)	–	–	(465)
Lease modification	–	–	–	(2,927)	(2,927)
Impairment	–	1,325	–	–	1,325
Currency translation differences	(1)	(11)	(11)	(4)	(27)
<b>At 31 March 2025</b>	–	1,760	1,221	–	2,981
<b>Carrying values</b>					
<b>At 31 March 2025</b>	–	66	697	–	763
<b>At 31 March 2024</b>	1,382	2,124	1,133	11,504	16,143

Depreciation expense of approximately HK\$943,000 (2024: HK\$810,000) and HK\$1,235,000 (2024: HK\$2,824,000) have been charged in cost of sales and services and administrative expenses, respectively.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

#### (a) Impairment loss

As at 31 March 2025, the directors of the Company determined that there was an impairment loss of approximately HK\$1,325,000 in the hospitality catering and beverage services segment due to the temporary suspension of the business following the early termination of lease agreements during the year.

As at 31 March 2024, property, plant and equipment with the carrying amounts of approximately HK\$3,888,000 (before impairment) was attributable to the cash-generating unit of provision of security guarding services in the PRC by Jingwudun Security Management Group Co., Limited (“Jingwudun Security Guarding CGU”). The Group determined that the Jingwudun Security Guarding CGU had an impairment indicator due to the economic performance being worse than expected and impairment test is performed for the CGU.

The recoverable amount of the Jingwudun Security Guarding CGU had been determined based on value-in-use calculations estimated by the management with reference to the valuation performed by an independent professional valuer. The calculation uses cash flow projections based on a detailed budget plan approved by the management, and a discount rate of 17.3%. The key assumptions were determined by the management based on its expectations for the business development. The estimated cash flows include budget revenue based on the historical performance, estimation of market development and future performance of the Jingwudun Security Guarding CGU made by the management of the Group. The discount rate used is pre-tax and reflects specific risks relating to the industry in relation to Jingwudun Security Guarding CGU.

The directors of the Company determined that there was an impairment loss of approximately HK\$3,411,000 on the Jingwudun Security Guarding CGU under security guarding, property management and human resources segment for the year ended 31 March 2024.

#### (b) Depreciation methods and useful lives

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives at the following rates per annum:

Leasehold improvements	4% to 12% or over the lease term, whichever is shorter
Furniture and equipment	20% – 33%
Motor vehicles	25%
Right-of-use assets	Over the lease terms

See Note 31.5 for the other accounting policies relevant to property, plant and equipment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

#### (c) Leases

The Group leased a number of premises mainly for use as office premises and restaurant, with leases typically ranging from 2 to 5 years. Following the early termination of lease agreements during the year, the Group leased several premises as office premises with a lease period of 1 year.

#### (i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
<b>Right-of-use assets</b>		
Office premises	–	5,366
Restaurant	–	6,138
	–	11,504
<b>Lease liabilities</b>		
Current	–	2,196
Non-current	–	10,215
	–	12,411

There is no addition to the right-of-use assets during the year ended 31 March 2025 (2024: HK\$12,255,000).

#### (ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets:		
Office premises and restaurant	(958)	(3,160)
Gains on lease termination (Note 7)	2,325	5,574
Interest expense on lease liabilities (Note 8)	(163)	(301)
Expense relating to short-term leases (Note 9)	(558)	(112)
Expense relating to low-value assets (Note 9)	(18)	(22)
Total cash outflow for leases	(773)	(3,392)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

#### (c) Leases – Continued

##### **(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income – Continued**

Depreciation expense of approximately HK\$558,000 (2024: HK\$720,000) and HK\$400,000 (2024: HK\$2,440,000) have been charged in cost of sales and services and administrative expenses, respectively.

During the year ended 31 March 2025, the Group has early terminated lease agreements before the end of the lease. The corresponding lease liabilities and right-of-use assets of these leases were derecognised upon early termination, which resulted in gains of approximately HK\$2,325,000 (2024: HK\$5,574,000).

##### **(iii) The Group's leasing activities and how these are accounted for**

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes. There are no renewal options and variable lease payments included in these lease agreements.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See Note 31.22 for the other accounting policies relevant to leases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 15 DEFERRED TAX ASSETS AND LIABILITIES

Details of the movements in deferred tax asset/(liabilities) during the years ended 31 March 2025 and 2024 are as follows:

	Tax losses HK\$'000	Lease liabilities HK\$'000	Accelerated tax depreciation HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	129	2,315	(129)	(2,315)	–
(Charged)/credited to profit or loss (Note 11)	(129)	643	129	(643)	–
Currency translation differences	–	(121)	–	121	–
<b>At 31 March 2024 and 1 April 2024</b>	–	2,837	–	(2,837)	–
(Charged)/credited to profit or loss (Note 11)	–	(2,828)	–	2,828	–
Currency translation differences	–	(9)	–	9	–
<b>At 31 March 2025</b>	–	–	–	–	–

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of unused tax losses amounting to approximately HK\$36,819,000 (2024: HK\$78,637,000) as at 31 March 2025. Tax losses of approximately HK\$3,324,000 (2024: HK\$40,803,000) can be carried forward indefinitely and approximately HK\$33,495,000 (2024: HK\$37,834,000) will expire on various date within five years.

As at 31 March 2025, the Group had deductible temporary differences of approximately HK\$1,023,000 arising from loss allowance (2024: HK\$10,459,000 arising from loss allowance and lease liabilities). No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available again which the deductible temporary differences can be utilised.

### 16 INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Food and beverages, and other operating items	2,895	211

The cost of inventories recognised as expense included in 'cost of sales and services' for the year ended 31 March 2025 amounting to approximately HK\$2,389,000 (2024: HK\$1,579,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 17 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS, AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	10,036	10,436
Less: loss allowance of trade receivables	(4,456)	(7,023)
	5,580	3,413
Prepayments	191	425
Deposits	225	196
Other receivables	6,589	6,573
Less: loss allowance of other receivables	(1,814)	(2,588)
	5,191	4,606
	10,771	8,019

The Group generally allows credit periods of 7 to 30 days (2024: Same) to its customers. The ageing analysis of the trade receivable, net of loss allowance based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	710	826
31 to 90 days	335	1,971
Over 90 days	4,535	616
	5,580	3,413

The Group does not hold any collateral over these balances.

The Group applied simplified approach to provide the ECL prescribed by HKFRS 9 for trade receivables, whereas general approach was adopted for deposits and other receivables. Information about the impairment of trade and other receivables and the Group's exposure to credit risk can be found in Note 3.1(b).

The carrying amounts of the Group's trade receivables and deposits and other receivables are denominated in the following currencies.

	2025 HK\$'000	2024 HK\$'000
HK\$	99	415
RMB	10,481	7,179
	10,580	7,594

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 18 CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash at banks and maximum exposure on credit risk	5,908	9,449
Cash on hand	60	279
	<b>5,968</b>	<b>9,728</b>

The Group's cash and cash equivalents are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	348	1,526
RMB	5,620	8,202
	<b>5,968</b>	<b>9,728</b>

### 19 SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Share capital HK\$'000
<b>Authorised</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	800,000,000	40,000
<b>Issued and fully paid</b>		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	581,442,248	29,072

### 20 RESERVES

#### (a) Share premium

The share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.

#### (b) Merger reserve

It represents the difference between the nominal value of the share capital of the subsidiary held by the Company and the nominal value of the share capital of the Company issued pursuant to the group reorganisation prior to the listing of the Company's shares.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 21 SHARE OPTION SCHEME

A share option scheme (the “Scheme”) adopted by the Company was approved by the shareholders on 31 July 2014.

The Scheme became effective for a period of 10 years commencing on 31 July 2014. Under the Scheme, the directors shall, in its absolute discretion select, make an offer to any eligible participants to subscribe for shares of the Company at a subscription price being not less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of the grant of the option, which must be a business day; or (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share on the date. The offer of a grant of options may be accepted within seven days inclusive of the day on which such offer was made.

The options granted shall be exercisable in whole or in part in the effective option period. The exercise period of the options granted is determined and notified by the directors to the grantee thereof at the time of making an offer provided that such period shall not exceed the period of 10 years from the date of the grant of the option is made, subject to the provisions for early termination thereof.

The maximum number of shares to be issued upon the exercise of all outstanding options granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of all the shares of the Company in issue as at the date of the annual general meeting held on 10 September 2021 being 58,144,224 shares.

Details of the share options granted and outstanding under the Share Option Scheme during the year ended 31 March 2025 were as follows:

	Number of options			At 31 March 2025	Date of grant	Exercise period (Note)	Adjusted exercise price
	At 1 April 2024	Granted during the year	Lapsed during the year				
<b>Directors/Ex-directors</b>							
Hon Hoi Chuen	1,865,788	–	–	1,865,788	14 December 2018	Period 1	1.17
Li Mingming	1,865,788	–	–	1,865,788	14 December 2018	Period 1	1.17
Guan Yan	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Zhao Jinsong	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Li Zhongfei	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Pang Xiaoli	410,653	–	–	410,653	18 April 2019	Period 2	0.445
Hon Hoi Chuen	668,467	–	–	668,467	18 April 2019	Period 2	0.445
Guan Yan	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Zhao Jinsong	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Li Zhongfei	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Su Congyue	2,534,256	–	–	2,534,256	18 April 2019	Period 2	0.445
	7,956,268	–	–	7,956,268			
Employees in aggregate	119,938	–	–	119,938	18 April 2019	Period 2	0.445
Employees in aggregate	33,235,133	–	–	33,235,133	11 October 2021	Period 3	0.2242
<b>Total</b>	<b>41,311,339</b>	<b>–</b>	<b>–</b>	<b>41,311,339</b>			

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 21 SHARE OPTION SCHEME – CONTINUED

Details of the share options granted and outstanding under the Share Option Scheme during the year ended 31 March 2024 were as follows:

	Number of options			At 31 March 2024	Date of grant	Exercise period (Note)	Adjusted exercise price
	At 1 April 2023	Granted during the year	Lapsed during the year				
<b>Directors/Ex-directors</b>							
Hon Hoi Chuen	1,865,788	–	–	1,865,788	14 December 2018	Period 1	1.17
Lin Shuxian	1,865,788	–	(1,865,788)	–	14 December 2018	Period 1	1.17
Li Mingming	1,865,788	–	–	1,865,788	14 December 2018	Period 1	1.17
Guan Yan	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Zhao Jinsong	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Li Zhongfei	186,578	–	–	186,578	14 December 2018	Period 1	1.17
Pang Xiaoli	410,653	–	–	410,653	18 April 2019	Period 2	0.445
Hon Hoi Chuen	668,467	–	–	668,467	18 April 2019	Period 2	0.445
Lin Shuxian	668,467	–	(668,467)	–	18 April 2019	Period 2	0.445
Guan Yan	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Zhao Jinsong	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Li Zhongfei	17,194	–	–	17,194	18 April 2019	Period 2	0.445
Su Congyue	2,534,256	–	–	2,534,256	18 April 2019	Period 2	0.445
	10,490,523	–	(2,534,255)	7,956,268			
Employees in aggregate	1,865,788	–	(1,865,788)	–	14 December 2018	Period 1	1.17
Employees in aggregate	291,885	–	(171,947)	119,938	18 April 2019	Period 2	0.445
Employees in aggregate	33,235,133	–	–	33,235,133	11 October 2021	Period 3	0.2242
<b>Total</b>	<b>45,883,329</b>	<b>–</b>	<b>(4,571,990)</b>	<b>41,311,339</b>			

*Note:*

Period 1: 14 December 2018 to 13 December 2028

Period 2: 18 April 2019 to 17 April 2029

Period 3: 11 October 2021 to 10 October 2026

The vesting date of the share options is the date of grant.

During the year ended 31 March 2025, no share options have been lapsed (2024: 4,571,990).

No equity-settled share options expenses has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025 (2024: Nil).

The fair values of the share options granted on 11 October 2021, 18 April 2019 and 14 December 2018 respectively under the Scheme were determined using the binomial option pricing model. The fair value of share options granted on 11 October 2021, 18 April 2019 and 14 December 2018 were HK\$2,390,000, HK\$957,000 and HK\$5,788,000 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 21 SHARE OPTION SCHEME – CONTINUED

Significant inputs into the model and assumptions were as follows:

Parameter	11 October 2021	18 April 2019	14 December 2018
Share price on date of grant	HK\$0.201	HK\$0.0900*	HK\$0.260*
Exercise price	HK\$0.2242	HK\$0.0904*	HK\$0.265*
Risk-free rate	0.78%	1.71%	2.27%
Expected option life	5 years	10 years	10 years
Expected volatility	107%	106%	104%

\* Before adjustment of share consolidation and rights issue.

The expected volatility represents the historical volatility of the share price of the ordinary shares of the Company.

The share options and weighted average share price are summarised as follows for the reporting periods presented:

	Number of share options	Weighted average exercise price HK\$
<b>Outstanding at 1 April 2023</b>	45,883,329	0.411
Lapsed during the year	(4,571,990)	1.037
<b>Outstanding at 31 March 2024 and 2025</b>	41,311,339	0.342

The share options outstanding at 31 March 2025, which are all exercisable, had weighted average exercise price of HK\$0.342 (2024: HK\$0.342) and a weighted average remaining contractual life of 1.99 (2024: 2.99) years.

At the end of the reporting period, the Company had 41,311,339 (2024: 41,311,339) share options outstanding under the Scheme which representing approximately 7.10% (2024: 7.10%) of the Company's shares in issue as at 31 March 2025. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 41,311,339 (2024: 41,311,339) additional ordinary shares of the Company and additional share capital of approximately HK\$2,066,000 (2024: HK\$2,066,000) and share premium of approximately HK\$12,073,000 (2024: HK\$12,073,000) (before issue expenses).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 22 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables ( <i>Note (a)</i> )	412	1,316
Accrued staff salaries	1,316	4,741
Accrued expenses	4,575	9,018
Other payables	955	1,666
	6,846	15,425
	7,258	16,741

*Note:*

(a) The credit period granted to the Group by suppliers normally ranges from 30 to 60 days (2024: same).

The ageing analysis of the trade payables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	–	731
31 to 90 days	–	343
Over 90 days	412	242
	412	1,316

The carrying amounts of trade payables, accrued expenses and other payables approximate their fair values are denominated in the following currencies.

	2025 HK\$'000	2024 HK\$'000
HK\$	3,218	3,139
RMB	2,724	8,861
	5,942	12,000



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 23 PROMISSORY NOTE PAYABLE

On 6 May 2016, the Company issued a promissory note to a former director of the Company, Mr. Fu Yik Lung (“Mr. Fu”) to raise funding for the Group’s working capital on the daily operation and the development of its existing businesses and any other future development opportunities.

The principal sum of HK\$19,500,000 together with its interest accrued are to be repaid on the date falling two years from 6 May 2016. The promissory note was unsecured and interest-bearing at 5% per annum during that period.

On 10 May 2018, the Group had entered into an extension agreement with Mr. Fu (the noteholder of the promissory note) pursuant to which the maturity date of the promissory note was extended to 4 August 2019, and the principal amount of the promissory note was amended to HK\$19,950,000. The extended promissory note shall bear fixed interest in the amount of HK\$200,000 per month.

On 4 April 2019, the Group had entered into a second extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 5 October, 2020, and the principal amount was HK\$19,950,000. The extended promissory note would bear fixed interest in the amount of HK\$200,000 per month.

On 31 July 2020, the Group had entered into an agreement with Mr. Fu pursuant to which certain liabilities for the interest payable was discharged by Mr. Fu. It hereby resulted in substantial modification of the terms of the promissory note. The gain on modification with amount of HK\$2,400,000 was recognised for the year ended 31 March 2021.

On 14 May 2021, the Group entered into a third extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 30 April 2022.

On 7 June 2022, the Group entered into a fourth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 October 2022.

On 1 November 2022, the Group entered into a fifth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 July 2023.

On 14 August 2024, a winding-up petition was filed by Mr. Fu with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company in relation to an alleged unpaid principal amount and related interests of approximately HK\$8,961,000. Details have been disclosed in the Company’s announcement dated 20 August 2024.

On 23 September 2024, the Group entered into a memorandum of deed of waiver with Mr. Fu and pursuant to which all obligations and liabilities for the outstanding principal and related interests of the promissory note payable were discharged by Mr. Fu and gains of approximately HK\$8,961,000 were recognised for the year ended 31 March 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 24 BORROWINGS

The balance represented the unsecured debenture. The Company had issued debentures with aggregate principal of United States dollars 800,000 (equivalent to approximately HK\$6,202,000) to an independent third party in the previous years. The debentures are unsecured, bearing interest rate at 8.5% per annum and repayable on 15 July 2021. The interest is paid semi-annually.

On 15 July 2021, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to 15 July 2022.

On 15 July 2022, the Group has entered into second extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2023.

On 15 July 2023, the Group had entered into a third extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2024.

On 15 August 2024, the Group had entered into a fourth extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2026.

As at 31 March 2025, the principal of the debentures were classified as non-current liabilities whereas the interest payables are classified as current liabilities (2024: principal and interest payables are classified as current liabilities).

### 25 FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost		
– Trade receivables	5,580	3,413
– Deposits and other receivables	5,000	4,181
– Amounts due from related companies	22	8,277
– Cash and cash equivalents	5,968	9,728
	<b>16,570</b>	25,599
Financial liabilities at amortised cost		
– Trade payables	412	1,316
– Accrued expenses and other payables	5,530	10,684
– Loan from a related company	–	25
– Amounts due to related parties	4,455	9,556
– Promissory note payable	–	8,668
– Borrowings	7,188	7,213
– Lease liabilities	–	12,411
	<b>17,585</b>	49,873

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 26 SUBSIDIARIES

#### (a) Particulars of the principal subsidiaries

Details of the principal subsidiaries of the Company as at 31 March 2025 and 2024 are as follows.

Name of subsidiaries	Place of incorporation/ establishment	Place of operation	Registered/ paid up share capital	Equity interest held by the Group 2025	2024	Principal activities
Million Joyce Global Limited	The British Virgin Islands	The British Virgin Islands	US\$1,000	–	100%	Investment holding
King Force Security Limited	Hong Kong	Hong Kong	HK\$10,000	–	100%	Provision of security guarding services
Shenzhen Guanhui Jiye Property Management Limited	the PRC	the PRC	RMB60,000,000	100%	100%	Provision of security guarding and property management services and hospitality catering and beverage services
Shandong Zhicheng Economic Consultation Service Co., Ltd. <sup>#</sup> ("Shandong Zhicheng")	the PRC	the PRC	RMB7,819,459	51%	51%	Provision of security guarding, property management and human resources services
Jingwudun Security Management Group Co., Limited <sup>#</sup> ("Jingwudun")	the PRC	the PRC	RMB10,000,000	–	51%	Provision of security guarding services
Shenzhen Huili Investment Limited <sup>#</sup>	the PRC	the PRC	RMB20,000,000	100%	100%	Provision of asset management services
Huili Asset Management (Zhuhai) Co., Limited <sup>#</sup>	the PRC	the PRC	RMB11,250,000	100%	100%	Provision of asset management services

<sup>#</sup> The English names are translated for identification purpose only.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

#### (b) Material non-wholly owned subsidiaries

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Shandong Zhicheng and Jingwudun, both subsidiaries of the Company in which the Group holds 51% equity interests, have material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 26 SUBSIDIARIES – CONTINUED

#### (b) Material non-wholly owned subsidiaries – Continued

Summarised financial information in relation to the NCI of Shandong Zhicheng, before intra-group eliminations, is presented below:

	2025 HK\$'000	2024 HK\$'000
<b>NCI percentage</b>	<b>49%</b>	49%
<b>As at 31 March</b>		
Non-current assets	–	–
Current assets	4,438	814
Current liabilities	(10,791)	(8,144)
Net liabilities	(6,353)	(7,330)
<b>Equity attributable to</b>		
Owners of the Company	(3,240)	(3,738)
NCI	(3,113)	(3,592)
	(6,353)	(7,330)
Carrying amount of NCI	(3,113)	(3,592)
<b>For the year ended 31 March</b>		
Revenue	32,177	35,402
Profit/(loss) for the year	910	(1,461)
Other comprehensive income	67	322
Total comprehensive income	977	(1,139)
Profit/(loss) allocated to NCI	446	(716)
<b>For the year ended 31 March</b>		
Cash flows from operating activities	1,987	122
Net cash inflows	1,987	122

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 26 SUBSIDIARIES – CONTINUED

#### (b) Material non-wholly owned subsidiaries – Continued

Summarised financial information in relation to the NCI of Jingwud, before intra-group eliminations, was presented below:

	2024 HK\$'000
<b>NCI percentage</b>	49%
<b>As at 31 March</b>	
Non-current assets	498
Current assets	1,695
Current liabilities	(7,575)
Net liabilities	(5,382)
<b>Equity attributable to</b>	
Owners of the Company	(2,745)
NCI	(2,637)
	(5,382)
Carrying amount of NCI	(2,637)
<b>For the year ended 31 March</b>	
Revenue	2,313
Loss for the year	(5,728)
Other comprehensive income	14
Total comprehensive loss	(5,714)
Loss allocated to NCI	(2,807)
<b>For the year ended 31 March</b>	
Cash flows from operating activities	49
Net cash inflows	49

The Group disposed of the entire equity interests in Jingwudun in April 2024 (Note 27).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 27 DISPOSAL OF SUBSIDIARIES

In April 2024, the Group disposed of the entire registered capital of Million Joyce Global Limited, the immediate holding company of King Force Security Limited to an independent third party at a consideration of HK\$1.

In April 2024, the Group disposed of its 51% equity interest in Jingwudun to an independent third party at a consideration of RMB1.

The following table summarises the consideration received for the disposal of subsidiaries and the amounts of the identifiable assets and liabilities disposed of at the disposal date:

	HK\$'000
Cash consideration received	_#
Less: assets and liabilities disposed of:	
– Property, plant and equipment ( <i>Note 14</i> )	498
– Trade receivables	1,043
– Prepayments, deposits, and other receivables	560
– Cash and cash equivalents	1,385
– Accrued expenses and other payables	(9,303)
– Amounts due to related parties	(8,415)
Net liabilities value	(14,232)
Add: release of exchange reserve upon disposal of subsidiaries	(219)
Add: release of non-controlling interests in a subsidiary	2,637
Gains on disposal of subsidiaries	11,814

An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	HK\$'000
Cash consideration received	_#
Less: cash and cash equivalents included in the disposal of subsidiaries	(1,385)
Net outflow of cash and cash equivalents included in the cash flows from investing activities	(1,385)

# Less than HK\$1,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Cash used in operations

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax	10,591	(20,488)
Adjustments for:		
Bank interest income ( <i>Note 7</i> )	(8)	(59)
Depreciation of property, plant, and equipment ( <i>Note 9</i> )	2,178	3,634
Gains on disposal of non-current assets held for sale	–	(8,476)
Gains on disposal of subsidiaries ( <i>Note 7</i> )	(11,814)	–
Gains on lease termination ( <i>Note 7</i> )	(2,325)	(5,574)
Gain on modification of terms of promissory note ( <i>Note 7</i> )	(8,961)	–
Finance costs ( <i>Note 8</i> )	1,032	1,848
Impairment losses of property, plant and equipment ( <i>Note 9</i> )	1,325	3,411
Write-off of property, plant and equipment ( <i>Note 9</i> )	1,681	2,165
Provision for impairment losses on financial assets	3,726	4,384
Operating loss before working capital changes	(2,575)	(19,155)
Changes in working capital:		
Inventories	(2,715)	(212)
Trade receivables	(6,885)	4,335
Prepayments, deposits and other receivables	(1,733)	(2,786)
Amounts due from related companies	–	1,784
Trade payables	(905)	(508)
Accrued expenses and other payables	325	207
Contract liabilities	1,799	149
Cash used in operations	(12,689)	(16,186)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

#### (b) Reconciliation of liabilities arising from financing activities

This section sets out the movements in liabilities arising from financing activities for each of the years presented.

	Loan from a related company HK\$'000	Amounts due to related parties HK\$'000	Promissory note payable HK\$'000	Lease liabilities HK\$'000	Borrowings HK\$'000	Total HK\$'000
<b>At 1 April 2023</b>	13	7,120	18,750	14,154	7,187	47,224
Changes from financing cash flows:						
Advance from loan from a related company	3,797	–	–	–	–	3,797
Repayments of loan from a related company	(3,797)	–	–	–	–	(3,797)
Advance from amounts due to related parties	–	2,433	–	–	–	2,433
Repayment of promissory note payable	–	–	(10,800)	–	–	(10,800)
Lease payments	–	–	–	(2,957)	–	(2,957)
Interest paid	–	–	(239)	(301)	(552)	(1,092)
Total changes from financing cash flows	–	2,433	(11,039)	(3,258)	(552)	(12,416)
Other changes:						
New leases entered	–	–	–	12,255	–	12,255
Lease modification	–	–	–	(10,353)	–	(10,353)
Interest expense ( <i>Note 8</i> )	12	–	957	301	578	1,848
Exchange realignment	–	3	–	(688)	–	(685)
Total other changes	12	3	957	1,515	578	3,065
<b>At 31 March 2024</b>	25	9,556	8,668	12,411	7,213	37,873

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 28 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

#### (b) Reconciliation of liabilities arising from financing activities – Continued

	Loan from a related company HK\$'000	Amounts due to related parties HK\$'000	Promissory note payable HK\$'000	Lease liabilities HK\$'000	Borrowings HK\$'000	Total HK\$'000
<b>At 1 April 2024</b>	25	9,556	8,668	12,411	7,213	37,873
Changes from financing cash flows:						
Repayments of loan from a related company	(25)	–	–	–	–	(25)
Advance from amounts due to related parties	–	3,334	–	–	–	3,334
Lease payments	–	–	–	(195)	–	(195)
Interest paid	–	–	–	(2)	(601)	(603)
Total changes from financing cash flows	(25)	3,334	–	(197)	(601)	2,511
Other changes:						
Lease modification	–	–	–	(12,338)	–	(12,338)
Interest expense ( <i>Note 8</i> )	–	–	293	163	576	1,032
Gain on modification of terms of promissory note	–	–	(8,961)	–	–	(8,961)
Disposal of subsidiaries	–	(8,415)	–	–	–	(8,415)
Exchange realignment	–	(20)	–	(39)	–	(59)
Total other changes	–	(8,435)	(8,668)	(12,214)	576	(28,741)
<b>At 31 March 2025</b>	–	4,455	–	–	7,188	11,643

#### (c) Non-cash transaction

The Group had additions to right-of-use assets and lease liabilities with same amount of approximately HK\$12,255,000 for the year ended 31 March 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 29 RELATED PARTY TRANSACTIONS

#### (a) Names and relationships with related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa.

The directors of the Company are of the view that the following parties/companies were related parties with transactions or balances with the Group during the years ended 31 March 2025 and 2024:

Name of related parties	Relationship with the Group
Shenzhen Great Walle	The ultimate holding company
Greatwalle Holding Limited	The immediate holding company
Greatwalle Capital Limited	A fellow subsidiary
Shenzhen Great Walle Capital Management Co., Ltd.	A fellow subsidiary
Shenzhen Dewei Consultation Co., Ltd.,	A fellow subsidiary
Greatwalle International Limited	A fellow subsidiary
Ms. Song Shiqing	A director of the Company
Mr. Fu Yik Lung	A director of the then subsidiary

#### (b) Transactions and balance with related parties

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following significant transactions and balances with related parties:

##### *Transactions with related parties*

	2025 HK\$'000	2024 HK\$'000
Interest expense to a director of a subsidiary, Mr. Fu Yik Lung	–	957
Interest expense to a related party, Greatwalle Holding Limited	–	12

The above-mentioned transactions were carried out on the terms agreed between the relevant parties.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 29 RELATED PARTY TRANSACTIONS – CONTINUED

#### (b) Transactions and balance with related parties – Continued

##### *Balance with related parties*

	2025 HK\$'000	2024 HK\$'000
<b>Amounts due from fellow subsidiaries (Note (i))</b>		
Shenzhen Dewei Consultation Co., Ltd.,	–	8,255
Greatwalle International Limited	22	22
	<b>22</b>	8,277
<b>Loan from a related company (Note (ii))</b>		
Greatwalle Holding Limited	–	(25)
<b>Amounts due to related parties (Note (iii))</b>		
Amount due to the immediate holding company		
Greatwalle Holding Limited	(325)	–
Amounts due to fellow subsidiaries		
Greatwalle Capital Limited	–	(124)
Shenzhen Great Walle Capital Management Co., Ltd.,	(3,548)	(505)
	<b>(3,548)</b>	(629)
Amount due to a director		
Ms. Song Shiqing	(582)	(512)
Amount due to a related party		
Mr. Fu Yik Lung	–	(8,415)
Total amounts due to related parties	<b>(4,455)</b>	(9,556)
<b>Promissory note payable (Note 23)</b>		
Mr. Fu Yik Lung	–	(8,668)

Notes:

- (i) As at 31 March 2025 and 2024, the amounts due from fellow subsidiaries are unsecured, interest-free and repayable on demand and denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	22	22
RMB	–	8,255
	<b>22</b>	8,277

- (ii) As at 31 March 2024, the loan from a related company was unsecured, bearing interest rate at 1% per annum, repayable within one year at the end of the reporting period and denominated in HK\$.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 29 RELATED PARTY TRANSACTIONS – CONTINUED

#### (b) Transactions and balance with related parties – Continued

##### ***Balance with related parties – Continued***

Notes: – Continued

(iii) As at 31 March 2025 and 2024, the amounts due to the immediate holding company, a director and a related party are unsecured, interest-free and repayable on demand and denominated in HK\$.

As at 31 March 2025 and 2024, the amounts due to fellow subsidiaries are unsecured, interest-free and repayable on demand and denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
HK\$	(645)	(629)
RMB	(2,903)	–
	<b>(3,548)</b>	<b>(629)</b>

#### (c) Key management compensation

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	2,514	4,837
Retirement scheme contributions	178	237
	<b>2,692</b>	<b>5,074</b>

### 30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Statement of financial position of the Company

	Note	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries		31	31
Amounts due from subsidiaries		1,208	11,192
Total non-current assets		<b>1,239</b>	<b>11,223</b>
<b>Current assets</b>			
Prepayments, deposits and other receivables		199	195
Amount due from a related company		22	22
Cash and cash equivalents		30	404
Total current assets		<b>251</b>	<b>621</b>
<b>Total assets</b>		<b>1,490</b>	<b>11,844</b>
<b>EQUITY</b>			
Share capital	19	29,072	29,072
Reserves	30(b)	(57,789)	(51,273)
<b>Total deficit</b>		<b>(28,717)</b>	<b>(22,201)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY – CONTINUED

#### (a) Statement of financial position of the Company – Continued

	Note	2025 HK\$'000	2024 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		6,779	–
Total non-current liabilities		6,779	–
<b>Current liabilities</b>			
Accrued expenses and other payables		3,107	2,767
Loan from a related company		–	25
Amounts due to subsidiaries		18,810	14,380
Amounts due to related parties		1,102	992
Promissory note payable		–	8,668
Borrowings		409	7,213
Total current liabilities		23,428	34,045
<b>Total liabilities</b>		<b>30,207</b>	<b>34,045</b>
<b>Total equity and liabilities</b>		<b>1,490</b>	<b>11,844</b>
<b>Net current liabilities</b>		<b>(23,177)</b>	<b>(33,424)</b>

The statement of financial position of the Company was approved by the Board of Directors on 27 June 2025 and was signed on its behalf.

**Song Xiaoming**  
Executive Director

**Song Shiqing**  
Executive Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY – CONTINUED

#### (b) Reserves movement of the Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Share options reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
<b>Balances as at 1 April 2023</b>	224,877	7,996	7,241	(260,482)	(20,368)
Loss for the year	–	–	–	(30,905)	(30,905)
Lapse of share options	–	–	(1,951)	1,951	–
<b>Balances as at 31 March 2024 and 1 April 2024</b>	224,877	7,996	5,290	(289,436)	(51,273)
Loss for the year	–	–	–	(6,516)	(6,516)
<b>Balance as at 31 March 2025</b>	224,877	7,996	5,290	(295,952)	(57,789)

*Note:* The contributed surplus of the Company represented the difference between the net asset value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the group reorganisation prior to the listing of the Company's shares.

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

#### 31.1 Principles of consolidation

##### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.1 Principles of consolidation – Continued

##### ***Subsidiaries – Continued***

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of profit or loss and other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

#### 31.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiaries in the period the dividend is declared or if the carrying amount of the investments in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 31.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to 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 Group, who makes strategic decisions.

#### 31.4 Foreign currency translation

##### **(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency and the Group's presentation currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within "Other income and gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.4 Foreign currency translation – Continued

##### *(iii) Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

#### 31.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 31.6).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "Other income and gains, net" in the consolidated statement of profit or loss and other comprehensive income.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.6 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 31.7 Financial assets

##### 31.7.1 Classification

The Group classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### 31.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### 31.7.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

##### *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "Other income and gains, net" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

##### 31.7.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.7 Financial assets – Continued

##### ***31.7.4 Impairment – Continued***

Impairment on other financial assets at amortised cost is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

#### 31.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Group or the counterparty.

#### 31.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Costs of purchased inventory are determined after deducting discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### 31.10 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Other receivables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 31.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### 31.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 31.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

Borrowing costs are expensed in the period in which they are incurred.

#### 31.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **(i) Current income tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.15 Current and deferred income tax – Continued

##### **(ii) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 31.16 Employee benefits

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

##### **(ii) Retirement benefit costs**

Group companies operate various defined contribution pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.16 Employee benefits – Continued

##### **(ii) Retirement benefit costs – Continued**

The Group operates a defined contribution Mandatory Provident Fund Scheme (the “MPF Scheme”) which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. Both the Group and the staff are required to contribute 5% of the employees’ relevant income with a ceiling of HK\$1,500 per month to the MPF scheme. The assets of the MPF Scheme are held in a separately administered fund. The Group’s contributions to the MPF scheme are expensed as incurred.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### **(iii) Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of consolidated statement of financial position.

##### **(iv) Termination benefit**

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### 31.17 Share-based payments

The Group operates equity-settled, share-based compensation plans, namely the share option scheme. Information relating to the share option scheme is set out in Note 21. The fair value of options granted under the Group’s share option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the entity’s share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.17 Share-based payments – Continued

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

#### 31.18 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### 31.19 Other income

Interest income is recognised using the effective interest method, on a time-proportion basis.

#### 31.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### 31.21 Earnings per share

##### (i) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

##### (ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

### 31 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – CONTINUED

#### 31.22 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs

Entity-specific details about the Group's leasing policy are provided in Note 14(c).

## FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements of the Company, is set out below. This summary does not form part of the audited financial statements.

### FINANCIAL RESULTS

	Year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	<b>47,857</b>	54,600	81,021	56,946	62,035
Gross profit/(loss)	<b>5,178</b>	(2,864)	4,343	1,281	5,504
Profit/(loss) before income tax	<b>10,591</b>	(20,488)	(16,498)	(39,350)	(18,839)
Profit/(loss) for the year	<b>10,591</b>	(20,488)	(16,518)	(39,342)	(18,999)
Attributable to:					
Owners of the Company	<b>10,165</b>	(16,938)	(16,315)	(35,506)	(16,959)
Non-controlling interests	<b>426</b>	(3,550)	(203)	(3,836)	(2,040)
	<b>10,591</b>	(20,488)	(16,518)	(39,342)	(18,999)

### ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Non-current assets	<b>763</b>	16,143	12,634	18,739	15,008
Current assets	<b>19,656</b>	26,235	62,028	82,388	100,671
Current liabilities	<b>14,055</b>	44,547	55,898	55,517	119,563
Non-current liabilities	<b>6,779</b>	10,215	8,999	14,675	337
Net (liabilities)/assets	<b>(415)</b>	(12,384)	9,765	30,935	(4,221)
Total equity/(deficit) attributable to:					
Owners of the Company	<b>2,809</b>	(6,065)	12,820	33,763	(3,338)
Non-controlling interests	<b>(3,224)</b>	(6,319)	(3,055)	(2,828)	(883)
	<b>(415)</b>	(12,384)	9,765	30,935	(4,221)