Man Shing Global Holdings Limited
萬成環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code : 8309)

2025
ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Man Shing Global Holdings Limited (the "Company" and together with its subsidiaries, the "Group" or "Man Shing") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Chong Shing *(Chairman)*
Mr. Wong Man Sing
Mr. Wong Chi Ho
Ms. Wong Ka Man *(appointed on 15 November 2024)*

Independent Non-Executive Directors

Mr. Lee Pak Chung
Mr. Au-Yeung Tin Wah
Mr. Chiu Ka Wai

COMPANY SECRETARY

Mr. Tong Wai Kit, Raymond

AUDIT COMMITTEE

Mr. Au-Yeung Tin Wah *(Chairman)*
Mr. Lee Pak Chung
Mr. Chiu Ka Wai

REMUNERATION COMMITTEE

Mr. Chiu Ka Wai *(Chairman)*
Mr. Lee Pak Chung
Mr. Wong Man Sing

NOMINATION COMMITTEE

Mr. Wong Chong Shing *(Chairman)*
Mr. Chiu Ka Wai
Mr. Lee Pak Chung

RISK MANAGEMENT COMMITTEE

Mr. Wong Chong Shing *(Chairman)*
Mr. Lee Pak Chung
Mr. Au-Yeung Tin Wah
Ms. Wong Ka Man *(appointed on 15 November 2024)*

AUTHORISED REPRESENTATIVES

Mr. Wong Chong Shing
Mr. Wong Man Sing

REGISTERED OFFICE

PO BOX 309
Ugland House, Grand Cayman
KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 10, 11/F., Trans Asia Centre
18 Kin Hong Street
Kwai Chung, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPLIANCE OFFICER

Mr. Wong Chong Shing

AUDITORS

CCTH CPA Limited

LEGAL ADVISOR

KEITH LAM LAU & CHAN

PRINCIPAL BANKERS

Shanghai Commercial Bank Limited
Fubon Bank (Hong Kong) Limited
Standard Chartered Bank
O-Bank Co. Ltd
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai
Banking Corporation Limited

WEBSITE ADDRESS

www.manshing.com.hk

STOCK CODE

8309

Five-Year Financial Summary

	Year ended 31 March				
	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025 HK$'000**
Revenue	580,550	663,958	997,030	1,024,714	**677,097**
Profit/(loss) and total comprehensive income/ (expense) attributable to					
Equity holders of the Company	28,615	2,253	28,264	16,101	**(7,229)**
Non-controlling interests	–	–	(2)	–	**–**
Earnings/(loss) per share (HK cents) – basic and diluted	4.77	0.38	4.71	2.68	**(1.20)**

	Year ended 31 March				
Assets and liabilities	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025 HK$'000**
Non-current assets					
Plant and equipment	2,799	3,999	17,896	25,436	**28,681**
Right-of-use assets	20,767	43,815	43,940	32,059	**21,113**
Goodwill	4,095	4,095	4,095	4,095	**4,095**
Financial assets at fair value	–	–	–	1,763	**1,777**
Deposits and prepayments	–	5,082	2,995	393	**390**
Deferred tax assets	–	–	6,555	10,444	**2,917**
Current assets					
Trade receivables	53,188	87,339	106,025	102,524	**44,304**
Prepayments, deposits and other receivables	12,543	17,541	18,626	15,862	**9,961**
Pledged bank deposits	33,125	63,012	57,577	78,730	**23,457**
Restricted bank deposits	1,382	–	–	1,017	**605**
Bank balances and cash	70,545	73,583	72,340	73,192	**75,939**
Income tax recoverable	–	–	–	–	**2,815**
Current Liabilities	80,223	164,587	138,935	169,379	**75,072**
Net current assets	90,560	75,542	115,633	101,946	**82,009**
Total assets less current liabilities	118,221	133,879	191,114	176,136	**140,982**
Share Capital	6,000	6,000	6,000	6,000	**6,000**
Reserve	95,507	88,760	117,024	133,125	**125,896**
Equity attributable to equity holders of the Company	101,507	94,760	123,024	139,125	**131,896**
Non-controlling interests	–	–	18	18	**18**
Non-current liabilities	16,714	39,119	68,072	36,993	**9,068**
	118,221	133,879	191,114	176,136	**140,982**

Chairman's Statement

Dear Stakeholders,

On behalf of the board of Directors (the "**Board**") of Man Shing Global Holdings Limited, I am pleased to present to you the audited consolidated annual results of the Group for the year ended 31 March 2025 (the "**Year**" or the "**Reporting Period**").

Man Shing has been providing cleaning services in Hong Kong for over 30 years and has become one of the largest cleaning services companies in Hong Kong. We are honoured to have played an important role in providing environmental cleaning solutions for all Hong Kong residents. We strive to maintain and strengthen our leading position in the cleaning services industry. As a dedicated team working towards a common goal, we believe Man Shing's success lies in our solidarity, strives for growth, and scaling for new heights for the Company.

Our business covers a comprehensive portfolio of environmental cleaning solutions, including providing street cleaning solutions, building cleaning solutions, bus and ferry cleaning solutions, waste management services, external wall and window cleaning, confined space cleaning as well as pest control and fumigation services, and property management services in Hong Kong. During the Year, Man Shing has successfully secured new contracts from existing and new customers across all sectors. The grant of these contracts by our customers represents their recognition of our quality service and our compliance with their stringent requirements, which further expands Man Shing's influence in the industry. Moving forward, we will continue to establish closer ties with our customers in both government and private sectors to secure various potential projects in the industry. While striving to explore further business opportunities and maximize our market share in our business segments, we will continue to implement stringent internal control measures to enhance operational efficiency and to improve our financial positions.

With the increase of awareness of a clean and hygienic environment in the Hong Kong public as well as the demand for a clean and better living environment in Hong Kong, the demand for cleaning solution services from both the public and private sectors increased. During the year, we faced keen competition within the street cleaning industry in Hong Kong, as well as the challenges of increasing labour costs, which led to a decrease in our revenue and profits. As a result, our revenue decreased compared to the same period last year, amounting to HK$677.1 million, representing a 33.9% decrease from last year.

The Group had been actively exploring new opportunities and developing other business areas. We will continue to strive for business and revenue growth in the coming years.

As our employees are our greatest assets, we will continue to allocate more resources to arrange training on occupational safety, operating and supervisory skills for our employees. At the same time, we will make a continuous effort to strengthen our information and communication technology to enhance operational efficiency and our effectiveness in cost control, as well as improving our internal control and financial position.

Last but not least, I would like to express my heartfelt gratitude to the Board and all our dedicated employees for their continuous contribution to the Group's achievements. I would also like to sincerely thank our shareholders, customers and business partners for their continuous support and confidence in the Group. Going forward, we will continue of work closely with all stakeholders with a view to maintaining and strengthening our position in the cleaning services industry.

Wong Chong Shing
Chairman of the Board

23 June 2025

Management Discussion and Analysis

BUSINESS REVIEW

With more than 30 years of experience in the environmental cleaning solution industry in Hong Kong, we have steadily grown our business since our inception and now our wide range of services extend to cover all 18 districts throughout Hong Kong. Our comprehensive portfolio of environmental cleaning solutions are mainly divided into (i) street cleaning solutions which comprise street and public area cleaning, refuse collection point cleaning and pest control; (ii) building cleaning solution which comprise general building cleaning, refuse collection and waste disposal, toilet cleaning and janitorial services; (iii) bus and ferry cleaning solutions which comprise general depot and pier cleaning, vehicle and vessel cleaning, refuse collection and waste disposal, and toilet cleaning; and (iv) other cleaning services which include various one-off cleaning services such as external wall and window cleaning, confined space cleaning, as well as pest control and fumigation services.

After an incredible growth in the past few years, our business faced an unexpected setback. In the past few months, despite our attempts to renew some core contracts, we have been overcast by competitors and failed to do so due to their cutthroat pricing for street cleaning contracts. Our revenue slid lower as compared to the same period last year, which were mainly caused by the expiration of six street cleaning contracts with a total contract sum of approximately HK$1,543.9 million. As a consequence, our gross profit reported of approximately HK$60.6 million, representing a 30.9% decrease as compared to last year. To tackle the business slide, our management has already taken appropriate measures to rectify this situation and expects will turn around by implementing new pricing strategies and cost control policies.

SEGMENT INFORMATION

Cleaning Solutions Services

The provision of cleaning solutions services remains the main business of the Group. During the Year, the revenue generated by the Group from cleaning solutions services amounted to approximately HK$668.4 million (thus contributing about 98.7% of the Group's total revenue), representing a decrease of 34.1% as compared to that of last year (approximately HK$1,014.8 million). Such decrease is mainly attributable to the expiration of six street cleaning contracts with a total contract sum of approximately HK$1,543.9 million.

Property Management Services

Our performance in the property management services segment remains stable since our acquisition of Curtaman in October 2019. During the Year, the Group generated approximately HK$8.7 million of revenue from the provision of property management services (representing approximately 1.3% of the total revenue of the Group), a decrease of 12.4% in revenue as compared to approximately HK$9.9 million of the previous financial year.

OUTLOOK

The environment has definitely widened opportunities, albeit with higher business risk ahead, which will soon have a favourable impact on our bottom line. There is little doubt in our minds that better days are ahead. There are some good reasons for our optimism.

Apart from the tenders from FEHD, we will strive to secure more new tenders from other government departments of Hong Kong. With our considerable resources, including our stable management force and experienced fleet management team, we believe that we are well-equipped to undertake different projects from various government departments of Hong Kong, which generally require experienced cleaning services providers with substantial resources. Furthermore, we will explore and seize new business opportunities in the private sector to broaden our customer base, thereby generating further revenue to strengthen our financial position in the long run.

Going forward, we will make necessary restructures in order to boost profit margins back to a reasonable level. We will undergo a profound refocus of our operations. We have to outline a plan to cut costs and improve our operational efficiency so as to improve our profit margins. Definitely, we are driven to turn the business around by looking at every single part of our business.

Furthermore, we will also endeavour to explore business opportunities to further promote the development of the Group's business and yield greater returns for the shareholders of the Company (the "**Shareholders**").

FINANCIAL REVIEW

Revenue

During the Reporting Period, our Group's revenue was approximately HK$677,097,000 (2024: approximately HK$1,024,714,000), representing a decrease of HK$347,617,000 or 33.9% as compared to the year ended 31 March 2024. Such decrease was mainly attributable the expiration of six street cleaning contracts.

Gross profit and gross profit margin

Our Group's gross profit decreased by approximately HK$27,091,000 or 30.9% from approximately HK$87,699,000 for the year ended 31 March 2024 to approximately HK$60,608,000 for the Reporting Period. Our Group's gross profit margin for the Reporting Period was approximately 9.0%, representing an increase of approximately 0.4% as compared to approximately 8.6% for the year ended 31 March 2024. The increase in gross profit margin was mainly due to the decrease in material costs and direct wages.

Other income

Other income of our Group increased by approximately HK$4,522,000 from approximately HK$2,549,000 for the year ended 31 March 2024 to approximately HK$7,071,000 for the Reporting Period. The increase was mainly due to the gain on disposal of motor vehicles amounted to approximately HK$4,199,000 during the Reporting Period.

Administrative expenses

Administrative expenses consist primarily of staff costs (including Directors' remuneration), insurance expenses, depreciation, maintenance, office supplies and transportation expenses, legal and professional fees and other administrative expenses. Following the decrease in revenue due to the expiration of several contracts, there was a corresponding decrease in administrative expenses of our Group. Administrative expenses decreased by approximately HK$6,255,000 from approximately HK$65,282,000 for the year ended 31 March 2024 to approximately HK$59,027,000 for the Reporting Period. The decrease was mainly attributable to (i) the decrease in staff costs, which include wages and salaries, retirement benefit scheme contribution and the provision for long services payments; and (ii) insurance expenses.

Finance costs

Finance costs incurred by our Group decreased by approximately HK$4,028,000 from approximately HK$7,435,000 for the year ended 31 March 2024 to approximately HK$3,407,000 for the Reporting Period. Such decrease was mainly attributable to the decrease in the amount of interest expenses paid for the bank borrowings.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contribution from the cash inflow from operating activities and bank borrowings.

Our liquidity is primarily dependent on our ability to maintain adequate cash inflow from operations to meet our debt obligations as they fall due and our ability to obtain external financing to meet our committed future capital expenditure.

Cash and bank balances are denominated in Hong Kong dollars. The current ratio of our Group as at 31 March 2025 was 2.1 times as compared to that of 1.6 times as at 31 March 2024. The increase in current ratio was mainly due to the decrease in bank borrowings and the decrease in the provision of long services payment and gratuity obligations in the current liabilities.

The amount of total interest bearing debts of our Group, including bank and other borrowings, lease liabilities and obligations under finance leases, decreased to approximately HK$13,907,000 as at 31 March 2025 from approximately HK$38,375,000 as at 31 March 2024. All borrowings were denominated in Hong Kong dollars and were repayable within 5 years. Our Group did not carry out any hedging for its floating borrowings.

We enter into finance lease agreements for certain vehicles that we owned. The average lease terms were five years during the Reporting Period. The effective interest rate for the lease liabilities for the Year were under fixed rates and ranged from 2% to 3.75% per annum.

As at 31 March 2025, the lease liabilities amounted to approximately HK$8,407,000 (2024: approximately HK$21,135,000 as shown under finance lease liabilities), were secured by the lessor's charge over the leased assets and corporate guarantees executed by the Company.

The gearing ratio, calculated based on all interest-bearing borrowings for our general business operations divided by total equity at the end of the Year and multiplied by 100%, was approximately 4.2% as at 31 March 2025 (2024: approximately 12.4%). Such decrease was primarily attributable to a decrease in the Group's bank borrowings during the Year, as the Group closely monitored its overall exposure and fully utilised our financial resources to assist our business operations in order to achieve sustainable growth.

CAPITAL STRUCTURE

As at 31 March 2025, the share capital and total equity attributable to equity holders of the Company amounted to approximately HK$6,000,000 and HK$131,896,000 respectively.

CONTINGENT LIABILITIES

We have financial guarantee contracts on performance bonds issued by banks for due performance under several of our contracts. The said performance bonds were entered into between the Group and the banks. Generally, in case that there is a breach of contract regarding our service performance to our customer and the customer thus claims from the relevant bank, the bank may further deduct the amount of the said claim from our pledged deposits. As at 31 March 2025, the amounts of pledged deposit to banks as security for banking facilities was HK$23,457,000 (2024: approximately HK$78,730,000).

The Group may from time to time be involved in employee compensation and personal injury claims with its employees or third party claimants. As at the date of this annual report, there were nine employee compensation and personal injury claims in which legal proceedings were initiated against the Group by the relevant claimants. Based on the legal advice obtained, the Directors are of the opinion that the potential liabilities arising from the aforesaid legal proceedings are not material, and thus no such liabilities have been accounted for in the consolidated financial statements of the Group.

In addition, during the Reporting Period, three of the employees of the Group was also involved in a litigation claim concerning an accident which happened within the course of employment. Details of such claim are disclosed in note 35 to the consolidated financial statements. Based on the legal advice obtained, any potential claims to be initiated against the Group arising therewith will be well covered by insurance. Thus, the Directors are of the view that no provision for contingent liabilities is required to be made in the consolidated financial statements.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Disposals

During the Year, the Group has conducted the following disposals:

1. On 25 September 2024, Hong Kong Johnson Holdings Co., Ltd. (stock code: 1955), a company incorporated with limited liability in the Cayman Island and the issued shares of which are listed on the Main Board of the Stock Exchange ("**HK Johnson**"), as the purchaser, entered into the following thirty-six (36) sale and purchase agreements ("**September 2024 SPA**", the disposals of vehicles contemplated thereunder shall be referred to as "**September 2024 Disposals**") with the following vendors (each being an indirect wholly-owned subsidiary of the Company):

   (i) Man Shing Environmental Company Limited, as the vendor had entered into nine (9) sale and purchase agreements with HK Johnson as the purchaser in respect of the sale and purchase of each of nine (9) vehicles, at an aggregate consideration of HK$3,086,000, payable by HK Johnson on or before 30 September 2024;

   (ii) Jasen Services Limited, as the vendor had entered into twenty (20) sale and purchase agreements with HK Johnson as the purchaser in respect of the sale and purchase of each of twenty (20) vehicles, at an aggregate consideration of HK$2,742,000, payable by HK Johnson on or before 30 September 2024;

   (iii) Matrix International Investments Limited, as the vendor had entered into six (6) sale and purchase agreements with HK Johnson as the purchaser in respect of the sale and purchase of each of six (6) vehicles, at an aggregate consideration of HK$828,000, payable by HK Johnson on or before 30 September 2024; and

   (iv) Man Shing Cleaning Service Company Limited, as the vendor had entered into a sale and purchase agreement with HK Johnson as the purchaser in respect of the sale and purchase of one (1) vehicle, at a consideration of HK$840,000, payable by HK Johnson on or before 30 September 2024.

   To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, HK Johnson and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The aggregate amount of consideration under the September 2024 SPA was HK$7,496,000.

Since the transactions contemplated under the September 2024 SPA were entered into with the same party within a 12-month period, the transactions thereunder shall be aggregated pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the September 2024 Disposals exceeded 5% but were less than 25% for the purpose of Rule 19.07 of the GEM Listing Rules, the September 2024 Disposals constituted discloseable transactions for the Company and were subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion of September 2024 Disposals took place on 14 October 2024. For details of the September 2024 SPA and September 2024 Disposals, please refer to the announcement of the Company dated 25 September 2024 and the completion announcement dated 14 October 2024.

2. On 31 October 2024, Motors Co., a company incorporated in Hong Kong, engaged in motors trading activities ("**Topwell**") as the purchaser, entered into the following seventeen (17) sale and purchase agreements ("**October 2024 SPA**", the disposals of vehicles contemplated thereunder shall be referred to as "**October 2024 Disposals**") with the following vendors (each being an indirect wholly-owned subsidiary of the Company):

   (i) Man Shing Environmental Company Limited, as the vendor had entered into nine (9) sale and purchase agreements with Topwell as the purchaser in respect of the sale and purchase of each of nine (9) vehicles, at an aggregate consideration of HK$2,560,000, payable by Topwell on or before 8 November 2024;

   (ii) Jasen Services Limited, as the vendor had entered into six (6) sale and purchase agreements with Topwell as the purchaser in respect of the sale and purchase of each of six (6) vehicles, at an aggregate consideration of HK$1,670,000, payable by Topwell on or before 8 November 2024;

   (iii) Matrix International Investments Limited, as the vendor had entered into a sale and purchase agreement with Topwell as the purchaser in respect of the sale and purchase of one (1) vehicle, at a consideration of HK$480,000, payable by Topwell on or before 8 November 2024; and

   (iv) Man Shing Cleaning Service Company Limited, as the vendor had entered into a sale and purchase agreement with Topwell as the purchaser in respect of the sale and purchase of one (1) vehicle, at a consideration of HK$430,000, payable by Topwell on or before 8 November 2024.

   To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Topwell and its ultimate beneficial owner (Mr. Ng Ping Wah) are third parties independent of the Company and its connected persons. The aggregate amount of consideration under the October 2024 SPA was HK$5,140,000.

Since the transactions contemplated under the October 2024 SPA were entered into with the same party within a 12-month period, the transactions thereunder shall be aggregated pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules. As one or more of the applicable percentage ratios in respect of the October 2024 Disposals exceeded 5% but were less than 25% for the purpose of Rule 19.07 of the GEM Listing Rules, the October 2024 Disposals constituted discloseable transactions for the Company and were subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion of October 2024 Disposals took place on 15 November 2024. For details of the October 2024 SPA and October 2024 Disposals, please refer to the announcements of the Company dated 31 October 2024 and 1 November 2024 and the completion announcement dated 15 November 2024.

Acquisitions

During the Year, the Group acquired the following properties:

1. On 31 October 2024, Jasen Services Limited (an indirect wholly-owned subsidiary of the Company) ("**Jasen**"), as the purchaser entered into the provisional sale and purchase agreement with 4 Hong Kong residents (Chan Kwok Hon, Yip Mei Chun, Chan Oi Ni Emmy and Chan Kin Ngai) as the vendors, pursuant to which Jasen agreed to acquire, and the vendors agreed to sell, the property located at the Second Floor and Roof, No. 58 Sam Tung Uk Resite Village, Tsuen Wan, New Territories, DD451 Lot 1433 (the "**First Property**", the acquisition of which shall be referred to as the "**First Acquisition**") at the consideration of HK$4,250,000, payable by 3 instalments.

   To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the 4 vendors are third parties independent of the Company and its connected persons. It was intended that the First Property would be used as the staff quarter of the Group. The First Property is close to the current head office of the Group. The Group is of the view that the provision of staff quarter which is close to the head office will reduce commuting time of certain staff and thus beneficial to the efficiency of such staff.

   As one or more of the applicable percentage ratios in respect of the First Acquisition exceeded 5% but were less than 25% for the purpose of Rule 19.07 of the GEM Listing Rules, the First Acquisition constituted a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

   Completion of the First Acquisition took place on 27 December 2024 and upon completion, the First Property is held by the Company through Jasen. For details of the First Acquisition, please refer to the announcement of the Company dated 31 October 2024 and the completion announcement dated 27 December 2024.

2. On 22 November 2024, Jasen, as the purchaser entered into the provisional sale and purchase agreement with 1 Hong Kong resident (NASAR (阿忠)) as the vendor, pursuant to which Jasen agreed to acquire, and the vendor agreed to sell, the property located at the Flat No. B on 4th Floor, Cumberland Building, No. 227 Nathan Road, No. 38 Pilkem Street, Kowloon (the "**Second Property**", the acquisition of which shall be referred to as the "**Second Acquisition**") at the consideration of HK$4,850,000, payable by 3 instalments.

   To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the vendor is third party independent of the Company and its connected persons. It was intended that the Second Property would be used as the staff quarter of the Group. The Second Property is situated in a very convenient location near Jordan MTR station. The Group is of the view that the provision of staff quarter will enhance the attractiveness and competitiveness of the Group's employee remuneration packages.

   As one or more of the applicable percentage ratios in respect of the Second Acquisition exceeded 5% but were less than 25% for the purpose of Rule 19.07 of the GEM Listing Rules, the Second Acquisition constituted a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

   Completion of the Second Acquisition took place on 15 January 2025 and upon completion, the Second Property is held by the Company through Jasen. For details of the Second Acquisition, please refer to the announcement of the Company dated 22 November 2024 and the completion announcement dated 15 January 2025.

Potential acquisition

On 30 December 2024, Matrix International Investments Limited (an indirect wholly-owned subsidiary of the Company), as the intending purchaser entered into a non-legally binding memorandum of understanding ("**MOU**") with 2 intending vendors (WONG Cheung Yuen and HUNG Mun Wa), in respect of the possible acquisition of the 100% issued shares of Stratton Property Management Limited (兆達隆物業管理有限公司), a company incorporated with limited liability in Hong Kong. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the intending vendors are two (2) Hong Kong residents and third party(ies) independent of the Company and its connected persons.

Since no formal sale and purchase agreement had been entered into between the parties before the expiry of the exclusivity period (as defined in the MOU), the MOU had lapsed and ceased to have any effect on 30 March 2025. The Board is of the view that the lapse of the MOU has no material adverse impact on the existing business operations and financial position of the Group. For details of the MOU and the potential acquisition, please refer to the announcements of the Company dated 30 December 2024 and 31 March 2025.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended 31 March 2025.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into continuing connected transactions during the Year. Details of the continuing connected transactions the Year are set out in the section headed "Continuing Connected Transactions Subject to Reporting Requirement" in the Directors' Report of this Annual Report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group does not have any present plans for material investments and capital assets.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Our Group's business operations were conducted in Hong Kong and the transactions, monetary assets and liabilities of our Group were denominated in Hong Kong dollars. As no monetary assets were denominated in foreign currencies, our Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Reporting Period.

CHARGE OVER OUR GROUP'S ASSETS

The total interest bearing debts of our Group, including bank and other borrowings, lease liabilities and obligations under finance leases amounted to approximately HK$13,907,000 (2024: HK$38,375,000) as at 31 March 2025. As at 31 March 2025, our Group had general banking facilities amounted to HK$330,100,000 (2024: HK$290,800,000).

As at 31 March 2025, our Group had secured bank borrowings with an outstanding balance of approximately HK$5,500,000 (2024: approximately HK$17,240,000) and utilised performance bonds of approximately HK$70,369,000 (2024: approximately HK$153,154,000). As at 31 March 2025, the general banking facilities were secured by (i) corporate guarantee executed by the Company; and (ii) certain cash deposits and certain trade receivables of a subsidiary.

As at 31 March 2025, the lease liabilities amounted to approximately HK$8,407,000 (2024: approximately HK$21,135,000 as shown under finance lease liabilities), were secured by the lessor's charge over the leased assets and corporate guarantees executed by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, our Group had approximately 5,309 employees (2024: 7,042 employees). The total staff costs incurred by our Group, including Directors' emoluments, were approximately HK$552,232,000 for the Reporting Period (2024: approximately HK$831,880,000).

Remuneration is determined based on each employee's qualifications, position and seniority. In addition to a basic salary, year-end discretionary bonuses were offered with reference to our Group's performance as well as individual's performance to attract and retain appropriate and suitable personnel to serve our Group.

The Company also adopted a share option scheme on 20 March 2017 to attract and retain the best available personnel, and to provide additional incentive to eligible persons.

Furthermore, we offer other staff benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary increment and promotions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (2024: Nil).

No special dividend has been declared in respect of the year ended 31 March 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, subsequent to 31 March 2025 and up to the date of this annual report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Wong Chong Shing (黃創成) ("Mr. C.S. Wong"), aged 60, was appointed as an executive Director on 18 March 2016. He was also appointed as the chairman of the Board and compliance officer of our Group on 12 August 2016. He is a co-founder of our Group with Mr. M.S. Wong and is responsible for the overall strategic planning, business development and corporate policy making as well as the day-to-day management, marketing and administration of our Group's business operation. Mr. C.S. Wong is the chairman of the Nomination Committee and Risk Management Committee of our Group. Mr. C.S. Wong is the younger brother of Mr. M.S. Wong and the uncle of Mr. C.H. Wong and Ms. Wong.

Prior to co-founding our Group, Mr. C.S. Wong was employed as a warehouse keeper for Jianhua Logistics Company (健華貿易公司) from 1983 to 1984. He then joined the Hong Kong Police Force in April 1984. Mr. C.S. Wong left his position in the Hong Kong Police Force in 1987 to start up a cleaning business with Mr. M.S. Wong. In July 1998, Mr. C.S. Wong and Mr. M.S. Wong founded Man Shing Cleaning Service Company Limited. As a result of Mr. C.S. Wong's achievements in the cleaning industry, he was awarded as the permanent honorary chairman (永遠榮譽會長) of the Hong Kong Waste Disposal Industry Association (香港廢物處理業協會) in February 2011.

Mr. C.S. Wong completed secondary school and the Hong Kong Certificate of Education Examination in 1983. In furtherance of his cleaning business, he completed the Pest Control and Pesticide Safety Core Course at the University of Hong Kong, School of Professional and Continuing Education and the Restoration of Marble and Granite Course organised by the Hong Kong Marble and Granite Merchants Association (香港雲石商會) on 10 June 2005 and 30 December 2005 respectively.

Mr. Wong Man Sing (黃萬成) ("Mr. M.S. Wong"), aged 63, was appointed as an executive Director on 18 March 2016. He was also appointed as the chief executive officer of our Group on 12 August 2016. He is a co-founder of our Group with Mr. C.S. Wong and is responsible for the overall strategic planning, business development and corporate policy making as well as the day-to-day management, marketing and administration of our Group's business operation. Mr. M.S. Wong is the elder brother of Mr. C.S. Wong and the father of Mr. C.H. Wong and Ms. Wong.

Mr. M.S. Wong worked as a driver for East Asia (Cleaning Service) Limited (東亞(清潔服務)有限公司) and World Cleaning Company (世界清潔公司) from 1981 to 1983 and 1983 to 1985, respectively. From 1985 onwards, Mr. M.S. Wong began to venture into his own cleaning services business and co-founded Man Shing Cleaning Service Company Limited with Mr. C.S. Wong in July 1998. Mr. M.S. Wong attended Kwai Hsing College (葵星工業中學) up to Form 3 in 1980 and moved on to become an apprentice at Wing On Shing Shipyard Limited from 1980 to 1981.

Mr. Wong Chi Ho (黃志豪) ("Mr. C.H. Wong"), aged 35, was appointed as an executive Director on 18 March 2016. He was also appointed as the deputy chairman of the Board of our Group on 12 August 2016. Mr. C.H. Wong is responsible for the overall strategic planning, business development and corporate policy making as well as the day-to-day management, marketing and administration of our Group's business operation. Mr. C.H. Wong is the son of Mr. M.S. Wong, the nephew of Mr. C.S. Wong and the brother of Ms. Wong.

Mr. C.H. Wong joined our Group as the managing director of Jasen Services Limited on 19 December 2012 and has been managing the business of Jasen Services Limited since then. As a managing director of Jasen Services Limited, Mr. C.H. Wong has been responsible for its business development, tendering of cleaning contracts, improving its customer service, cost control and purchasing matters as well as overseeing its financial operations. Apart from being a managing director of Jasen Services Limited, Mr. C.H. Wong currently serves as the vice chairman of the Hong Kong Waste Disposal Industry Association for the year of 2020–2023.

Mr. C.H. Wong obtained a higher diploma in Business Administration from the School of Business and Information Systems of the Vocational Training Council in July 2010 and graduated from the Queensland University of Technology in Brisbane, Australia with a Bachelor of Business (Management) degree in July 2013.

Ms. Wong Ka Man (黃家敏) ("**Ms. Wong**"), aged 34, was appointed as an executive Director on 15 November 2024. Ms Wong has joined the Group as Administrative Secretary since August 2019 and appointed as the chief operating officer of the Company from 31 October 2024. Ms Wong is responsible for human resources and administration of our Group's business operation. She was a full-time Rehabilitation Worker at TWGHS Yao Ling Sun Memorial Day Activity Center Cum Hostel from August 2016 to July 2019 and served as a full-time Community Rehabilitation Worker at Wai Ji Christian Service from January 2014 to June 2016. Ms. Wong obtained the PDPOHS Diploma in Occupational Health and Safety awarded by Li Ka Shing School of Professional and Continuing Education in May 2024 and attended courses on speech training and therapy techniques in The Hong Kong Federation of Youth Groups Continuous Learning Centre in July 2015. Ms. Wong is the daughter of Mr. M.S. Wong, the niece of the Mr. C.S. Wong and the sister of Mr. C.H. Wong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lee Pak Chung (李伯仲), aged 84, was appointed as an independent non-executive Director on 12 August 2016. Mr. Lee is responsible for providing independent judgment on issues of strategy, policy, performance, resources and standards of conduct of our Group.

Mr. Lee possesses a solid background of 40 years in management. From August 1961 to January 1970, Mr. Lee worked as a postal clerk in the Post Office Department of the government of Hong Kong. From January 1970 to March 1973, he worked as a housing assistant in the Housing Division of the Urban Services Department. From April 1973 to September 1996, Mr. Lee worked in the Housing Department with the last position as the senior housing manager. From November 1996, Mr. Lee worked with Guardian Property Management Limited and had been an executive director before he left the company in December 2009. From March 2010 to April 2013, Mr. Lee entered the cleaning services industry and became the general manager of Cheung Kee Environmental Limited.

Mr. Lee became a fellow member of the Institute of Housing, London in September 1987 and a fellow member of the Hong Kong Institute of Housing in November 1989. Mr. Lee has become a member of the Association of Project Managers since June 1992, a member of the Hong Kong Institute of Facility Management since January 2008 and a fellow member of the Hong Kong Institute of Real Estate Administrators since March 2008. In November 2000, Mr. Lee was registered as a professional housing manager of the Housing Managers Registration Board. From October 2006 to October 2008, Mr. Lee was appointed as one of the committee members of the Property Management Industry Training Advisory Committee by the Education and Manpower Bureau of the government of Hong Kong and was appointed as Sector/Subject Specialist for a three year period until June 2012 by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. Mr. Lee obtained the Certificate in Housing Management (now known as the Diploma in Housing Management) from The University of Hong Kong in 1974. Mr. Lee subsequently obtained the Certificate in Project Management awarded by the Royal Institute of Public Administration International Limited in May 1992.

Mr. Au-Yeung Tin Wah (歐陽天華), aged 62, was appointed on 12 August 2016 as an independent non-executive director of the Company and is now acting as the Chairman of the Audit Committee and a member of the Risk Management Committee. Mr. Au-Yeung obtained a Professional Diploma in Accountancy in The Hong Kong Polytechnic (now The Hong Kong Polytechnic University) in 1987. He is a fellow member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants. Mr. Au-Yeung had worked for a number of years for Price Waterhouse (currently known as PricewaterhouseCoopers Hong Kong) and had acted as a financial manager of a listed company and a major private company respectively in Hong Kong. He has been a certified public accountant since 1994 and has over thirty years' experience in auditing, finance and administration. He is now the director of Lau & Au Yeung C.P.A. Limited. Mr. Au-Yeung formerly served as an independent non-executive director of AMVIG Holdings Limited (which was formerly listed on the Main Board of the Stock Exchange with Stock Code 2300 before being privatised in April 2021). In addition, Mr. Au-Yeung has been acting as an independent non-executive director of Wai Chi Holdings Company Limited (Stock Code: 1305, a company listed on the Main Board of the Stock Exchange) since 11 March 2014.

Mr. Chiu Ka Wai (招家煒), aged 64, was appointed as an independent non-executive Director on 12 August 2016. Mr. Chiu is responsible for providing independent judgment on issues of strategy, policy, performance, resources and standards of conduct of our Group.

Mr. Chiu has over 25 years of experience in management. He has worked at Collier Petty Chartered Surveyors and was promoted to the position of management officer in April 1986. He then went on to work as estate manager at Pokfulam Development Company Limited ("**Pokfulam Development**"), a company listed on the Main Board of the Stock Exchange (Stock Code: 225), from June 1986 to September 2009. In June 1989, he was appointed as a director of Pokfulam Property Management Limited, a property management subsidiary of Pokfulam Development, and served in that capacity until September 2009. Mr. Chiu completed secondary education in Hong Kong in 1980 and a Certificate Programme on Estate Management organised by The Hong Kong Management Association in October 1985.

SENIOR MANAGEMENT

Mr. Wong Chi Ming (黃志明), aged 60, was appointed as the transportation and purchasing manager of our Group on 1 April 2016 and is responsible for overseeing the procurement of materials and vehicle fleet management of our Group. He started serving as the senior manager of Jasen Services Limited and Man Shing Cleaning Service Company Limited on 1 May 2013.

Mr. Wong worked at Pollution & Protection Services Limited from July 1995 to February 2006 and his last position held was deputy operations manager. After that, he joined Cheung Kee Environmental Limited as deputy general manager from February 2006 to April 2013. Mr. Wong was awarded the Certificate of Competence in Manual Handling and the Combined Certificate for Safety & Health Supervisor (Environmental Hygiene) by the Occupational Safety & Health Council on 20 April 2001 and 28 December 2010 respectively. He was appointed as the Fire Safety Ambassador by the Fire Services Department on 13 May 2004.

Mr. Wong graduated from CMA Prevocational School in 1979 and was trained in metalwork, practical electricity and fabrication. He subsequently received technical education on motor vehicle mechanics at Lee Wai Lee Technical Institute from 1979 to 1982 and received a certificate of completion of apprenticeship as a vehicle mechanic at Dah Chong Hong (Motor Service Centre) Limited on 3 February 1983.

Ms. Chow Pui Ying (周佩英), aged 46, joined our Group as administrative officer on 27 April 2010 and was appointed as the administrative and personnel manager of our Group on 1 April 2016. She is responsible for overseeing our Group's daily administration, insurance and human resources matters.

Before joining our Group, Ms. Chow worked at McDonald's Restaurants (Hong Kong) Limited from July 1997 to October 2009. She first joined the Company as a manager trainee and was promoted to become the second assistant manager after 5 months in December 1997 and the first assistant manager in September 2006. Ms. Chow completed secondary school at Saint Too Girls' College in 1996 and obtained a Foundation Certificate in Food Hygiene from the Chartered Institute of Environmental Health on 11 August 2005.

COMPANY SECRETARY

Mr. Tong Wai Kit Raymond (唐偉傑), aged 52, was appointed as the company secretary and chief financial officer of our group on 10 March 2020. Mr. Tong is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He received his bachelor's degree in Accountancy in September 1995 from the Hong Kong Polytechnic University and obtained a master's degree in Professional Accountancy in August 2018 from University of London. Mr. Tong has over 30 years' experience in management, finance and accounting. He previously held various senior positions in listed companies with business in Hong Kong and China.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The maintenance of good business ethics and corporate governance practices has always been one of the Group's goals. The Board and the management of the Company are committed to maintaining high standards of corporate governance practices and procedures in order to safeguard the interests of the Company and its shareholders. The Company believes that good corporate governance provides the essential framework for effective management, successful operation, business growth and a sound corporate culture, thereby leading to the enhancement of shareholders' value.

The Board has complied with all code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the GEM Listing Rules. The Company complied with the code provisions of the CG Code throughout the Year. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that the business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the GEM Listing Rules, the Company has established an audit committee, a remuneration committee, a nomination committee and a risk management committee with specific terms of reference.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "**Code of Conduct**"). The Company had made specific enquiries with all Directors, and all Directors confirmed that they had complied with the required standard of dealings set out in the Code of Conduct throughout the Year and up to the date of this report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. The roles of the chairman and the chief executive officer of the Company are segregated and performed by Mr. Wong Chong Shing and Mr. Wong Man Sing, respectively.

Mr. Wong Chong Shing serves as the chairman of the Company and is responsible for formulating the overall business development strategy, overseeing the overall management and making major business decisions of our Group. Mr. Wong Man Sing serves as the chief executive officer of the Company and is responsible for supervising the general management and day-to-day operations of our Group.

BOARD OF DIRECTORS

The Board comprises:

Executive Directors:	Mr. Wong Chong Shing *(Chairman)* Mr. Wong Man Sing *(Chief Executive Officer)* Mr. Wong Chi Ho Ms. Wong Ka Man *(appointed on 15 November 2024)*
Independent Non-Executive Directors:	Mr. Lee Pak Chung Mr. Au-Yeung Tin Wah Mr. Chiu Ka Wai

For the biographical details of the Directors and senior management, please refer to pages 16 to 19 of this annual report.

BOARD INDEPENDENCE

As required by Rules 5.05A and 5.05(1) of the GEM Listing Rules, there were 3 independent non-executive Directors during the Year (representing not less than one-third of the Board). Furthermore, the Company complied with Rule 5.05(2) of the GEM Listing Rules as at least one of the independent non-executive Directors possesses the appropriate professional qualifications or accounting or related financial management expertise. Mr. Au-Yeung Tin Wah is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Pursuant to Rule 5.09 of the GEM Listing Rules, each independent non-executive Director has provided the Company with a written confirmation of his independence. As at the date of this annual report, the Company still considers the independent non-executive Directors, namely Mr. Lee Pak Chung, Mr. Au-Yeung Tin Wah and Mr. Chiu Ka Wai to be independent.

The Board has established mechanisms to ensure independent views and input are available to the Board when the duties are discharged. Such mechanisms include:

1. Assessment of independence and qualification of potential Director candidate by the nomination committee and remuneration committee before recommendation is made to the Board;

2. Assessment of the independence of all independent non-executive Directors annually according to the criteria specified under the GEM Listing Rules;

3. Annual evaluation of trainings undertaken by each of the Director during the financial year;

4. Obtaining independent professional advice from external advisers when and where required;

5. A Director (including an independent non-Executive Director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same; and

6. Separate discussions amongst independent non-executive Directors and the Chairman, without the presence of other executive Directors to provide independent views and input.

The Board conducts annual evaluation of the implementation and effectiveness of the mechanisms and it is of the view that the Board has diligently discharged its duties for the Year.

BOARD AND GENERAL MEETINGS

Pursuant to code provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year. Additional meetings would be arranged if and when required. Directors may participate either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions.

During the Year, the Company held 5 formal meetings, including 4 board meetings and 1 annual general meeting. Attendance of individual directors at the board meetings and the annual general meeting during the Year is as follows:

	Attendance/Number of meetings eligible to attend	
Name of Directors	**Board meeting**	**Annual general meeting**
Executive Directors		
Mr. Wong Chong Shing *(Chairman)*	4/4	1/1
Mr. Wong Man Sing *(Chief Executive Officer)*	4/4	1/1
Mr. Wong Chi Ho	4/4	1/1
Ms. Wong Ka Man *(appointed on 15 November 2024)*	2/2	0/0
Independent non-executive Directors		
Mr. Lee Pak Chung	4/4	1/1
Mr. Au-Yeung Tin Wah	4/4	1/1
Mr. Chiu Ka Wai	4/4	1/1

RESPONSIBILITIES OF THE BOARD

Being the highest decision-making body of the Company, the Board is responsible for the leadership and control of the Company. While overseeing the business of the Group, the Board directs, supervises and oversees the Group's affairs. The Board assumes responsibility for the Group's overall strategic planning, corporate policy formulation, business development, material acquisitions, disposals and capital investment, risk management, internal control, and other major operational and financial matters. The Board has delegated authority and responsibility to the senior management in relation to the day-to-day operations, management and administration of the Group. Key matters will remain as the responsibility of the Board whose approval will be required. In addition, the Board has also delegated responsibilities to various management committees. Details of such committees are set out in this corporate governance report.

RELATIONSHIP BETWEEN THE DIRECTORS

Mr. Wong Chong Shing is the younger brother of Mr. Wong Man Sing and the uncle of Mr. Wong Chi Ho who is the son of Mr. Wong Man Sing; and the uncle of Ms. Wong Ka Man, who is the daughter of Mr. Wong Man Sing.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The articles of association of the Company ("**Articles**") stipulate that at every annual general meeting, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to, but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

In the forthcoming annual general meeting ("**AGM**") of the Company, Mr. Wong Chong Shing, Ms. Wong Ka Man and Mr. Lee Pak Chung will retire from their offices as Directors and offer themselves for re-election as the Directors.

Each of the executive Directors (other than Ms. Wong Ka Man) has entered into a service contract with the Company for an initial term of three years commencing on the date of listing (i.e. 13 April 2017) (the "**Listing Date**"), which shall be renewable automatically for successive terms of three years unless terminated by either party by giving at least three months' prior notice in writing to the other party. Ms. Wong Ka Man has entered into a service agreement with the Company in relation to her appointment as an executive Director for an initial term of three years commencing from 15 November 2024, which is subject to automatic renewal for successive terms of three years upon expiry, and may be terminated by either party giving not less than three months' prior written notice to the other or in accordance with other terms thereof.

Each of the independent non-executive Directors has signed an appointment letter respectively with the Company for an initial term of three years commencing on the Listing Date ("**Three-Year Term**"), which shall continue and remain in effect for and throughout the duration of the Three-Year Term unless and until terminated by either party giving to the other not less than three months' prior notice in writing. Such an appointment shall continue upon the expiry of the Three-Year Term on a yearly basis up to a maximum of three years subject to termination by either party giving to the other one month's prior notice in writing or the Director ceasing to be a director of the Company for any reason whatsoever at any particular time.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Our Group acknowledges the importance of continuing professional development of the Directors in enhancing the Group's corporate governance and internal control system. In this regard and in compliance with code provision C.1.4 of the CG Code, our Group has arranged for and provided funding to all Directors to participate in continuous professional development training and seminars to keep them refreshed of their knowledge and skills, as well as their understanding of our Group and its business, and to update them on the latest development or changes in the relevant statutes and regulations, the GEM Listing Rules and corporate governance practices.

Pursuant to code provision C.1.4 of the CG Code, all Directors participated in the following continuous professional development trainings during the Year:

Name of Directors	Type of Training
Executive Directors	
Mr. Wong Chong Shing *(Chairman)*	A
Mr. Wong Man Sing *(Chief Executive Officer)*	A
Mr. Wong Chi Ho	A
Ms. Wong Ka Man *(appointed on 15 November 2024)*	A
Independent non-executive Directors	
Mr. Lee Pak Chung	A
Mr. Au-Yeung Tin Wah	B
Mr. Chiu Ka Wai	A

A: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

B: attending seminars/conferences/forums

Ms. Wong Ka Man has been appointed as an Executive Director and a member of the risk management committee of the Company with effect from 15 November 2024. Ms. Wong Ka Man has obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules on 29 October 2024 and she has confirmed she understood her obligations as a director of a listed company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for and has performed during the Year, amongst other things, (i) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) reviewing the Company's compliance with the CG Code and the relevant disclosure in the Company's corporate governance report.

BOARD COMMITTEES

Our Group has established four committees, namely the audit committee, the remuneration committee, the nomination committee and the risk management committee in compliance with the GEM Listing Rules in order to assist the Board to discharge its duties. The relevant terms of reference of each of the four committees can be found on our Group's website (www.manshing.com.hk) and the website of the Stock Exchange.

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs D.3.3 and D.3.7 of the CG Code. The audit committee consists of three members, namely Mr. Au-Yeung Tin Wah, Mr. Lee Pak Chung and Mr. Chiu Ka Wai, all being independent non-executive Directors. Mr. Au-Yeung Tin Wah currently serves as the chairman of the audit committee.

The audit committee is to assist the Board in fulfilling its responsibilities by providing independent review and supervision of our Group's financial reporting process, and assessing the effectiveness of the internal control system of our Group, and the adequacy of the external and internal audits.

With reference to the terms of reference, the primary responsibilities of the audit committee are, among others, as follows:

(a) to be primarily responsible for reviewing and supervising the financial reporting process, including to understand the accounting policies and practices applied by our Group;

(b) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve and review the remuneration and terms of engagement of the external auditors;

(c) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(d) to monitor the integrity of our Group's financial statements and annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments contained in them; and

(e) to discuss the internal control system with the management of our Group to ensure that the management has performed its duty to have an effective internal control system.

During the Year, 2 audit committee meetings were held to review and comment on the Group's draft annual, and interim financial reports. The audit committee also held meetings with the external auditors and provided advices and recommendations to the Board.

After reviewing the audited consolidated financial statements ("**Consolidated Financial Statements**") of the Group for the Reporting Period, the audit committee was satisfied that the Consolidated Financial Statements of the Group were prepared in accordance with applicable accounting standards and legal requirements and fairly present the Group's financial position and results for the Reporting Period. The audit committee therefore recommended the Consolidated Financial Statements for the Reporting Period to be approved by the Board.

There was no disagreement between the Board and the audit committee regarding the selection and appointment of the external auditors during the Year.

The attendance record of the members of the audit committee is summarised below:

Name of Directors	Attendance/ Number of audit committee meetings held
Mr. Lee Pak Chung	2/2
Mr. Au-Yeung Tin Wah	2/2
Mr. Chiu Ka Wai	2/2

REMUNERATION COMMITTEE

A remuneration committee has been established with its terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph E.1.2 of the CG Code. The remuneration committee consists of three members, namely Mr. Wong Man Sing, executive Director and chief executive officer, Mr. Chiu Ka Wai, and Mr. Lee Pak Chung, both independent non-executive Directors. Mr. Chiu Ka Wai currently serves as the chairman of the remuneration committee.

The remuneration committee has adopted the approach under paragraph E.1.2(c)(ii) of the CG Code to make recommendations on the remuneration policy and packages of individual executive Directors and senior management of our Group. With reference to the terms of reference of the remuneration committee, its primary duties are, among others, as follows:

(a) to make recommendations to the Board on our Group's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;

(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management of our Group;

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to review and approve compensation payable to executive Directors and senior management of our Group for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(f) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

(g) to review and/or approve markers relating to share schemes under Chapter 23 of the GEM Listing Rules.

The remuneration committee also considers the performance bonus for executive Directors, senior management and general staff, having regard to their achievements against the performance criteria and by reference to market norms, and make recommendations to the Board.

During the Year, the remuneration committee held one meeting. It reviewed the remuneration policy of the Company through assessing (i) the performance of the executive Directors and senior management with reference to their relevant responsibilities; (ii) the scope of operation of the Group; and (iii) the prevailing market conditions. Furthermore, the remuneration committee has also reviewed the terms of reference of the remuneration committee and the terms of reference of the remuneration committee has been updated to comply with the GEM Listing Rules requirements during the Year.

Name of Directors	Attendance/ Number of remuneration committee meetings held
Mr. Wong Man Sing	1/1
Mr. Chiu Ka Wai	1/1
Mr. Lee Pak Chung	1/1

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of the CG Code, the remuneration of members of the senior management of the Group for the Year by band is as follows:

	Number of Individuals
HK$1,000,001 to HK$1,500,000	1

Further particulars in relation to Directors' remuneration and the five highest paid individuals are set out in note 10(a) and 10(b) to the consolidated financial statements respectively.

NOMINATION COMMITTEE

A nomination committee has been established with its terms of reference in compliance with paragraph B.3.1 of the CG Code. The nomination committee of our Group comprises Mr. Wong Chong Shing, executive Director and chairman of the Board, Mr. Lee Pak Chung and Mr. Chiu Ka Wai, both independent non-executive Directors. Mr. Wong Chong Shing currently serves as the chairman of the nomination committee.

The nomination committee is obliged to report to the Board on its decisions or recommendations on the appointment, reappointment and succession planning for Directors. It is responsible for reviewing the structure, size and composition of the Board, identifying suitable candidates for directorship, and assessing the independence of independent non-executive Directors.

Board Diversity Policy

The nomination committee recognises the importance and benefits of diversity of Board members. The Board adopted the board diversity policy (the "**Board Diversity Policy**") in order to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company's business. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, qualifications, business and professional experience, skills, knowledge, length of service, commitment, and ability to contribute to the Board process. The nomination committee will assess the progress made towards achieving such measurable objectives, and will review such objectives annually to ensure their appropriateness. The nomination committee considered the composition of the Board was in compliance with the Board Diversity Policy.

As the Board currently has one female Director, the Company is in full compliance with Rule 17.104 of the GEM Listing Rules. The Company is committed to promoting gender diversity for its Board composition. As at the date of this annual report, the Company has maintained a Board gender diversity comprising a mix of 6 males (85.7%) and 1 female (14.3%). The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company and the Board Diversity Policy can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

The Board will continue to take initiatives to promote gender diversity at all levels of the Company. The Board will strive to ensure the Board is made up of a reasonable and justifiable proportion of women by reference to stakeholders' expectations and international and local recommended best practices.

Details of the Group's gender diversity at workforce level are set out in the "Environmental, Social and Governance Report" on pages 55 to 87 of this annual report. As at 31 March 2025, the gender ratio of the Group's workforce (including directors, senior management and other staff) was 45.5% male to 54.5% female. The Board considers that at present there is a reasonably high gender diversity in the Group's workforce, and will continue to monitor the need to maintain or, if desired or necessary, increase diversity to meet the Group's overall development plan and strategies.

Nomination Policy

The Group adopted a nomination policy (the "**Nomination Policy**") which provides the procedures, process and criteria of the nomination of Directors.

Selection criteria for nomination and appointment of Directors

When making any recommendations in relation to the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the nomination committee shall consider, but without limitation, the following factors when evaluating the suitability of the proposed candidate:

- skills, expertise, competence, experience, education and professional qualifications, background and other personal attributes of the candidate that can best complement and expand the skill set and expertise of the Board as a whole;
- the ability to implement the Company's corporate strategy;
- commitment in respect of sufficient time, interest and attention to the Company's business;
- reputation for integrity;
- the ability to support and assist the management and make significant contributions to the Company's success; and
- any other factors as the nomination committee or the Board may deem relevant.

The nomination committee shall take into consideration the benefits of a diversified Board when selecting Board candidates.

If the candidate is proposed to be appointed as an independent non-executive director, he or she must comply with the independence requirements under the GEM Listing Rules. Such candidate shall be independent in character and judgment, and shall be able to act in the best interests of the Shareholders.

Nomination process and procedures

The process and procedures regarding the nomination of directors of the Company are set out as follows:

- if the Board considers that an additional or replacement director is required, it will identify suitable director candidates through various means, including referral from the members of the Board, management, advisors of the Company and external executive search firms;

- the nomination committee shall determine the suitable candidate for appointment with reference to the selection criteria set out above and the Board Diversity Policy;

- in the context of re-appointment of retiring directors, the nomination committee shall assess and review the candidate's contributions and overall performance, and make recommendations to the Board and/or Shareholders for consideration in respect of his/her re-election in general meetings; and

- for any individual that is nominated by a shareholder of the Company for election as a director in the general meeting of the Company, the nomination committee and/or the Board shall evaluate such candidate with reference to the criteria mentioned above in deciding whether such candidate is qualified for directorship.

The Nomination Policy is subject to review by the Board from time to time to ensure its effectiveness and compliance with good corporate governance practice and regulatory requirements.

During the Year, the nomination committee of the Company held two meetings and has reviewed the structure, size and composition of the Board. Please refer to the table below for the attendance record of the meetings of the nomination committee during the Year:

Name of Directors	**Attendance/ Number of nomination committee meetings held**
Mr. Wong Chong Shing	2/2
Mr. Lee Pak Chung	2/2
Mr. Chiu Ka Wai	2/2

RISK MANAGEMENT COMMITTEE

A risk management committee has been established with its terms of reference in compliance with paragraph D.2.1 of the CG Code. The risk management committee of the Group comprises Mr. Wong Chong Shing, executive Director and chairman of the Board and Ms. Wong Ka Man, executive Director, Mr. Lee Pak Chung and Mr. Au-Yeung Tin Wah, both independent non-executive Directors. Mr. Wong Chong Shing currently serves as the chairman of the risk management committee.

The risk management committee is required to report to the Board its findings, decisions and/or recommendations concerning the Company's risk management. With regard to its terms of reference, the risk management committee has, among others, the following duties:

(a) to review the Company's risk management policies and standard, as well as the fundamental concepts and scope of compliance management;

(b) to provide guidelines to the management on risk management and set up procedures to identify, assess and manage material risk factors, and to ensure the management discharges its responsibility in establishing and maintaining an appropriate and effective risk management system;

(c) to supervise and monitor the Company's exposure to legal sanction risks and the design and implementation of the related internal control policies and procedures adopted by the Company;

(d) to review, evaluate and update from time to time the internal control policies and measures in respect of the control procedures of risks, including risk management and the communication and cooperation with the operating units;

(e) to review the compliance reports and risk assessment reports that need to be reviewed by the Board, and to make recommendations on improvement of the Company's compliance and risk management;

(f) to evaluate and advise on the nature and extent of risks involved in major decisions that need to be reviewed by the Board and solutions to the major risks;

(g) to evaluate the risks of major investment and funding projects and issues concerning the operation of capital, and to advise the Board on the decision making;

(h) to review and approve all relevant business transaction documentation from customers or potential customers from countries subject to certain economic sanctions under the laws of the United States of America, the European Union, Australia and the United Nations; and

(i) to review and report annually to the Board the effectiveness of the risk management system.

During the Year, the risk management committee has reviewed internal risk management policies for the Group, including on areas of risk monitoring and risk mitigations. Further, it discussed and reviewed the risk assessment report jointly prepared by Grandtop International Capital Limited ("**Grandtop**"), which identified the risks of the Group for the year ended 31 March 2025. The risk management committee proposed remedial measures to the Board based on such findings.

Please refer to the table below for the attendance record of the meetings of the risk management committee during the Year:

Name of Directors	Attendance/ Number of risk management committee meetings held
Mr. Wong Chong Shing	1/1
Mr. Lee Pak Chung	1/1
Mr. Au-Yeung Tin Wah	1/1
Ms. Wong Ka Man *(appointed on 15 November 2024)*	0/1

INSIDE INFORMATION

The Board has adopted appropriate measures to identify inside information and to ensure that inside information is handled and disseminated properly and in accordance with the applicable laws and regulations. The Board preserves the confidentiality of such information until proper dissemination through the electronic publication system operated by the Stock Exchange. Furthermore, senior management of the Company will work closely with the Board to monitor the changes and developments in their respective areas of operations. Based on information obtained through internal reporting, the Board assesses whether any of the information constitutes inside information. Should public disclosure be required, the Board will determine the scope of information to be disclosed and the timing of disclosure. The Board may seek independent professional advice to ensure that the Company complies with any relevant disclosure obligations if necessary.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group acknowledges its responsibility for monitoring the effectiveness of our Group's internal control and risk management systems, which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement of management, financial information and records or against financial losses or fraud.

Our Group has in place effective internal control and risk management systems which encompass sound control environment, appropriate segregation of duties, well defined policies and procedures, and close monitoring, and they are reviewed and enhanced by the management every two months. Each review covers a 12-month rolling period.

Risk management approach

The Group strives to identify and assess the key risks faced by the Group. Risks are assessed by the Group based on the following criteria:

- the likelihood of the occurrence of the risk; and
- the impact of the risk on the Group's financial results.

Based on the risk evaluation, the Group will manage a risk through the following means:

- risk elimination: the Group may identify and implement certain changes or control to avert or eliminate the risk entirely;
- risk mitigation: the Group may formulate and implement a risk mitigation plan to reduce the likelihood, velocity or severity of the risk to an acceptable level; and
- risk retention: the Group may determine that the risk is acceptable to the Group and no action is required. The risk will then be closely monitored to ensure that the level of risk will not increase to an unacceptable level.

The Group focused its efforts on managing the following risks:

(i) Human resources risks

In light of the increasingly fierce competition for talented staff, as well as a tight labour market for the environment cleaning sector, the Group faces difficulties in recruiting and retaining employees to sustain our business.

As such, the Group adopted the following measures to manage such risk:

- developing plans to match existing and future human resources needs with our business strategies;
- reviewing the competitiveness of our employee remuneration packages regularly;
- providing training courses to staff or offer financial assistance to them to attend recognized professional training programmes;
- establishing systems for internal rotation to ensure our business operations are supported by adequate personnel; and
- improving employer branding to attract and retain talents.

(ii) Business and operational risks

The Group is exposed to certain business and operational risks due to the following factors:

- fast-changing markets and technologies;
- increasing competition among local companies;
- rapid changes in the relevant government regulations and policies;
- the occurrence of work-related accidents;
- cyber security threats; and
- potential fraudulent and corrupt conduct related to employees.

To manage the Group's business and operational risks, our Group formulated operational procedures and implemented initiatives which include:

- keeping abreast of the latest technological developments, such as technological advancement in automated plant and machinery as well as the development in artificial intelligence;
- implementing a customer relationship management programme to better understand the needs of customers, boost sales and enhance customer loyalty;
- devising business sustainability and crisis management plans;
- checking and recalculating repayment schedule when the Group's newly acquired specialized vehicles are pledged on loan financing;
- reviewing regularly on whether adequate insurance coverage is maintained for the Group's employees, business and properties;
- adopting information security guidelines to (i) prevent unauthorised access to the Group's information system; and (ii) reduce the operational risks caused by information technology system failures through maintaining a systematic data backup;
- strengthening the Group's supervision on anti-money laundering through the verification of identity, record keeping, reporting of suspicious transactions, staff education and training;
- adopting the staff handbook which enlisted the Company's requirements on employees' code of conduct and contained internal reporting guidelines to report employee misconduct, fraud and other suspicious activities (if any); and
- ensuring staff to stay committed to the highest standards of integrity and accountability and educating staff on the importance of integrity, impartiality and honesty.

(iii) Financial risks

Furthermore, the Group is also exposed to a variety of financial risks, such as:

- credit risk associated with our account receivables and bank deposits;
- liquidity risk; and
- interest rate risk (as most of the Group's borrowings are floating-rate bank loans).

The Group thus implemented the following measures to manage the aforesaid financial risks:

- requiring payment on demand for companies with a smaller scale;

- reviewing the recoverability of our trade receivables on a weekly basis to ensure that each existing client makes their payments within the relevant credit period, thereby maintaining an adequate cash inflow to meet our debt obligations;
- assigning bank exposure limits to mitigate concentration risk on our deposits/loan;
- when making deposits, select banks that possess sound financial strength and/or good credit ratings;
- maintaining closer relationships with banks and intermediaries;
- managing the maturity profile of deposits and loans to minimize refinancing risk;
- establishing and maintaining diversified channels of debt financing;
- maintaining an adequate cash buffer to meet the working capital requirements for our business operations in coming months; and
- striving to maintain a relatively conservative gearing ratio.

During the Year, the Group did not experience any shortfall in cash in satisfying any liquidity needs.

Internal control effectiveness

The Group has established the risk management committee and is committed to upholding good corporate governance practice and internal control system.

Currently, there is no internal audit function within the Group. The Board has reviewed the need for an internal audit function, and considered that in view of the nature, size and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to carry out the internal audit function for the Group. Nevertheless, the Board will continue to review the need for an internal audit function at least annually.

As such, the Group engaged Grandtop to evaluate the effectiveness and adequacy of its risk management and internal control functions for the year ended 31 March 2025. Throughout the Year, Grandtop conducted interviews with the key management of the Company, reviewed the internal control manual and related documents and performed site visits to understand the Group's risk management and internal control system. The findings have been summarised and submitted to the Group's risk management committee for review. Based on such findings, the Board has reviewed the effectiveness of the risk management and internal control systems and considers that the Group has an adequate and effective risk management and internal control system. During the Year, no significant areas of concern which might affect the Shareholders was identified.

AUDITORS' REMUNERATION

The amount of fees charged by the external auditors generally depends on the scope and volume of work performed by the external auditors.

During the Year, the remuneration paid or payable to the external auditors of the Company in respect of the audit services and non-audit services provided to our Group are as follows:

Services rendered	**Fees paid/payable** HK$'000
Audit services	500
Non-audit services – Advisory	487
Total fees paid/payable	987

COMPANY SECRETARY

Mr. Tong Wai Kit, Raymond is the company secretary appointed by the Company. In the opinion of the Board, Mr. Tong possesses the necessary qualifications and experience, and is capable of performing the functions as the company secretary of the Company. The Company will provide funds for Mr. Tong to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 5.15 of the GEM Listing Rules. During the Year, Mr. Tong had taken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

Please refer to the section headed "Biographical Details of Directors and Senior Management" in this annual report for the details of his biography.

COMPLIANCE OFFICER

Mr. Wong Chong Shing, an executive Director and the chairman of the Board of our Group, is the compliance officer of the Company. Please refer to the section "Biographical Details of Directors and Senior Management" in this annual report for his biographical information.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group which can give a true and fair view of the state of affairs, results and cash flows of the Group and which are in compliance with the relevant accounting standards and principles, applicable laws and disclosure requirements under the GEM Listing Rules. As at 31 March 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

The responsibility of the external auditors is to form an independent opinion, based on their audit, on the consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. The statement by the external auditors of the Company regarding their reporting responsibility on the consolidated financial statements of our Group is set out in the independent auditors' report on pages 88 to 92 of this report.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**"). Under the Dividend Policy, in circumstances that the Group is profitable and without affecting the normal operations and business of the Group, the Company may consider declaring and paying dividends to the Shareholders.

The recommendation of any dividend payment is subject to the absolute discretion of the Board, and any declaration of final dividend shall be subject to the approval of the Shareholders. Any dividend distributions shall be made in accordance with the Articles and all applicable laws and regulations.

Under the Dividend Policy, when considering whether to declare any dividends and in determining the dividend amount, the Board shall take into consideration the following factors: (i) the financial position of the Group; (ii) the market sentiment and circumstances; (iii) the capital and debt level of the Group; (iv) the Group's expected working capital requirements; (v) any cash requirements for any future expansion plans; (vi) any restrictions on dividend payouts imposed by any of the Group's lenders; and (vii) any other relevant factors that the Board may deem relevant and appropriate.

There is no assurance that any dividends will be proposed or declared in any particular amount for any specific reporting period. The Board shall review the Dividend Policy from time to time and may exercise its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("**AGM**") of the Company will be held on Friday, 15 August 2025 at 2102, 21/F, World Wide House, No. 19 Des Voeux Road Central, Hong Kong. The notice of which shall be sent to the Shareholders in accordance with the Articles, the GEM Listing Rules and other applicable laws and regulations. At the AGM, the Directors will attend to questions raised by the Shareholders. The external auditors of the Company will also be invited to be present at the AGM to assist the Directors to address the queries of the Shareholders concerning the audit procedures and the auditors' report.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING, PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS AND PROCEDURES FOR RAISING ENQUIRIES

The following procedures for the Shareholders to convene an extraordinary general meeting are subject to Article 12 of the Articles and the applicable laws and regulations, in particular the GEM Listing Rules:

The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders who wish to put forward proposals may request the Company to convene a general meeting following the procedures as set out in the preceding paragraph.

Shareholders have the right to lodge enquires to the Board directly. They should provide their enquiries in writing together with their full name, contact details and identification, and send them by post to the principal place of business of the Company in Hong Kong or by email for the attention of the company secretary. The business address and the email address of the Company are set out below:

Business address:	Unit 10, 11/F., Trans Asia Centre 18 Kin Hong Street Kwai Chung, New Territories Hong Kong
Email address:	info@manshing.com.hk

INVESTOR AND SHAREHOLDERS RELATIONS

With a view to strengthening investor relations, the Company endeavours to foster openness and transparency. Thus, the Company has established various communication channels to ensure ready and timely disclosure of corporate information to its shareholders and potential investors. The Company keeps its shareholders abreast of its financial performance and recent business developments through its annual and interim reports, periodic announcements and circulars, which are available on the Company's website "www.manshing.com.hk" and the Stock Exchange website "www.hkexnews.hk". Corporate information is also available on the Company's website. Furthermore, the AGM and other general meetings offer an opportunity for the Board and the Company to solicit and understand the views of stakeholders and Shareholders, and provide a forum for the Board and the shareholders of the Company to communicate directly and exchange views concerning the affairs and the overall performance of our Group, and its future developments.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy, and having considered the multiple channels of communication and engagement in place, it is satisfied that the shareholders' communication policy has been implemented during the Year and is effective. The Company will review its shareholders' communication policy from time to time as appropriate and will continue to improve the communication with its shareholders and investors, and to provide them with more opportunities to understand the business of the Company.

With effect from 31 December 2023, Rule 16.04A of the GEM Listing Rules was amended to the effect that, among others, any requirement in the GEM Listing Rules for the Company to send, mail, dispatch, issue, publish or otherwise make available any corporate communication must, to the extent permitted under the all applicable laws and regulations, be satisfied by the Company (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the website of the Stock Exchange.

As such, the Board has proposed to make certain amendments to the then memorandum and articles of association of the Company for the purposes of, among others, (i) bringing the then memorandum and articles of association of the Company in line with the applicable laws of the Cayman Islands and amendment to the GEM Listing Rules with effect from 31 December 2023; (ii) providing greater flexibility to the Company in relation to the sending of corporate communication by electronic means, and (iii) incorporating certain housekeeping changes (collectively, the "**Proposed Amendments**"). The Board also proposed to adopt the new memorandum and articles of association of the Company in substitution for, and to the exclusion of, the then existing memorandum and articles of association of the Company.

The Proposed Amendments were subject to the passing of a special resolution by the shareholders of the Company at the annual general meeting held on 9 August 2024 ("**2024 AGM**"). The special resolution relating to the Proposed Amendments was duly passed at the 2024 AGM and the new memorandum and articles of association of the Company came into effect on the conclusion of the 2024 AGM. For details of the new memorandum and articles of association of the Company, please refer to the announcement of the Company dated 27 June 2024, the circular of the Company dated 28 June 2024 and the 2024 AGM poll results announcement of the Company dated 9 August 2024.

The latest version of the Company's memorandum and articles of association can be downloaded from the website of the Company or the Stock Exchange website.

Directors' Report

The Board has pleasure in submitting this report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the Group's subsidiaries are the provision of (i) environmental cleaning solutions including street cleaning solutions, building cleaning solutions, bus and ferry cleaning solutions and other cleaning services which included, among others, refuse collection and waste disposal services, sewage management and pest control and fumigation services; and (ii) property management services.

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the Year is set out in note 5 to the consolidated financial statements.

FINANCIAL RESULTS

The financial performance of the Group for the Year and financial position of the Group as at 31 March 2025 are set out in the consolidated financial statements on pages 93 to 170 of this annual report.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the Year (2024: Nil).

BUSINESS REVIEW

A review of the Group's business and a discussion and analysis of the Group's performance during the Year, along with the material factors affecting its financial results and position are included in the sections headed "Chairman's Statement" on pages 4 to 5 and "Management Discussion and Analysis" on pages 6 to 15 of this annual report which forms part of this director's report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to promoting the long term sustainability of the environment and communities in which it engages. The Group strives to promote environmental protection and minimizing the impact of our operation and services on the environment. The Group has adopted measures to fulfil our environmental objectives in the course of our business operations and services. The Group implements measures for environmental protection such as using biodegradable trash bags, using environmentally friendly detergents and cleaning chemicals, and reducing the use of environmentally harmful pesticides and repellents.

Further information on the Group's environmental issues are detailed in the "Environmental, Social and Governance Report" on pages 55 to 87 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year and up to the date of this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. To the best of the Directors' information and knowledge, there was no material non-compliance or breach of any applicable laws and regulations that have a significant impact on the Group's business and operations for the Year and up to the date of this annual report.

RELATIONSHIPS WITH OUR EMPLOYEES AND OTHER STAKEHOLDERS

The Group believes that the sustainability of our business growth lies in the capability and loyalty of our employees. The Group recruits our staff on employment terms which are in compliance with applicable laws and regulations in Hong Kong. The Group focuses on attracting and retaining our qualified employees by paying our employees above the minimum wage and offering extensive training programmes to enhance the knowledge and skill sets of our staff with respect to workplace safety and service quality. The Group maintains good working relationship, and has no material dispute, with our employees.

The Group also understands the importance of maintaining good and long-term relationship with our business partners such as suppliers and customers. Accordingly, our management has maintained good communication, exchanged ideas and shared business updates with our business partners whenever appropriate. During the Year, the Group did not have any material dispute with our business partners.

KEY RISKS AND ITS MANAGEMENT

The Group is principally engaged in the provision of environmental cleaning solutions in Hong Kong.

Key Risk

(1) Business Risk

Our revenue and profit margin are particularly susceptible to factors including the increase in direct labour costs, third-party labour costs, finance costs and bad debts. Increase in direct labour cost, third party labour cost, finance cost and bad debts would erode the low net profit margin of our business. Where increase in cost of sales cannot be passed on to our customers, we may have to absorb such costs which could have adverse effect on our business.

We derive most of our revenue from contracts awarded through competitive tendering. There is no guarantee that we can continue to secure new tender contracts to maintain or expand our business.

Most of our revenue had been derived from tender contracts. Our customers may in general terminate tender contracts by serving seven to thirty days' written notice to us in the event of non-compliance with any provision in tender contracts. Furthermore, we may be required to lower our service fee in order to offer more competitive tender proposal and any failure to reduce our costs accordingly may result in downward pressure on our profit margins.

Another risk exposure is where we derive a significant percentage of our revenue from our major customers, and in particular, from the government department of Hong Kong. Any decrease or loss of business from any of our major customers could have a negative impact on our business and financial condition.

If any of our major customers were to substantially reduce the volume and/or value of services procured from us, we may not be able to obtain business from other customers to replace any such loss of revenue on comparable level, or at all.

(2) Financial Risk

The Group adopts financial risk management policy to manage its interest rate risk, currency risk, credit risk and liquidity risk. The Board reviews monthly management and accounting report, capital structure and other key ratio analysis supported by all essence of operating data within the Group. The Group actively and regularly reviews these risks and will adopt measures, if necessary, to control and mitigate these risks.

(3) Compliance Risk

The Board adopts sufficient procedures to prevent the Group to be exposed to any risks that would undermine our compliance with any applicable laws, rules and regulations. The Group engages consultants and professional advisers to keep us abreast of the latest development in the regulatory regime of Hong Kong, including but not limited to legal, financial, environmental, labour and insurance and operational developments.

Also the Board regularly reviews our policy in prohibiting any unauthorised use or dissemination of confidential or inside information.

(4) Operational Risk

The Group has strengthened its procedures to measure its operational risks such as inappropriate material procurement, efficiency of manpower utilisation, plant and equipment utilisation. On a continuous basis, the Board has reviewed the effectiveness of the Group's internal control and risk management systems in order to ensure that such systems are efficient and effective and reduce the exposure to operational risks.

MAJOR PROJECTS AND EVENTS

Details regarding major projects undertaken by the Group and the major events that have taken place during the Year are disclosed under the section headed "Management Discussion and Analysis" as set out on pages 6 to 15 of this annual report.

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2025 are set out in note 37 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results of the Group for the past five financial years are set out on page 3 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital during the Year are set out in note 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" of this annual report, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the Year.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 33 to the consolidated financial statements.

The share option scheme of the Company (the "**Share Option Scheme**") has been adopted by way of a written resolution passed by the Shareholders on 20 March 2017. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme are as follows:

1.	Purpose of the Share Option Scheme	The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.
2.	Who may join	Any employee, director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group.

3.	Maximum number of Shares	The maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of all the Shares in issue following completion of the upon listing date (13 April 2017) i.e. 60,000,000 Shares. As at 1 April 2024 and 31 March 2025, the maximum number of shares that may be granted under the Share Option Scheme were 60,000,000 Shares. No service provider sublimit was set under the Share Option Scheme.
4.	Basis of determining the exercise price	The subscription price shall be a price solely determined by our Board and shall be at least the higher of: (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of our Shares 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 values of a Share on the date of grant of the option.
5.	Maximum entitlement of each participant	The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) in a 12-month period shall not exceed 1% (or 0.1% for any substantial Shareholder, independent non-executive Director, or any of their respective associates) of the number of issued Shares, unless otherwise approved by the Shareholders in a general meeting of the Company.
6.	Time of acceptance	An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made.
7.	The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid	The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.
8.	Rights are personal to grantee	An option shall not be transferable or assignable and shall be personal to the grantee of the option.

9.	The remaining life of the scheme	The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 20 March 2017, and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.
10.	Time of exercise of option	An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.
11.	Total number of Shares available for issue	Total number of Shares available for issue as at the date of this annual report is 60,000,000 Shares, which represents 10% of the Company's shares in issue as at the date of this annual report.
12.	Vesting period	The Share Option Scheme itself does not specify any vesting period. The vesting period (if any) of options granted under the Share Option Scheme shall be determined by the Board in its absolute discretion.

Since the adoption of the Share Option Scheme and up to the date of this annual report, no share options have been granted under the Share Option Scheme.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed herein, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements that would enable a Director or the chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors or chief executive of the Company or any of their spouses or children under 18 years of age was granted any right to subscribe for the equity or debt securities of the Company, or had exercised any such right during the Year.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2025, the interests and short position of the Directors and the chief executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Position in the Shares

Directors	Capacity/Nature	Number of ordinary Shares	Percentage of interest
Mr. Wong Chong Shing ("**Mr. C.S. Wong**") *(Note 1, 2)*	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%
Mr. Wong Man Sing ("**Mr. M.S. Wong**") *(Note 1, 3)*	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%
Mr. Wong Chi Ho ("**Mr. C.H. Wong**") *(Note 1, 4)*	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%
Ms. Wong Ka Man ("**Ms. Wong**") *(Note 5)*	Beneficial owner	6,100,000	1.02%

Notes:

1. On 30 March 2016, a deed of acting in concert was entered into between Mr. C.S. Wong, Mr. M.S. Wong and Mr. C.H. Wong in which it was confirmed that in respect of Man Shing Cleaning Service Company Limited, Man Shing Environmental Company Limited and Jasen Services Limited (collectively, the "**Relevant Companies**") during the two financial years ended 31 March 2015 and 31 March 2016 and the six months ended 30 September 2016 and thereafter from the date of the deed, the parties have been acting in concert (as defined under the Takeovers Code) to jointly reach a consensus in relation to all matters in respect of the management and business operations of each of the Relevant Companies including but not limited to voting unanimously in respect of matters that require shareholders' or directors' approval and the execution of documents for the purpose of furthering and expanding the business operations of the Relevant Companies. By virtue of the SFO, Mr. C.S. Wong, Mr. M.S. Wong and Mr. C.H. Wong are deemed to be interested in the Shares which are interested by each other.

2. 369,000,000 Shares in the Company in which Mr. C.S. Wong is interested consist of (i) 175,500,000 Shares held by Man Shing Global Limited, a company wholly owned by Mr. C.S. Wong, and which Mr. C.S. Wong is deemed to be interested for the purpose of the SFO; and (ii) 193,500,000 Shares in which Mr. C.S. Wong is deemed to be interested as a result of being a party acting in concert with Mr. M.S. Wong and Mr. C.H. Wong. Mr. C.S. Wong is the younger brother of Mr. M.S. Wong and the uncle of Mr. C.H. Wong and Ms. Wong.

3. 369,000,000 Shares in the Company in which Mr. M.S. Wong is interested consist of (i) 175,500,000 Shares held by Lik Hang Investment Company Limited, a company wholly owned by Mr. M.S. Wong, and which Mr. M.S. Wong is deemed to be interested for the purpose of the SFO; and (ii) 193,500,000 Shares in which Mr. M.S. Wong is deemed to be interested as a result of being a party acting in concert with Mr. C.S. Wong and Mr. C.H. Wong. Mr. M.S. Wong is the elder brother of Mr. C.S. Wong and the father of Mr. C.H. Wong and Ms. Wong.

4. 369,000,000 Shares in the Company in which Mr. C.H. Wong is interested consist of (i) 18,000,000 Shares held by Chun Shing Investment Limited, a company wholly owned by Mr. C.H. Wong, and which Mr. C.H. Wong is deemed to be interested for the purpose of the SFO; and (ii) 351,000,000 Shares in which Mr. C.H. Wong is deemed to be interested as a result of being a party acting in concert with Mr. M.S. Wong and Mr. C.S. Wong. Mr. C.H. Wong is the son of Mr. M.S. Wong, the nephew of Mr. C.S. Wong and the brother of Ms. Wong.

5. Ms. Wong is the daughter of Mr. M.S. Wong, the niece of Mr. C.S. Wong and the sister of Mr. C.H. Wong.

Save as disclosed above, as at 31 March 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying share or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2025, so far as is known to the Directors or the chief executive of the Company, the following persons other than a Director or chief executive of the company had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long Position in the Shares

Name of Shareholders	Capacity/Nature	Number of ordinary shares	Percentage of interest
Man Shing Global Limited *(Note 1)*	Beneficial owner	175,500,000	29.25%
Lik Hang Investment Company Limited *(Note 2)*	Beneficial owner	175,500,000	29.25%
Chun Shing Investment Limited *(Note 3)*	Beneficial owner	18,000,000	3.00%
Ms. Wan Wing Ting *(Note 4)*	Interest of spouse	369,000,000	61.50%

Notes:

1. Man Shing Global Limited is a company wholly owned by Mr. C.S. Wong, our executive Director. Accordingly, Mr. C.S. Wong is deemed to be interested in all shares in which Man Shing Global Limited is interested for the purpose of the SFO.

2. Lik Hang Investment Company Limited is a company wholly owned by Mr. M.S. Wong, our executive Director. Accordingly, Mr. M.S. Wong is deemed to be interested in all shares in which Lik Hang Investment Company Limited is interested for the purpose of the SFO.

3. Chun Shing Investment Limited is a company wholly owned by Mr. C.H. Wong, our executive Director. Accordingly, Mr. C.H. Wong is deemed to be interested in all shares in which Chun Shing Investment Limited is interested for the purpose of the SFO.

4. Ms. Wan Wing Ting, who is the spouse of Mr. C.H. Wong, is deemed to be interested in all shares in which Mr. C.H. Wong is interested.

Save as disclosed above, as at 31 March 2025, the Directors are not aware of any other persons (who are not Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING REQUIREMENT

During the Year, the Group has conducted the following continuing connected transactions under Chapter 20 of the GEM Listing Rules:

1. On 1 December 2021, the Company was informed by Mr. C.S. Wong, an executive director and a controlling shareholder of the Company, that he had become the sole shareholder of Evertone (Asia) Limited ("**Evertone**"). As such, Evertone became an associate of Mr. C.S. Wong and regarded a connected person of the Company.

2. On 19 September 2023, Jasen Services Limited, an indirect wholly-owned subsidiary of the Company, as lessee had entered into eighteen lease agreements with Evertone as lessor (the "**2023 Lease Agreements**") for leasing eighteen specialised vehicles for a term of one year commencing from 1 October 2023 to 30 September 2024. The aggregate amount of the monthly lease payments payable by Jasen Services Limited to Evertone under the aforesaid lease agreements was HK$4,674,000 and lease payments shall be settled by Jasen Services Limited during the lease term on a monthly basis. For details of the 2023 Lease Agreements, please refer to the announcement of the Company dated 19 September 2023. The 2023 Lease Agreements expired on 30 September 2024 and were not renewed.

3. On 28 June 2024, Jasen Services Limited, an indirect wholly-owned subsidiary of the Company, as lessee had entered into eight lease agreements with Evertone as lessor (the "**2024 Lease Agreements**", together with the 2023 Lease Agreements, the "**Lease Agreements**") for leasing eight specialised vehicles for a term of one year commencing from 1 July 2024 to 30 June 2025. The aggregate amount of the monthly lease payments payable by Jasen Services Limited to Evertone under the Lease Agreements is HK$1,626,000 and lease payments shall be settled by Jasen Services Limited during the lease term on a monthly basis.

The annual cap under the Lease Agreements is HK$6,300,000. All specialised vehicles leased by Jasen Services Limited under the Lease Agreements were being used in the ordinary and usual course of business of the Group for its cleaning projects, in particular street and public area cleaning. As Everton is an associate of Mr. C.S. Wong, Evertone is regarded as a connected person of the Company. Therefore, the Lease Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

On 22 November 2024, Jasen Services Limited and Evertone into the first supplemental agreement ("**First Supplemental Agreement**") to the Lease Agreements, pursuant to which the parties agreed to vary the subject matter in the Lease Agreements because five vehicles under the Lease Agreements ("**Old Vehicles**") had been disposed by Evertone. Pursuant to the First Supplemental Agreement, Jasen Services Limited and Evertone agreed that, among others, (a) the Old Vehicles under the Lease Agreements shall be replaced by the same number of vehicles owned by Evertone with almost identical models, functionalities and age as the Old Vehicles; and (b) the total lease payments payable under the Lease Agreements (as amended by the First Supplemental Agreement) remain unchanged. The total annual cap of the Lease Agreements (as amended by the First Supplemental Agreement) remains unchanged at HK$6,300,000. Save and except disclosed above, all other terms of the Lease Agreements remain in full force and effect. For details of the 2024 Lease Agreements and the First Supplemental Agreement, please refer to the announcements of the Company dated 28 June 2024 and 22 November 2024.

The independent non-executive Directors have reviewed the continuing connected transactions and confirmed that the continuing connected transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor, CCTH CPA Limited, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions are set out in note 32 to the consolidated financial statements.

Save as the continuing connected transactions disclosed in the section headed "Continuing Connected Transactions Subject to Reporting Requirement" above, all other related party transactions of the Group disclosed in note 32 to the consolidated financial statements constitute continuing connected transactions under Chapter 20 of the GEM Listing Rules, but were fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 20.74 or 20.93 of the GEM Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity on page 96 and note 36 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of movements during the Year in the reserves and reserves available for distribution to the Shareholders are set out on page 168 of this report and in note 36 to the consolidated financial statements. In accordance with the Articles of Association of the Company, distribution of dividends should be made out of profits and reserves (including share premium) of the Company. As at 31 March 2025, the Company's reserves available for distribution, calculated in accordance with the applicable laws of the Cayman Islands amounted to approximately HK$24.9 million.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the aggregate amount of purchases attributable to our Group's five largest suppliers represented approximately 48.7% of our Group's total purchases. The amount of purchases from our Group's largest supplier represented approximately 13.0% of our Group's total purchases.

Meanwhile, the aggregate amount of revenue attributable to our Group's five largest customers represented approximately 86.9% of our Group's total revenue. The amount of revenue from our Group's largest customer represented approximately 78.2% of our Group's total revenue.

None of the Directors nor any of their close associates nor any shareholders (which, to the best of the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in our Group's five largest customers and/or five largest suppliers during the Reporting Period.

DIRECTORS

The Directors who held office during the Year and up to the date of this report were as follows:

Executive Directors:	Mr. Wong Chong Shing *(Chairman)* Mr. Wong Man Sing *(Chief Executive Officer)* Mr. Wong Chi Ho Ms. Wong Ka Man *(appointed on 15 November 2024)*
Independent non-executive Directors:	Mr. Lee Pak Chung Mr. Au-Yeung Tin Wah Mr. Chiu Ka Wai

For the biographical details of the Directors and the senior management, please refer to pages 16 to 19 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors (other than Ms. Wong Ka Man) has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date, which shall be renewable automatically for successive terms of three years unless terminated by either party by giving at least three months' prior notice in writing to the other party.

Ms. Wong Ka Man has entered into a service agreement with the Company in relation to her appointment as an executive Director for an initial term of three years commencing from 15 November 2024, which is subject to automatic renewal for successive terms of three years upon expiry, and may be terminated by either party giving not less than three months' prior written notice to the other or in accordance with other terms thereof.

Each of the independent non-executive Directors has signed an appointment letter respectively with the Company for an initial term of three years commencing from the Listing Date ("**Three-Year Term**"), which shall continue and remain in effect for and throughout the duration of the Three-Year Term unless and until terminated by either party giving to the other not less than three months' prior notice in writing. Such an appointment shall continue upon the expiry of the Three-Year Term on a yearly basis up to a maximum of three years subject to termination by either party giving to the other one month's prior notice in writing or the Director ceasing to be a director of the Company for any reason whatsoever at any particular time.

Pursuant to the Articles of Association of the Company, Mr. Wong Chong Shing, Ms. Wong Ka Man and Mr. Lee Pak Chung will retire from their offices as Directors and offer themselves for re-election as the Directors in the forthcoming AGM of the Company.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company, its holding company or any of their respective subsidiaries which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any civil or criminal proceedings in which judgment is given in his favour, or in which he is acquitted. The aforesaid provision was in force for the benefit of the Directors throughout the Year and remained in force as of the date of this report. The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

INTERESTS IN CONTRACTS

Save as disclosed herein, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company or any of the Company's subsidiaries was a party, and in which any Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Save as disclosed herein, during the Year, there was no contract of significance entered into between the Company, or any of its subsidiaries, and any of the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their subsidiaries.

INTERESTS IN COMPETING BUSINESS

As at the date of this annual report, none of the Directors nor their respective associates (as defined in the GEM Listing Rules) had interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the GEM Listing Rules.

Each of Mr. C.S. Wong, Man Shing Global Limited, Mr. M.S. Wong, Lik Hang Investment Company Limited, Mr. C.H. Wong and Chun Shing Investment Limited (collectively, the "**Covenantors**") has provided annual confirmations to the Company in respect of the compliance with the terms of the non-competition undertaking (the "**Undertaking**").

The independent non-executive Directors have also reviewed the compliance by each of the Covenantors with the Undertaking during the Year. The independent non-executive Directors have confirmed that, as far as they can ascertain, the Undertaking has been complied by each of the Covenantors during the Year and up to the date of this annual report.

EMOLUMENT POLICY

The remuneration committee of the Company was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and the senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and the senior management and comparable market practices. The Company has adopted a share option scheme as an incentive to eligible participants, details of which are set out above in the section headed "Share Option Scheme". Details of the emoluments of the Directors and the five highest paid individuals during the Year are set out in note 10 in the consolidated financial statements.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group are set out in note 24 to the consolidated financial statements.

AUDITORS

The consolidated financial statements for the year ended 31 March 2025 have been audited by CCTH CPA Limited, who will retire and, being eligible, offer itself for appointment at the forthcoming annual general meeting of the Company.

Save as disclosed herein, there has been no change of auditor of the Company during the past three years.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of our Group were entered into or in existence during the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the best of the knowledge of the Directors, the Company maintains the prescribed percentage of public float under the GEM Listing Rules.

CORPORATE GOVERNANCE

A report on the principal corporate governance practice adopted by the Company is set out in pages 20 to 39 of this annual report.

CLOSURE OF THE REGISTER OF MEMBERS AND RECORD DATE

To be eligible to attend and vote at the forthcoming AGM

The register of members of the Company will be closed from Tuesday, 12 August 2025 to Friday, 15 August 2025, both dates inclusive, the record date is 15 August 2025, during which period no transfer of Shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 11 August 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, after the Reporting Period and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

Mr. Wong Man Sing
Chief Executive Officer
23 June 2025

ABOUT THE REPORT

This is the Environmental, Social and Governance Report (the "**ESG Report**") of Man Shing Global Holdings Limited (the "**Company**") together with its subsidiaries (collectively, the "**Group**" or "**we**"), underlining its initiatives, management approach and performance of Environmental, Social and Governance ("**ESG**") aspects. We expect the ESG Report will provide our stakeholders with a better understanding of our strategies and progress in managing ESG issues.

Reporting Period and Scope

The information published in this ESG Report covers the performance of the Group for the year ended 31 March 2025 (the "**Reporting Period**" or "**2025**"). The reporting scope is determined based on the materiality and revenue contribution of the business segments under the Group's direct operational control in Hong Kong, which is consistent with the annual report. The ESG Report delivers the information and data of our environmental cleaning services such as pest control and waste collection, and property management services in Hong Kong. The Group will continue to evaluate the major ESG aspects of different business segments and extend the scope of disclosures when and where applicable.

Reporting Framework

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Rules Governing the Listing of Securities (the "**GEM Listing Rules**") on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Information relating to the Group's corporate governance practices has been illustrated in the Corporate Governance Report of the annual report.

During the preparation for the ESG Report, the following reporting principles in the ESG Reporting Guide have been underpinned and applied by the Group:

Materiality A materiality assessment has been carried out to identify material environmental and social issues that have major impacts on stakeholders. For further details, please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT".

Quantitative Key performance indicators ("**KPIs**") have been established and are measurable and applicable to make valid comparisons under appropriate conditions. Information on the standards, methodologies and applicable assumptions used in the calculation of KPIs data has been disclosed and supplemented by explanatory notes. Environmental targets have been set to mitigate relevant impacts.

Consistency Unless otherwise stated, the preparation approach of this ESG Report is consistent with the year ended 31 March 2024 ("**last year**" or "**2024**") to allow meaningful comparisons of related data over time. If there are any changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided for the corresponding data.

ESG GOVERNANCE STRUCTURE

The Group has developed an ESG governance structure to ensure that the ESG governance is aligned with its business strategy for sustainable development and to integrate ESG management into its business operations and decision-making processes.

The board (the "**Board**") of directors (the "**Directors**") of the Company has overall accountability for the Group's ESG strategy and reporting, and reviews the Group's ESG performance via meetings at least once a year. The Board is accountable for assessing and identifying the Group's ESG risks and guaranteeing that adequate and efficient ESG-related risk management and internal control systems are in place. Therefore, the Board oversees the Group's ESG issues, reviews the materiality of ESG issues, and establishes relevant management policies, strategies and targets. Members of the Board should possess appropriate skills, knowledge, experience and perspectives on relevant ESG issues to manage the ESG performance of the Group.

The management of the Company (the "**Management**") is also jointly responsible for the implementation of ESG-related measures. The Management consists of core members of different departments who have relevant knowledge and experience in various ESG areas to assist the Board in overseeing the ESG matters. The Management meets at least once a year to review the Group's ESG performance, the progress towards the targets set, and the effectiveness of existing policies and procedures to develop appropriate solutions, improve the overall ESG performance of the Group and ensure compliance with ESG-related laws and regulations. In addition, the Management engages an independent third party to conduct an annual materiality assessment to evaluate, prioritise and manage significant ESG-related issues, and prepare the ESG reports. The Management is also required to report its findings, decisions and recommendations to the Board at least once a year.

STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement is a key factor in the successful development of its ESG strategies, including assessing materiality, setting targets and developing policies for advancing the ESG performance. The Group undertakes to implement open and transparent communication channels so as to understand the expectations and needs of the stakeholders. Our primary stakeholders include but are not limited to investors and shareholders, government authorities and regulatory bodies, banks, employees, customers, suppliers or subcontractors, and the community and the public.

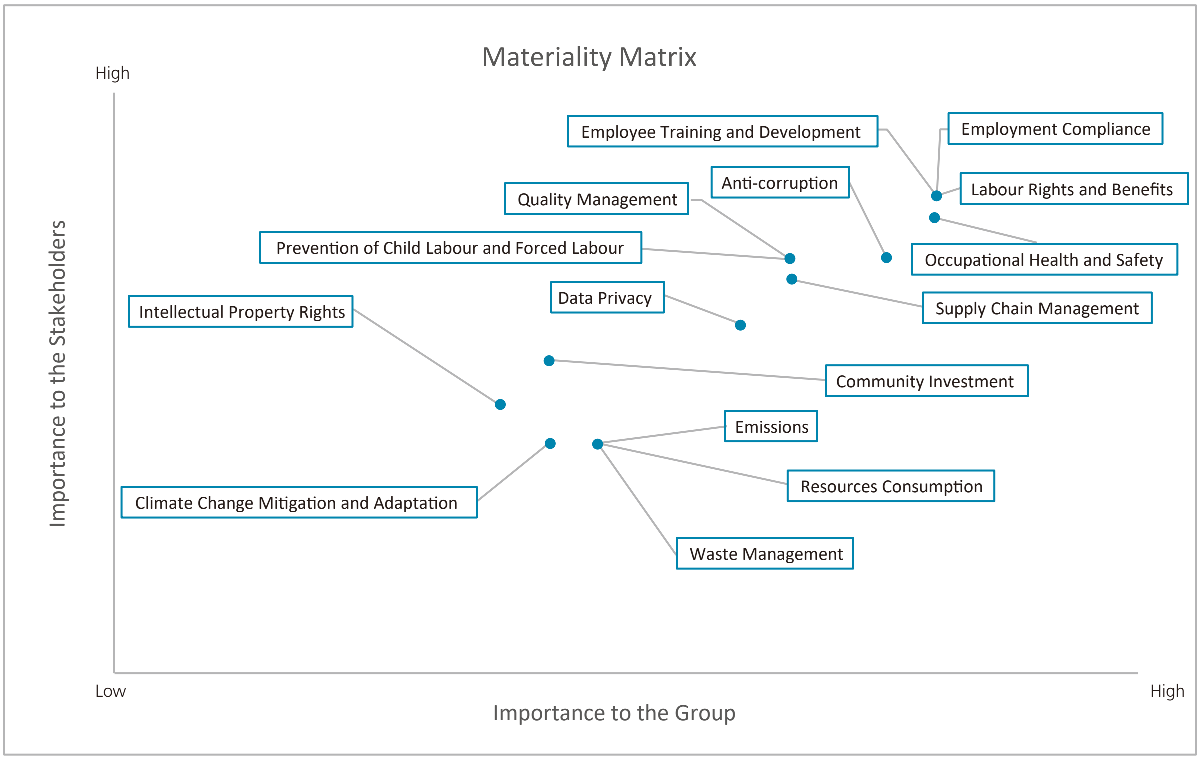
We have established different communication channels to collect feedback and comments from stakeholders and address their expectations and concerns, in order to enhance the Group's overall performance. The Group will continue to create value for its stakeholders. The expectations and concerns of the major stakeholders of the Group and the communication channels are as follows:

Stakeholders	Expectations and concerns	Communication channels
Investors and shareholders	• Business performance • Transparency and effective communication • Returns	• Annual general meeting
Government authorities and regulatory bodies	• Compliance with legislation and regulations • Responsiveness to government policy • Continued communication with relevant ministries • Contribution to local community	• ESG reports • Compliance reports • Examinations and inspections
Banks	• Financial stability • Risk management	• Financial reports
Employees	• Occupational health and safety • Remunerations and benefits • Career development	• The Group's activities, policy and procedures • Employee training interaction
Customers	• Service with qualities	• Emails • Direct feedback to the Group's frontline employees
Suppliers or subcontractors	• Long-term cooperation	• Site visits and evaluation
Community and the public	• Enhancement of community environment • Participation in charity events	• The Group's website • Community events

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

In accordance with stakeholder engagement, we have identified issues that have significant environmental and social impacts and issues with respect to stakeholders. The Group prepared a questionnaire based on the list and invited relevant stakeholders to rate the potential material issues according to the level of significance of the ESG issues to the Group and themselves, so as to conduct a materiality assessment. The results of the materiality assessment prioritised stakeholders' input and led us to concentrate on the material aspects for actions, performance, achievements and reporting. A materiality matrix was developed after analysing the results of the questionnaire. The materiality matrix and the identified material topics were reviewed and confirmed by the Board and the Management and disclosed in the ESG Report. During the Reporting Period, the Group's materiality matrix is shown below:



CONTACT INFORMATION

The Group invites all stakeholders to provide their feedback and comments on its ESG performance. Stakeholders are welcome to submit their opinions or recommendations through email at info@manshing.com.hk or mail to Unit 10, 11/F, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong.

A. ENVIRONMENTAL

Environmental Targets

The Group addresses all potential risks to the environment with reasonable care. The Group is dedicated to strategically integrating green features within its business model and operations with a clear objective of operating its businesses in the most environmentally responsible manner.

In order to successfully implement a sustainable business model, the Group has set several environmental targets that align with its overall direction and strategic approach, and consistently monitors and reviews its performance. The environmental targets established by the Group in 2024 and the progress achieved towards those targets during 2025 are summarised below:

Aspects	Targets	Progresses
Greenhouse gas ("**GHG**") emissions	Improve the efficiency of vehicles' fuel and energy by gradually upgrading vehicles to the Euro VI standard.	In progress
	Reduce the Group's total GHG emissions intensity by the year ending 31 March 2028 ("**2028**"), using the year ended 31 March 2023 ("**2023**") as the base year, which was approximately 3.68 tonnes of carbon dioxide equivalent ("**tCO_2e**")/million revenue.	In progress
Hazardous waste	Due to the business nature, the Group has not set quantifiable targets.	N/A
Non-hazardous waste	Organise activities and training to raise awareness of waste reduction and recycling among employees annually.	The Group has briefed the employees and displayed informational posters in the workplace to raise awareness about waste reduction and recycling.
	Reduce the Group's total non-hazardous waste disposal intensity by 2028, using 2023 as the base year, which was approximately 0.004 tonnes/million revenue.	In progress

Aspects	Targets	Progresses
Energy management	Organise activities and training to raise awareness of energy saving among employees annually.	The Group has briefed the employees and displayed informational posters in the workplace to raise awareness about energy saving.
	Reduce the Group's total energy consumption intensity by 2028, using 2023 as the base year, which was approximately 14.72 MWh/million revenue.	In progress
Water management	Organise activities and training to raise awareness of water saving among employees annually.	The Group has briefed the employees and displayed informational posters in the workplace to raise awareness about water saving.
	Reduce the Group's total water consumption intensity by 2028, using 2023 as the base year, which was approximately 0.09 cubic metres/million revenue.	In progress

In 2025, the Group will follow the targets set in 2024, and continue to persistently implement its sustainable development strategies to achieve those targets in the year ending 31 March 2026.

A1. Emissions

As a business delivering environmental cleaning solutions services, we depend heavily on our large vehicle fleet and machinery. The Group has a strong commitment to controlling GHG emissions, discharges to water and land along with the generation of hazardous and non-hazardous waste in its business activities with the establishment of relevant environmental policies. The environmental management system of the Group is certified to the ISO 14001:2015 standard. The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Air Emissions

The major source of air emissions of the Group is the fuel consumption by vehicles. In order to minimise the negative impact on the environment, the Group strives to upgrade vehicles to Euro VI standard with lower emissions of harmful pollutants, and takes other relevant measures which are described in the section headed "GHG Emissions". The types of air pollutants include nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**"). Due to the disposal of vehicles, the emissions of NO_x, SO_x and PM of the Group have increased compared to last year. The performance of the Group's air emissions is summarised below:

Indicators[1]	**Unit**	**2025**	2024
NO_x	tonnes	**16.63**	27.24
SO_x	tonnes	**0.02**	0.03
PM	tonnes	**1.34**	2.27

Note(s):

1. The calculation of air emissions referred to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

GHG Emissions

The major sources of GHG emissions of the Group are direct GHG emissions (Scope 1) from the fuel consumed by vehicles and indirect GHG emissions (Scope 2) from the electricity consumed by its operations and electric vehicles. Apart from the electricity-saving measures which are explained in the section headed "Energy Management" in Aspect A2, the Group has incorporated the principle of reducing GHG emissions generated by vehicles into its sustainable business practice. During the Reporting Period, all of the Group's vehicles met Euro IV/V/VI standards. The Group will continue to expand the use of environmentally-friendly vehicle models. The Group has established its own fleet management system to make more efficient route planning of work schedules and reduce fuel consumption. The following measures were also introduced to reduce GHG emissions generated by vehicles:

- Adopt green vehicles;
- Use low-sulphur and unleaded petrol whenever possible;
- Regularly conduct vehicle inspection and maintenance by qualified personnel; and
- Require vehicles to shut down engines at idle.

The types of the Group's entire fleet are summarised below:

Types of vehicles	As at 31 March 2025	As at 31 March 2024
Private car	**11**	18
Water wagon	**31**	36
Vacuum tanker	**3**	3
Hook-lift truck	**1**	1
Grab lorry	**14**	17
Tail-lift truck	**26**	38
Tail-lift (tipper) truck	**16**	30
Light goods van	**29**	56
Lorry	**4**	5
Highway sweeper	**2**	2
Highway arrow vehicle	**4**	7
Total number of vehicles	**141**	213

Due to the disposal of the Group's vehicles, the total GHG emissions intensity of the Group has decreased compared to last year. The performance of the Group's GHG emissions is summarised below:

Indicators[2]	Unit	2025	2024
Direct GHG emissions (Scope 1)			
• Fuel consumption by vehicles	tonnes of carbon dioxide equivalent (tCO_2e)	**3,182.56**	5,157.88
Energy indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO_2e	**29.36**	30.44
Total GHG emissions	tCO_2e	**3,211.92**	5,188.32
Total GHG emissions intensity[3]	tCO_2e/million revenue	**4.74**	5.06

Note(s):

2. The data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the global warming potential values from the "Sixth Assessment Report" issued by Intergovernmental Panel on Climate Change, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, and the ESG Data Hub created by CLP Holdings Limited.

3. During the Reporting Period, the Group's total revenue was approximately HK$677.10 million (2024: approximately HK$1,042.71 million). The data of revenue shall also be used to calculate other intensity data.

Wastewater Discharge

As the Group provides employees with a detailed guidebook for all necessary procedures to avoid detrimental consequences from wastewater discharge, there is a minimal risk of pollution to the environment. Whenever possible, wastewater must be collected and disposed of into sewer systems, or discharged after treatment.

Waste Management

Hazardous Waste

Due to its business nature, the Group does not generate any significant amount of hazardous waste during daily operation, and therefore no relevant targets have been set. Notwithstanding the above, we are devoted to waste reduction. The Group provides a ventilated separate place for frontline employees to use and store any materials that contain chemicals or volatile organic compounds. If any hazardous waste is generated, the Group will appoint a qualified chemical waste collector to handle such waste to comply with relevant environmental laws and regulations.

Non-hazardous Waste

The major type of waste generated by the Group is office paper. The Group places the priority on the use of easily degradable, reusable and recyclable materials in its commercial activities, in order to minimise the burden on the environment. To raise the awareness of recycling in the office, the Group has been displaying relevant posters and encouraging employees to adopt paper-saving measures including double-sided printing and paper recycling. A recycling area has been set up to collect different items, including but not limited to paper, metal, plastic, glass and beverage cartons. During the Chinese New Year Festival, Mid-Autumn Festival and Christmas, the Group will collect and recycle the used red packets, aluminium/paper boxes of mooncakes and gift decoration papers for further reuse. Moreover, we offer training to employees and conduct regular reviews on proper management of waste disposal in an effort to reduce environmental and ecological impacts. In addition to the non-hazardous waste generated by the Group, the Group collected a total of approximately 244.00 tonnes of waste carton boxes, approximately 14.00 tonnes of metals and approximately 31.00 tonnes of plastics during its environmental cleaning services in 2025 (2024: a total of approximately 240.00 tonnes of waste carton boxes, approximately 15.00 tonnes of metals and approximately 33.00 tonnes of plastics). The waste was then delivered to waste collectors and recyclers for recycling. During the Reporting Period, the Group obtained a good level of the WasteWi$e certificate administered by Hong Kong Organisation Certification, which recognises our commitments and efforts in waste reduction and recycling.

Due to normal fluctuations in waste disposal, the total non-hazardous waste disposal intensity of the Group has increased compared to last year. The performance of the Group's non-hazardous waste disposal is summarised below:

Types of waste	**Unit**	**2025**	2024
Office paper	tonnes	**4.26**	4.15
Total non-hazardous waste disposal	tonnes	**4.26**	4.15
Total non-hazardous waste disposal intensity	tonnes/million revenue	**0.006**	0.004

A2. Use of Resources

Through our operational model and contractual conditions with customers, our electricity and water consumption for cleaning services are directly supplied and controlled by customers. Thus, their usage is borne heavily on external factors such as the targets and specific demands of customers. That being said, the Group actively encourages and assists its customers in using resources in an environmentally responsible manner that consists of limited consumption of electricity and water. Meanwhile, the Group has developed relevant environmental policies and measures to achieve energy saving and reduce resource consumption, and thus minimise the negative environmental impact of its operations.

Energy Management

The main sources of the Group's energy consumption are unleaded petrol and diesel consumed by vehicles and electricity consumed by its operations and electric vehicles. Apart from the emission reduction measures for vehicles explained in the section headed "GHG Emissions" in Aspect A1, the Group has encouraged employees to make good use of electricity to minimise the loss of resources. In view of the scarcity of energy, the Group has implemented several energy-saving measures, in particular:

- Educate employees to improve electricity-saving awareness;
- Use LED bulbs whenever possible for better energy efficiency;
- Switch off the electronic devices when not in use or before leaving the office;
- Regularly inspect the energy use of each department and suggest energy-saving methodologies to reduce the use of energy;
- Operate the air conditioning system at a temperature of 25.5°C;
- Switch to energy-saving mode when using the equipment whenever possible; and
- Adjust computer settings to power down the display automatically after 15 minutes of inactivity.

Due to the disposal of vehicles, the total energy consumption intensity of the Group has decreased compared to last year. The performance of the Group's energy consumption is summarised below:

Indicators	Unit	2025	2024
Direct energy consumption[4]	MWh	**12,716.57**	20,677.77
• Unleaded petrol	MWh	**314.02**	456.95
• Diesel	MWh	**12,402.55**	20,220.82
Indirect energy consumption	MWh	**77.27**	78.06
• Purchased electricity	MWh	**77.27**	78.06
Total energy consumption	MWh	**12,793.84**	20,755.83
Total energy consumption intensity	MWh/million revenue	**18.90**	20.26

Note(s):

4. The calculation of the unit conversion referred to the "Energy Statistics Manual" published by the International Energy Agency.

Water Management

The water withdrawal by the Group is mainly used for its offices as the water for environmental cleaning services is mainly supplied by customers. In the short term, the Group does not have any issue in sourcing water that is fit for the purpose. The Group actively encourages and assists its customers in using water in a sustainable way. To improve water efficiency, the Group has also developed internal policies that clearly set out the targets and management methods of water use in the offices. We have actively educated employees on the importance of water conservation and encouraged them to adopt water-saving measures in the office, including turning off the tap when not in use.

Due to the effective implementation of the above measures, the total water consumption has decreased. However, the total water consumption intensity of the Group has increased compared to last year due to a significant decline in revenue. The performance of the Group's water consumption is summarised below:

Indicators	Unit	2025	2024
Total water consumption	cubic metre	**71.00**	87.00
Total water consumption intensity	cubic metre/million revenue	**0.10**	0.08

Use of Packaging Material

Given the Group's business nature, no packaging material was used and therefore its disclosure is not applicable.

A3. Environment and Natural Resources

The Group continues its efforts to enhance the efficiency of resource utilisation in all aspects of its operations by conducting regular maintenance of machinery and tools, adopting green policies and practices in offices, strengthening employees' education, as well as introducing advanced technologies. The Group strives to achieve sustainable development by integrating the concept of environmental and natural resources protection into its internal management procedures and daily operating activities, with the formulation of relevant environmental policies. Environmental protection posters are displayed at the workplace.

Noise

Noise mainly comes from the operation of machinery for the Group's cleaning services. All machines are inspected regularly to ensure the noise level remains within an acceptable range. Frontline employees are instructed to switch off the machines and report to the supervisors if any machines are working out of an expected condition, such as abnormal noise, vibrations, or cracks. The supervisors are responsible for regularly inspecting and monitoring the conditions of all machines to ensure that they are operating under normal conditions in operation and do not cause any disturbance to the surrounding area.

A4. Climate Change

The Group understands the necessity of mitigating the impact of climate change. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosure ("**TCFD**") established by the Financial Stability Board, the Management has assessed and identified climate-related risks and corresponding opportunities that have an impact on the Group's businesses via meetings. Referring to the risk classification of TCFD, the identified climate-related risks, opportunities and corresponding management measures are as follows:

Climate-related Risks

Physical Risks

Types of physical risk	Responses and measures
Acute risk: • Damage the Group's business operations and property due to increased frequency and severity of extreme weather events such as typhoons and heavy rainfall events • Incur increased costs to repair damaged infrastructure, equipment, and facilities • Obstruct and injure the employees on the road or during their work	 • Keep track of weather forecasts and warnings from reliable sources • Implement relevant work arrangements under extreme weather • Purchase insurance for the employees and assets to reduce or avoid property damage in extreme weather events

Transition Risks

Types of transition risk	Responses and measures
Policy risk: • Enhance emissions reporting obligations • Increase the operating costs such as compliance costs • Result in write-offs, impairment of assets and early retirement of existing assets due to policy changes	• Formulate the Group's energy conservation and emission reduction targets • Implement corresponding policies and measures to reduce GHG emissions • Integrate the sustainability efforts into the Group's ESG strategies
Reputational risk: • Demand greater transparency and action on climate-related issues due to the increase in attention on climate change and its impacts • Increase the potential of receiving customer complaints about the Group's services and affect the reputation	• Improve ESG-related disclosure, monitor the ESG-related risks and opportunities and develop crisis management plan by consulting professional parties • Address any negative publicity or customer complaints quickly and effectively

Climate-related opportunities	Responses and measures
Energy Management: • Enhance the Group's energy management practices • Reduce energy expenses	• Adopt more efficient modes of transport, such as upgrading vehicles to Euro VI standards or using more electric vehicles where possible • Participate in the carbon compensation programme to offset approximately 1,347.00 tCO_2 emissions generated in 2025

B. SOCIAL

B1. Employment

The Group considers that the employee is the most valuable asset to sustain its growth. We aim to create a harmonious working environment based on co-operation and mutual respect, in order to strengthen the feeling of belonging of our employees and retain talent. In the meantime, the Group is committed to supporting a strong, dynamic and dedicated team, and emphasises the development of employees to support their career advancements. The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Recruitment, Promotion and Dismissal

During the recruitment, applicants are evaluated on the basis of professional and academic qualifications and work experience. The "Employee Handbook" will be provided to the employee immediately upon joining the Group. The "Employee Handbook" outlines the key responsibilities and requirements for all employees, including but not limited to integrity requirements, workplace safety guidelines, anti-discrimination and anti-harassment guidelines.

Promotional opportunities are offered to the Group's employees and are decided according to the commercial needs of the Group and the merits and performance of the employees. Besides, the dismissal procedures are laid down in the employment contracts. All the dismissal procedures are completed as required by the employment contracts and the relevant laws and regulations.

As at 31 March 2025, the Group had 5,309 employees (As at 31 March 2024: 7,042 employees). The table below summarises the number of employees by gender, employment type, employee category, age group and geographical location:

Categories	As at 31 March 2025	As at 31 March 2024
By gender		
Male	**2,417**	3,255
Female	**2,892**	3,787
By employment type		
Full-time	**4,779**	6,512
Part-time	**530**	530
By employee category		
Senior management	**63**	65
Middle management	**542**	696
Frontline employees	**4,704**	6,281
By age group		
30 years old or below	**130**	153
31 years old to 50 years old	**841**	1,116
51 years old or above	**4,338**	5,773
By geographical location		
Hong Kong	**5,309**	7,042

The Group has adopted the government's recommended policy of raising the retirement age and strived to enhance and reinforce its human resources strategy and talent retention policy. In the interest of attracting and retaining talent effectively, the Group offers valuable compensation to its employees that is determined in accordance with the four principles of fairness, ability, competitiveness and timeliness. The table below summarises the turnover rate[5] by gender, age group and geographical location:

Categories	2025	2024
Total turnover rate	**70.90%**	31.18%
By gender		
Male	**68.43%**	32.66%
Female	**72.96%**	29.92%
By age group		
30 years old or below	**69.23%**	41.83%
31 years old to 50 years old	**65.40%**	35.22%
51 years old or above	**72.01%**	30.12%
By geographical location		
Hong Kong	**70.90%**	31.18%

Note(s):

5. Turnover rate of employees in the category = (number of employees who left the category during the year ÷ number of employees in the category at the end of the year) × 100%.

Employee Welfare and Benefits

The Group is committed to ensuring a healthy and safe work environment for all employees and offers a variety of employee welfare and benefits. Apart from statutory holidays and days off, the Group offers annual leave, paid sick leave and other fringe benefits to the employees to meet their individual needs. Meanwhile, the Group places a high value on work-life balance for its employees so as to reduce stress in the workplace and improve the Group's productivity. The Group has also formulated relevant policies to mobilise part-time employees to ensure that all employees are provided with adequate rest periods.

Equal Opportunity, Diversity and Anti-Discrimination

In addition to the internal regulations of recruitment, promotion, remuneration, dismissal, working hours, rest periods and other welfare, the Group has also developed its human resources strategies to govern other aspects including equal opportunity, diversity and antidiscrimination. The Group prides itself on being an employer that offers equal opportunity to all employees, regardless of their race, gender, age, marital status, disability, religious beliefs, nationality, sexual orientation and political affiliations. Hiring criteria are based solely on their working ability, experience and performance.

The Group adopts a zero tolerance attitude towards any form of discrimination or harassment in the workplace. Employees who experience any form of discrimination and/or harassment in the workplace may complain to the respective department managers or human resources managers. The Group will investigate the incident and keep the investigation confidential. Upon completion of the investigation, the accused employee may be subject to disciplinary action, including warning, suspension and dismissal.

B2. Health and Safety

Occupational Health and Safety

The Group endeavours to minimise the risks to the occupational health and safety of its employees. The Group possesses an occupational health and safety management system that is certified to the ISO 45001:2018 standard. In addition, the Group's occupational health and safety policies, guidelines and practices are formulated and implemented according to the guidelines laid down by the Labour Department of Hong Kong. We have introduced a series of workplace health and safety measures which are reviewed regularly to ensure their effectiveness and protect our employees, including the following:

- Employees must be trained in the use of relevant tools and machines before being able to work on site;
- Proper tool maintenance, masks, protective gear and safety equipment are provided for indoor and outdoor works;
- Hazard awareness notices are posted in areas near machines or equipment;
- A safety manual has been distributed for employees to improve their knowledge and awareness about safety in the workplace, such as information about the appropriate use of protective equipment;
- The supervisors are responsible for overseeing operations and responding immediately to emergencies;
- Regular risk assessments are conducted by the Management to identify, assess and mitigate potential workplace hazards on a timely basis;
- The filters of vacuum cleaners need to be cleaned regularly; and
- Employees are always encouraged to share their views and opinions on the safety procedures with the Management.

The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to health and safety. With respect to the protection of the employees against occupational hazards, the Group not only provides training in occupational safety and health but also supervision. During the past three years (including the Reporting Period), the Group did not receive any reports of work-related fatalities. The record of workplace accidents is provided below:

Indicators	Unit	2025	2024
Total number of work-related accidents	Case	**49**	81
Total number of working days lost	Day	**3,908**	5,428

B3. Development and Training

The Group has integrated employee development as a key element of its business development plans and implemented relevant policies. Therefore, the Group encourages and assists the continuous personal and professional development of its employees. We have offered several training programmes, including induction training for new hires, in-house training programmes, seminars, workshops, conferences, peer learning, sharing sessions and in-service training about topics such as materials management, machinery usage, occupational health and safety and other work-related skills and techniques for the employees regularly. The Group has been arranging for the Management to attend specialised training courses such as programmes for safety supervision to enhance their work-related skills and competencies. In addition, regular training sessions about environmental conservation are also organised for employees to strengthen their understanding of environmental protection and the pathways of achieving it.

The Group has engaged professional consultants with expertise in a variety of fields to deliver the training programmes such as polishing stone floors and handling hazardous materials. In addition to in-house training programmes, the Group also encourages employees to participate in training programmes conducted by external organisers to enhance individual quality, develop workplace skills and improve performance.

During the Reporting Period, the percentage of total employees trained[6] of the Group is 100.00%, and the average training hours of each employee[7] are approximately 21.77 hours (2024: 100.00% of employees were trained[6], with an average of approximately 21.64 training hours[7]). The table below summarises the breakdown of employees trained and the average training hours by gender and employee category:

	Breakdown of employees trained[8]		Average training hours[9]	
Categories	**2025**	2024	**2025**	2024
By gender				
Male	**45.53%**	46.22%	**21.76**	21.64
Female	**54.47%**	53.78%	**21.77**	21.64
By employee category				
Senior management	**1.19%**	0.92%	**37.00**	37.00
Middle management	**10.21%**	9.89%	**44.00**	44.00
Frontline employees	**88.60%**	89.19%	**19.00**	19.00

Note(s):

6. Percentage of total employees trained = total number of employees trained during the year ÷ total number of employees at the end of the year × 100%.

7. Average training hours of each employee = total number of training hours of employees during the year ÷ total number of employees at the end of the year.

8. Breakdown of employees trained in the category = number of employees trained in the category during the year ÷ total number of employees trained during the year x 100%.

9. Average training hours in the category = number of training hours of employees in the category during the year ÷ number of employees in the category at the end of the year.

B4. Labour Standards

Prohibition of Child and Forced Labour

The Group has adopted a zero tolerance policy for any form of child or forced labour. The policy includes but is not limited to the following points:

- All applicants are required to provide identification;
- All employees must be above 18 years old;
- Background check for criminal record is required;
- Appropriate working visa/permit to work in Hong Kong is obtained; and
- Information verification is required.

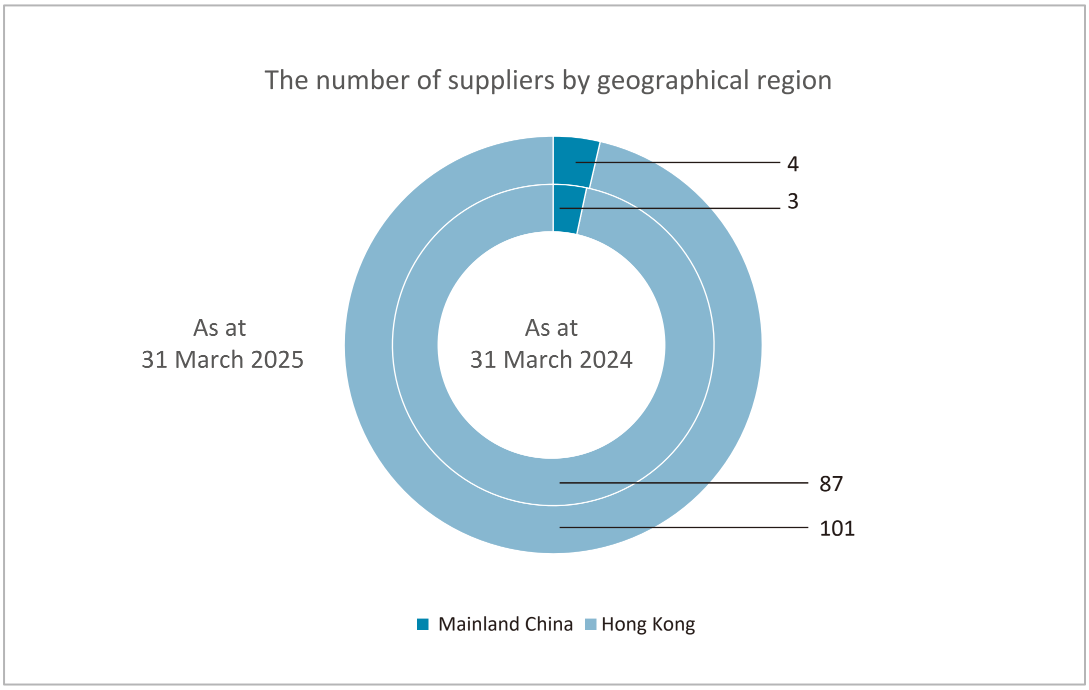
The Management is required to ensure that all human resources management practices in all material aspects are in compliance with the Group's relevant policy. Any form of corporal punishment, abuse and involuntary servitude to employees is also prevented. In case of any irregularities, the Group will conduct prompt investigations and take appropriate disciplinary actions. If required, the Group will also enhance its labour mechanism to address any violations.

The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to child or forced labour.

B5. Supply Chain Management

Supply Chain Monitoring and Green Procurement

The Group acknowledges the importance of supply chain management as an efficient supply chain that would enable it to reduce its costs and enhance the quality and delivery of its services. We sustain an open and equitable relationship with the suppliers and maintain friendly relationships with the business partners to show appreciation for their cooperation. The Group closely monitors its supply chain and has implemented relevant policies and sustainable procurement practices alongside the supplier code of conduct. All suppliers will be reviewed and evaluated via our evaluation mechanism. Our suppliers should act in good faith and abide by all applicable laws, international conventions and contractual obligations. If the supplier's grade fails to meet the standard, a warning will be issued and the supplier will be notified of the specific areas in which they need to improve. If the supplier is unable or unwilling to improve its performance within the defined period of time, it may not be engaged for future contracts after the expiry of its current contract. During the Reporting Period, the purchasing department and operation department of the Group implemented its engagement practices for all suppliers. The number of suppliers by geographical location is as follows:



During the selection process for new suppliers, the personnel authorised by the Management is required to analyse the quality and sustainability of suppliers' products, ensuring that the quality of service, price competitiveness, and sustainability effort are in accordance with the requirements of ISO 14001:2015 standard for environmental management system and ISO 45001:2018 standard for occupational health and safety management system. The Group also places importance on selecting suppliers of environmentally-friendly products and services, as part of its efforts to mitigate environmental and social risks in the supply chain. Not only are the environmental impacts of products used by the suppliers, production methodology, waste management methods, and choice of raw materials of the suppliers also evaluated through our green procurement procedures. The Group will continually assess the sustainability policies and business practices of its suppliers. At the same time, we will regularly review these internal policies and procedures to ensure their effectiveness.

B6. Product Responsibility

The Group has implemented relevant policies related to product responsibility and is dedicated to delivering high-quality services. Our quality management system of cleaning services, including pest control and waste management services, has been certified with the ISO 9001:2015 standard for quality management systems. To maintain a high service quality, the Group has invested in a variety of areas, including human resources, information management, infrastructure and equipment. The Management's support and active involvement in daily business activities also contribute to maintaining and improving the quality of service.

The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to its services provided and methods of redress, and did not receive significant complaints related to its services (2024: nil). Due to the nature of the Group's businesses, it does not have advertising and labelling strategies nor recall products for health and safety reasons, and therefore disclosures regarding advertising, labelling, and product recall procedures are not applicable.

Customer Satisfaction

The Group has established a quality assurance and control system to ensure that its service quality meets the required standards. The Group places great importance on customer feedback. If customers or other relevant stakeholders feel unsatisfied with our services, they are welcome to submit complaints or provide feedback through email or mail. The complaints or feedback will be handled by the designated operational team member, who is responsible for tracking various information and reporting to the Management. All the comments or compliments will be raised in the regular meetings of the Group. Then, an inspection will be carried out by the relevant personnel from the Management, who will arrange warnings, training or compliment letters for the relevant departments. After looking into the customer feedback, the Management will follow up on the case and respond promptly by contacting the relevant customers and checking the progress of improvement to ensure customer satisfaction and prevent the recurrence of similar situations in the future after the effective handling. In addition, the Group has continued to make efforts to secure more tenders and expand its business by looking for opportunities, planning relevant proposals and communicating with customers.

Customer Data Protection

The Group emphasises the privacy of personal data and is dedicated to protecting customer information with the utmost care. The data protection principles set out in the Personal Data (Privacy) Ordinance of the law of Hong Kong are applied to our business operations. Particularly, the Group would only collect customers' data relevant and necessary to its business activities. Personal information would only be used for business purposes. If customer information is to be used for other purposes, our employees will first seek consent from the customer before proceeding with its use. The Group has implemented suitable data protection policies and measures. In accordance with our "Standards and Code of Ethics" on personal data protection aspects, it is strictly forbidden to disclose or transfer personal data to third parties without the consent of the customers, unless required by law. Personal data can only be accessed by designated personnel. Besides, the Group has put in place the necessary procedures which are reviewed regularly, to ensure that security controls and measures are implemented to prevent any unauthorised access to personal data.

Intellectual Property Rights

The Group does not lose sight of the importance of protecting intellectual property rights. We have put in place policies to manage our information technology internally, including ensuring that software, hardware and graphic information downloaded and used in our business operations do not infringe any copyright. The Group regularly reviews its internal policies and systems to ensure that intellectual property rights are observed and protected. In addition, the Group will continue to monitor and prevent infringement of its intellectual property rights.

B7. Anti-corruption

The Group does not tolerate any kind of fraudulent activities including corruption, bribery, extortion, and money laundering, in relation to its business activities. Employees are required to comply with all applicable legislation and regulations when performing their duties. Our "Code of Conduct" and "Employee Handbook" which stipulate the proper work ethics and practices are offered to each employee from the first day of work for their reference. On top of that, our well-designed organisational structures and policies are in place to uphold a high standard of corporate governance and maintain an ethical corporate culture. For example, the Group has implemented internal controls to address risks associated with fraudulent activities and routinely evaluates its effectiveness.

The Group complies with the relevant laws and regulations listed in Appendix I. During the Reporting Period, the Group was not aware of any non-compliance with the laws and regulations relating to bribery, extortion, fraud and money laundering, nor was it convicted of any violation of corruption (2024: nil).

The Group organises anti-corruption training at least once a year to enhance the corruption prevention capabilities and awareness of Directors and employees. During the Reporting Period, the Group conveyed information about its integrity management system, prevention of corruption and relevant policies to a total of 4 Directors and 5,309 employees (2024: 3 Directors and 4,982 employees).

Whistle-blowing System

Employees are responsible for reporting any potential conflicts. A whistle-blowing system is in place for employees and external parties to report irregularities, potential or actual conflicts confidentially. All cases will be reported and reviewed directly by the audit committee of the Board or the company secretary. We also conduct immediate investigations and take appropriate actions while promising to protect the identity of the whistleblower, so as to prevent any behaviour that may harm the interests of relevant stakeholders. The Group regularly monitors the effectiveness of its whistle-blowing system.

B8. Community Investment

As a corporate entity with a strong sense of social responsibility, the Group is dedicated to contributing to the well-being of its environment and providing help to those who are in need. The Group has continued to encourage its employees and other relevant stakeholders to make blood donations during office hours and take part in other community activities with the implementation of relevant policies. Our employees have been involved in a variety of community events, including but not limited to charity events such as public fundraising, donations, sponsorships and volunteering services. We are honoured to receive the "5 Years Plus Caring Company Logo" awarded by the Hong Kong Council of Social Service in recognition of our continued contributions in the areas of caring for the community, employees, and environment. During the Reporting Period, the Group donated a total of approximately HK$12,000.00 to the Wai Ji Christian Service and Hong Chi Association. (2024: donated a total of approximately HK$10,000.00 to the Community Chest of Hong Kong and Wai Ji Christian Service).

The Community Chest Flag Day

On 16 November 2024, 20 employees joined the community chest flag day to raise funds for education for approximately 3 hours. The Group will continue looking for opportunities to collaborate with different charitable organisations, paying attention to the difficulties and needs of the community, and proactively giving back to the community with the goal of promoting social harmony.

Support for the More than Market

3 employees of the Group volunteered for approximately 36 hours over three days at the "Yue Man Square ("**YM²**") x Wai Ji More Than Market" in Kwun Tong. The market aims to create employment opportunities and internship platforms for individuals with intellectual and other disabilities. Our employees had the opportunity to engage with and understand people of various ages, abilities, and physical conditions, while promoting the concept of an inclusive community.

Visit to Persons with Intellectual Disabilities

The Group organised volunteer visits for its employees to the Hong Chi Shan King Day Activity Centre. Through these meaningful engagements, we gained a deeper understanding of the unique experiences and perspectives of the community of individuals with intellectual disabilities. The visits involved a total of 10 employees who dedicated approximately 4 hours to interacting with persons with disabilities and supporting the event. These volunteering efforts have proven invaluable in fostering empathy, promoting inclusivity, and amplifying the voices of marginalised populations within our society.

APPENDIX I: APPLICABLE LAWS AND REGULATIONS

Categories	Applicable laws and regulations in Hong Kong
Environment	• Air Pollution Control Ordinance • Dangerous Goods Ordinance • Hazardous Chemicals Control Ordinance • Motor Vehicle Idling (Fixed Penalty) Ordinance • Noise Control Ordinance • Road Traffic Ordinance • Waste Disposal Ordinance • Water Pollution Control Ordinance
Employment	• Disability Discrimination Ordinance • Employment Ordinance • Family Status Discrimination Ordinance • Minimum Wage Ordinance • Race Discrimination Ordinance • Sex Discrimination Ordinance
Labour Standards	• Employment of Children Regulations
Occupational Health and Safety	• Dangerous Goods Ordinance • Employees' Compensation Ordinance • Fire Safety (Buildings) Ordinance • Occupational Safety and Health Ordinance • Road Traffic Ordinance • Smoking (Public Health) Ordinance
Product Responsibility	• Personal Data (Privacy) Ordinance • Trade Descriptions Ordinance
Anti-corruption	• Prevention of Bribery Ordinance • Competition Ordinance

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	ESG GOVERNANCE STRUCTURE
Reporting Principles	ABOUT THE REPORT – Reporting Framework
Reporting Boundary	ABOUT THE REPORT – Reporting Period and Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions; APPENDIX I: APPLICABLE LAWS AND REGULATIONS
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management (N/A – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets; Emissions – GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets; Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Material (N/A – explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources – Noise

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Climate-related Risks, Climate-related Opportunities
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment; APPENDIX I: APPLICABLE LAWS AND REGULATIONS
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment – Recruitment, Promotion and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Recruitment, Promotion and Dismissal
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety; APPENDIX I: APPLICABLE LAWS AND REGULATIONS

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety – Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety – Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards; APPENDIX I: APPLICABLE LAWS AND REGULATIONS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prohibition of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prohibition of Child and Forced Labour

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management – Supply Chain Monitoring and Green Procurement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management – Supply Chain Monitoring and Green Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Supply Chain Monitoring and Green Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Supply Chain Monitoring and Green Procurement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility; APPENDIX I: APPLICABLE LAWS AND REGULATIONS
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility (N/A – explained)
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility –Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Customer Satisfaction
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Customer Data Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption; APPENDIX I: APPLICABLE LAWS AND REGULATIONS
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing System
KPI B7.3	Description of anti-corruption training provided to directors and employees.	Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

CCTH CPA LIMITED
中正天恆會計師有限公司

TO THE SHAREHOLDERS OF MAN SHING GLOBAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Man Shing Global Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 93 to 170, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting 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 ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Recoverability of trade receivables

Refer to note 17 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
As at 31 March 2025, the Group had trade receivables with the carrying amount of approximately HK$44,304,000, of which accumulated impairment losses amounting to approximately HK$405,000 has been made. Recoverability of trade receivables involved management judgment in assessing the allowance for doubtful debts for trade receivables. The ability of the debtors to repay the Group depends on customer-specific and market conditions which involve inherent uncertainty. We have identified impairment assessment of trade receivables as a key audit matter due to the magnitude of the receivables and the estimation and judgments involved in the determination of the recoverable amounts of these receivables.	Our procedures in relation to management's impairment assessment on trade receivables included: • We obtained an understanding of the design and implementation of management's internal controls relating to credit control, debt collection and making provisions for doubtful debts. • We assessed the classification and accuracy of individual balances in trade receivables ageing report by testing the underlying invoices on a sample basis. • We assessed subsequent settlement of receivable balances. Where settlement had not been received subsequent to the year end date, we obtained an understanding of the basis of management's judgments about the recoverability of the outstanding receivables and evaluated the allowance for doubtful debts made by the management for these individual balances. • We assessed the historical accuracy of the estimates made by the management for the allowance for doubtful debts. • We evaluated the independence, competence, capabilities and objectivity of the external party who was engaged to assess the expected credit risk methodology for the Group's trade receivables. • We made enquiry of the external party and management of the Group regarding the significant unobservable inputs and the accuracy of the expected credit loss assessment. • We assessed the appropriateness of the expected credit loss methodology, by examining the key data inputs on a sample basis, to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit loss.

OTHER INFORMATION

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

CCTH CPA Limited
Certified Public Accountants
Hong Kong, 23 June 2025
Yeung May May Joey
Practising Certificate Number: P05205

Unit 1510–17, 15/F., Tower 2, Kowloon Commerce Centre
No. 51 Kwai Cheong Road, Kwai Chung
New Territories, Hong Kong

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	5	**677,097**	1,024,714
Cost of services		**(616,489)**	(937,015)
Gross profit		**60,608**	87,699
Other income and gains	6	**7,071**	2,549
Gain/(loss) on change in fair value of financial assets through profit or loss	16	**14**	(247)
Impairment loss on trade receivables (recognised)/reversed	17	**(269)**	113
Administrative expenses		**(59,027)**	(65,282)
Finance costs	7	**(3,407)**	(7,435)
Profit before tax		**4,990**	17,397
Income tax expense	8	**(12,219)**	(1,296)
(Loss)/profit and total comprehensive income/(expense) for the year	9	**(7,229)**	16,101
(Loss)/profit and total comprehensive income/(expense) attributable to:			
Equity holders of the Company		**(7,229)**	16,101
Non-controlling interests		**–**	–
		(7,229)	16,101

	Notes	2025 HK cents	2024 HK cents
(Loss)/earnings per share			
Basic and diluted	12	**(1.20)**	2.68

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	13	**28,681**	25,436
Right-of-use assets	14	**21,113**	32,059
Goodwill	15	**4,095**	4,095
Financial assets at fair value through profit or loss	16	**1,777**	1,763
Deposits and prepayments	18	**390**	393
Deferred tax assets	25	**421**	10,444
		56,477	74,190
Current assets			
Trade receivables	17	**44,304**	102,524
Prepayments, deposits and other receivables	18	**9,961**	15,862
Income tax recoverable		**2,815**	–
Pledged bank deposits	19	**23,457**	78,730
Restricted bank balances	19	**605**	1,017
Bank balances and cash	19	**75,939**	73,192
		157,081	271,325
Current liabilities			
Trade payables	20	**12,748**	13,509
Accruals and other payables	21	**25,419**	75,159
Lease liabilities	22	**6,160**	13,292
Long service payment and gratuity obligations	23	**25,245**	49,181
Bank borrowings	24	**5,500**	17,240
Income tax payable		**–**	998
		75,072	169,379
Net current assets		**82,009**	101,946
		138,486	176,136

Consolidated Statement of Financial Position (Continued)

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Capital and reserves			
Share capital	26	**6,000**	6,000
Reserves		**125,896**	133,125
Equity attributable to equity holders of the Company		**131,896**	139,125
Non-controlling interests		**18**	18
Total equity		**131,914**	139,143
Non-current liabilities			
Lease liabilities	22	**2,247**	7,843
Long service payment and gratuity obligations	23	**2,372**	28,507
Deferred tax liabilities	25	**1,953**	643
		6,572	36,993
		138,486	176,136

The consolidated financial statements on pages 93 to 170 were approved and authorised for issue by the board of directors on 23 June 2025 and are signed on its behalf by:

Wong Chong Shing
Director

Wong Man Sing
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to equity holders of the Company						
	Share capital HK$'000	**Share premium** HK$'000	**Other reserve** HK$'000 *(note)*	**Retained earnings** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
At 1 April 2023	6,000	33,463	110	83,451	123,024	18	123,042
Profit and total comprehensive income for the year	–	–	–	16,101	16,101	–	16,101
At 31 March 2024 and 1 April 2024	6,000	33,463	110	99,552	139,125	18	139,143
Loss and total comprehensive expense for the year	–	–	–	(7,229)	(7,229)	–	(7,229)
At 31 March 2025	**6,000**	**33,463**	**194**	**92,323**	**131,896**	**18**	**131,914**

Note: Other reserve represents the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to a group reorganisation over the consideration paid for acquiring these subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Profit before tax		**4,990**	17,397
Adjustments for:			
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss		**(14)**	247
Finance costs		**3,407**	7,435
Bank interest income		**(1,743)**	(2,106)
(Gain)/loss on disposal of property, plant and equipment		**(4,199)**	28
Provision for long service payment and gratuity obligations		**14,322**	35,114
Impairment loss on trade receivables recognised/ (reversed)		**269**	(113)
Write off of trade and other receivables		**–**	108
Depreciation for property, plant and equipment		**3,953**	3,717
Depreciation for right-of-use assets		**6,451**	7,095
Operating cash flows before movements in working capital		**27,436**	68,922
Decrease in trade receivables		**57,951**	3,506
Decrease in prepayments, deposits and other receivables		**5,904**	3,356
Decrease in restricted bank balances		**412**	342
(Decrease)/increase in trade payables		**(761)**	1,895
(Decrease)/increase in accruals and other payables		**(49,740)**	4,181
Long service payment and gratuity obligations paid		**(64,393)**	(5,281)
Cash (used in)/generated from operations		**(23,191)**	76,921
Income tax paid		**(4,699)**	(11,946)
Interest paid		**(3,407)**	(7,435)
Net cash (used in)/generated from operating activities		**(31,297)**	57,540
Cash flows from investing activities			
Bank interest income		**1,743**	2,106
Purchase of property, plant and equipment		**(10,817)**	(6,067)
Proceeds from disposal of property, plant and equipment and right-of-use assets		**15,993**	–
Placement of pledged bank deposits		**(65,111)**	(265,343)
Withdrawal of pledged bank deposits		**120,384**	244,190
Net cash generated from/(used) in investing activities		**62,192**	(25,114)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 March 2025

	Notes	**2025 HK$'000**	2024 HK$'000
Cash flows from financing activities			
New bank borrowings raised	29	**304,860**	527,771
Repayment of bank borrowings	29	**(316,600)**	(541,711)
Payment of lease liabilities	29	**(16,408)**	(16,275)
Net cash used in financing activities		**(28,148)**	(30,215)
Net increase in cash and cash equivalents		**2,747**	2,211
Cash and cash equivalents at beginning of the year		**73,192**	70,981
Cash and cash equivalents at end of the year	19	**75,939**	73,192

1. GENERAL

The Company was incorporated on 18 March 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 April 2017. The addresses of the registered office on the principal place of the Company are disclosed in the corporate information section to the annual report.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are the provision of environmental cleaning solutions and property management services. The environmental cleaning solution services rendered by the Group include street cleaning solution, building cleaning solutions, bus and ferry cleaning solutions and other cleaning services which included, among others, refuse collection and waste disposal service, sewage management and pest control and fumigation service.

The consolidated financial statements are presented in Hong Kong dollar ("**HK$**") which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institutes of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	Lease liability in a Sale and leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance arrangement

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

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

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

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

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

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

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Preparation of Consolidated Financial Statements

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis expect for certain financial assets, which are measured at fair value at the end of the reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Fair value measurements

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

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

– Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

– Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

– Level 3 inputs are unobservable inputs for the asset or liability.

Business combinations or asset acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

– has power over the investee;

– is exposed, or has rights, to variable returns from its involvement with the investee; and

– has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received/receivable and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents goods or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance 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.

Otherwise, revenue is recognised at a point in time when the customers obtain control of the distinct service.

Output method

The Group measures the progress towards complete satisfaction of a performance obligation based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of discounts.

The stand-alone selling price of the distinct goods or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell promised goods or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers.

Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidies will be received.

Government subsidies related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such subsidies are presented under "other income and gains".

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options. The cost of the relevant right-of-use assets and related accumulated depreciation and impairment loss are transferred to plant and equipment.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 Financial Instruments ("**HKFRS 9**") and are initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments includes:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend 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 the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business are presented as other income.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

- the contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combination" applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial asset that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest earned on the financial assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, pledged bank deposits, restricted bank balances and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payment are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive; discounted at the effective interest rate determined at initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) *Measurement and recognition of ECL (Continued)*

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the below basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities, including trade payables, accruals and other payables, bank and other borrowings, and lease liabilities, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered services entitling them to the contributions.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of gratuity is measured at the undiscounted amount of the benefits expected to be paid during the contract period.

Liabilities recognised in respect of long service payment and other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any gains or losses arising on remeasurement are recognised directly in profit or loss.

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligations, and a reliable estimate can be made of the amount of the obligations.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligations at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Impairment of property, plant and equipment and right-of-use assets

Management of the Group determines on a regular basis whether there are any indications that the property, plant and equipment and right-of-use assets are impaired. Property, plant and equipment and right-of-use assets are impaired when the carrying amount of the assets exceed their recoverable amount, which is determined based on the higher of fair value less costs of disposal and value in use. The fair values of property, plant and equipment and right-of-use assets are estimated by reference to their expected selling prices which are affected by various factors, including market conditions and the technological occurrence. The value in use calculation requires the use of estimates such as the future revenue and discount rates. If the recoverable amount of property, plant and equipment and right-of-use assets are estimated to be less than their respective carrying amount, the carrying amount of the asset is reduced to its recoverable amounts and an impairment loss is recognised immediately in profit or loss. As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets are approximately HK$28,681,000 (2024: HK$25,436,000) and HK$21,113,000 (2024: HK$32,059,000) respectively. No impairment loss of property, plant and equipment and right-of-use assets has been recognised in respect of the current year (2024: Nil).

Provision for long service payment and gratuity obligations

The present value of long service payment obligations and the movement of the provision are determined by actuarial valuations. The actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, pre-retirement termination, involuntary termination, early retirement, normal retirement, death and disability rate. Due to the complexities involved in the valuation and its long-term nature, it is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting periods.

The provision of gratuity are determined by certain percentage on the total income earned by the employees during the contract period.

The Group makes provision for lump sum payments and gratuity to employees on cessation of employment in certain circumstances. The payments due are dependent on future events and recent payment experience may not be indicative of future payments. Any increase or decrease in the provision would affect profit or loss in future years.

As at 31 March 2025, the carrying amount of the provision for long service payment and gratuity obligations is approximately HK$27,617,000 (2024: HK$77,688,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Depreciation of property, plant and equipment and right-of-use assets

Property, plant and equipment and certain of the right-of-use assets are depreciated on a straight-line basis over their estimated useful lives after taking into account their estimated residual values. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the property, plant and equipment and the applicable right-of-use assets and if the expectation differs from the original estimate, such a difference may impact the depreciation charges for the future years.

During the prior year ended 31 March 2024, management of the Group conducted a review of the estimated useful lives of the Group's motor vehicles, which included in property, plant and equipment and right-of-use assets, resulted in the change of the depreciation rates of the motor vehicles to 15% per annum on the prospective basis with effect from 1 April 2023, details of which are set out in note 13.

Impairment of trade and other receivables

The Group applies the simplified approach to provide for expected credit loss in respect of trade receivables. The provision rates are based on groupings of various debtors that have similar loss patterns and the Group's historical default rates (taking into consideration forward-looking information that is supportable available without undue costs or effort). At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, the Group's trade receivables with significant balances are assessed for expected credit loss individually. The provision for expected credit loss is sensitive to changes in estimates.

The information about the expected credit loss of the Group's trade receivables are disclosed in note 17.

For the assessment of expected credit loss of other receivables carried at amortised cost, the Group uses four categories which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings, where possible. Based on the assessment of the expected credit loss of the Group's other receivables, impairment loss is not considered necessary to be made in the consolidated financial statements (2024: Nil).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the value in use of the cash-generating units is less than their respective carrying amounts, a material impairment loss may arise.

The carrying amount of goodwill at 31 March 2025 is HK$4,095,000 (2024: HK$4,095,000). No impairment of goodwill was recognised in respect of the current year (2024: Nil). Details of the impairment testing of goodwill are set out in note 15.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Leases – Estimating the incremental borrowing cost

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a value similar to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Deferred tax assets

Deferred tax assets in respect of unused tax losses carried forward and provision for gratuity are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. In determining the carrying amount of deferred tax assets, expected future taxable profits are estimated by reference to a number of assumptions relating to the operating environment of each member in the Group and the Group as a whole. It also requires significant level of judgement exercised by the management. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognized and hence the result in future years. Further details are disclosed in note 25.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable for rendering of cleaning and related services. An analysis of the Group's revenue is as follows:

Revenue from contracts with customers disaggregated by service lines:

	2025 **HK$'000**	2024 HK$'000
Street cleaning solutions	**525,671**	830,736
Building cleaning solutions	**79,952**	88,749
Bus and ferry cleaning solutions	**18,541**	22,236
Other cleaning solutions	**44,230**	73,054
Property management services	**8,703**	9,939
	677,097	1,024,714

The Group provides environmental cleaning solutions including street cleaning solution, building cleaning solutions, bus and ferry cleaning solutions, any other cleaning services and property management services in Hong Kong. The customers of the Group simultaneously receive, consume the benefits provided by the Group's performance as the Group performs and thus the Group's revenue is recognised on over time basis.

5. REVENUE AND SEGMENT INFORMATION (Continued)

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 31 March 2024 and the expected timing of recognising revenue are as follows:

	As at 31 March 2025			
	Cleaning services for government and public utility customers HK$'000	**Cleaning services for non-government and non-public utility customers HK$'000**	**Property management services to non-government and non-public utility customers HK$'000**	**Total HK$'000**
Within one year	**227,059**	**60,557**	**251**	**287,867**
More than one year but not more than two years	**133,789**	**37,557**	**–**	**171,346**
More than two years but not more than three years	**89,445**	**18,662**	**–**	**108,107**
More than three years	**58,817**	**–**	**–**	**58,817**
	509,110	**116,776**	**251**	**626,137**

	As at 31 March 2024			
	Cleaning services for government and public utility customers HK$'000	Cleaning services for non-government and non-public utility customers HK$'000	Property management services to non-government and non-public utility customers HK$'000	Total HK$'000
Within one year	612,563	72,910	229	685,702
More than one year but not more than two years	158,995	8,006	–	167,001
More than two years but not more than three years	43,644	30	–	43,674
More than three years	3	–	–	3
	815,205	80,946	229	896,380

5. REVENUE AND SEGMENT INFORMATION (Continued)

For management purposes, the Group is organised into the following reportable operating segments based on the services rendered by the Group:

– Environmental cleaning services: provision of street cleanings, building cleaning, bus and ferry cleaning and other cleaning services

– Property management services: provision of property management services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax. The adjusted profit before tax of each operating segments is measured consistently with the Group's profit before tax except that bank interest income, government subsidies, finance costs, as well as other head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Segment revenue and results

	Segment revenue		Segment profit	
	2025 **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000
Environmental cleaning services	**668,394**	1,014,775	**6,991**	23,205
Property management services	**8,703**	9,939	**297**	150
	677,097	1,024,714	**7,288**	23,355

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment services in the current year (2024: Nil).

	2025 **HK$'000**	2024 HK$'000
Segment profit reported above	**7,288**	23,355
Government subsidies received	**754**	–
Bank interest income	**1,743**	2,106
Corporate and other unallocated expenses – net	**(2,214)**	(2,263)
Finance costs	**(2,581)**	(5,801)
Profit before tax	**4,990**	17,397
Income tax expense	**(12,219)**	(1,296)
(Loss)/profit for the year	**(7,229)**	16,101

Segment assets and liabilities

	2025 **HK$'000**	2024 HK$'000
Segment assets		
Environmental cleaning services	**200,293**	323,451
Property management services	**7,842**	7,625
Total segment assets	**208,135**	331,076
Corporate and other unallocated assets	**5,423**	14,439
Total assets	**213,558**	345,515

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

	2025 HK$'000	2024 HK$'000
Segment liabilities		
Environmental cleaning services	**73,867**	186,047
Property management services	**1,020**	1,889
Total segment liabilities	**74,887**	187,936
Corporate and other unallocated liabilities	**6,757**	18,436
Total liabilities	**81,644**	206,372

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, right-of-use assets, prepayments, deposits and other receivables, certain bank balances and cash and assets used jointly by reportable segments. Goodwill is allocated to segments as described in Note 15. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to operating segments other than certain accruals and other payables, bank borrowings, lease liabilities, income tax payable, deferred tax liabilities and liabilities for which reportable segments are jointly liable. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

	Additions to non-current assets		Depreciation and amortisation		Impairment loss on trade receivables recognised/ (reversed)		(Gain)/loss on disposal of property, plant and equipment		Write off of trade and other receivables	
	2025 **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000
Environmental cleaning services	**14,497**	2,990	**10,395**	10,102	**256**	(113)	**(4,199)**	28	**–**	108
Property management services	**–**	–	**9**	9	**13**	–	**–**	–	**–**	–
	14,497	2,990	**10,404**	10,111	**269**	(113)	**(4,199)**	28	**–**	108
Unallocated	**–**	3,509	**–**	701	**–**	–	**–**	–	**–**	–
Consolidated total	**14,497**	6,499	**10,404**	10,812	**269**	(113)	**(4,199)**	28	**–**	108

The additions to non-current assets consist of additions to property, plant and equipment and right-of-use assets and exclude financial assets.

Geographical information

The Group is organised into two operating segments and all revenue are derived from Hong Kong and all the assets are located in Hong Kong. Accordingly, geographical information is not presented.

Information about major customers

Revenue from individual customers contributing over 10% of the revenue of the Group is as follows:

	2025 **HK$'000**	2024 HK$'000
Customer A	**526,251**	941,818

6. OTHER INCOME AND GAINS/(LOSSES)

	2025 HK$'000	2024 HK$'000
Government subsidies received *(note below)*	**754**	–
Bank interest income	**1,743**	2,106
Gain on disposal of property, plant and equipment	**4,199**	–
Sundry income	**375**	443
	7,071	2,549

Note: The government subsidies received represent subsidies granted by the government of the Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these government subsidies.

7. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on:		
Bank borrowings	**2,581**	5,801
Lease liabilities	**826**	1,634
	3,407	7,435

8. INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Current tax:		
Hong Kong Profits Tax		
Provision for the year	**886**	6,417
Deferred tax charge/(credit) *(note 25)*	**11,333**	(5,121)
	12,219	1,296

Hong Kong Profits Tax is calculated based on Hong Kong two-tiered profits tax rates regime, under which the first HK$2 million of the assessable profits of a qualifying group entity will be taxed at 8.25% (2024: 8.25%), and assessable profits above HK$2 million will be taxed at 16.5% (2024: 16.5%). The profits tax of group entities not qualifying for the two-tiered profits tax rates regime will be taxed at the rate of 16.5% (2024: 16.5%).

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

	2025 HK$'000	2024 HK$'000
Profit before tax	**4,990**	17,397
Tax charge at the tax rate of 16.5% (2024: 16.5%)	**823**	2,870
Tax effect on two-tiered profits tax rates regime	**(165)**	(165)
Tax effect of expenses not deductible for tax purpose	**6,860**	8,280
Tax effect of income not taxable for tax purpose	**(3,739)**	(4,113)
Tax effect of tax loss not recognised	**8,303**	432
Tax effect of recognised temporary differences	**800**	(5,992)
Tax effect of utilisation of tax losses previously not recognised	**(739)**	–
Others	**76**	(16)
Income tax expense	**12,219**	1,296

9. (LOSS)/PROFIT FOR THE YEAR

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

	2025 **HK$'000**	2024 HK$'000
Staff costs (including directors' remuneration)		
Directors' remuneration *(note 10(a))*	**11,729**	12,214
Other staff costs		
Wages, salaries and other benefits	**512,851**	772,952
Retirement benefits scheme contributions	**13,885**	21,600
Provision for/(reversal) of long service payments, net *(note 23)*	**437**	223
Provision for gratuity obligations *(note 23)*	**13,330**	34,891
Total staff costs	**552,232**	831,880
Auditors' remuneration		
Audit services	**500**	780
Non-audit services	**487**	647
	987	1,427
Depreciation of property, plant and equipment *(note 13)*	**3,953**	3,717
Depreciation of right-of-use assets *(note 14)*	**6,451**	7,095
Loss on disposal of property, plant and equipment	**–**	28
Short term-lease expenses	**650**	310
Write off of trade receivables *(note 17)*	**–**	108

10. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES

(a) Directors' emoluments

Details of emoluments paid/payable to the directors of the Group are as follows:

2025	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus HK$'000 *(Note ii)*	Contributions to retirement benefits scheme HK$'000	Total HK$'000
Executive directors					
Mr. Wong Man Sing *(Note i)*	–	3,975	–	18	3,993
Mr. Wong Chong Shing	–	3,975	–	18	3,993
Mr. Wong Chi Ho	–	2,661	–	18	2,679
Ms. Wong Ka Man *(Note iii)*	–	570	–	8	578
Independent non-executive directors					
Mr. Lee Pak Chung	162	–	–	–	162
Mr. Au-Yeung Tin Wah	162	–	–	–	162
Mr. Chiu Ka Wai	162	–	–	–	162
	486	11,181	–	62	11,729

10. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES (Continued)

(a) Directors' emoluments (Continued)

2024	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus HK$'000 *(Note ii)*	Contributions to retirement benefits scheme HK$'000	Total HK$'000
Executive directors					
Mr. Wong Man Sing *(Note i)*	–	3,708	670	18	4,396
Mr. Wong Chong Shing	–	3,708	670	18	4,396
Mr. Wong Chi Ho	–	2,492	426	18	2,936
Independent non-executive directors					
Mr. Lee Pak Chung	162	–	–	–	162
Mr. Au-Yeung Tin Wah	162	–	–	–	162
Mr. Chiu Ka Wai	162	–	–	–	162
	486	9,908	1,766	54	12,214

Notes:

(i) Mr. Wong Man Sing is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

(ii) Discretionary bonus is determined based on individual performance.

(iii) Ms. Wong Ka Man was appointed as executive director of the Company on 15 November 2024.

10. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES (Continued)

(b) Employees' emoluments

The five highest paid employees during the year included four directors (2024: three directors) whose remuneration is included in the disclosures above. Details of the remuneration of the remaining one highest paid employee (2024: two) are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and allowances	**1,202**	2,476
Retirement benefits scheme contributions	**18**	36
	1,220	2,512

The remuneration of the highest paid employee (2024: two employees) fell within the following bands:

	2025	2024
HK$1,000,001 to HK$1,500,000	**1**	2

11. DIVIDENDS

No interim dividend was declared for the equity holders of the Company during the year ended 31 March 2025 (2024: Nil). The directors do not propose a final dividend in respect of the year ended 31 March 2025 (2024: Nil).

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following:

	2025 **HK$'000**	2024 HK$'000
(Loss)/earnings for the purpose of the basic (loss)/earnings per share		
(Loss)/profit for the year attributable to equity holders of the Company	**(7,229)**	16,101

	Number of shares	
	2025 **'000**	2024 '000
Number of shares for the purpose of basic (loss)/earnings per share		
Number of ordinary shares in issue *(note 26)*	**600,000**	600,000

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there are no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Equipment and machinery HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Total HK$'000
COST							
At 1 April 2023	13,700	12,132	33,412	664	570	1,898	62,376
Additions	–	140	1,796	3,509	615	7	6,067
Reclassified from right-of-use assets	–	–	20,219	–	–	–	20,219
Disposals	–	–	(41)	–	–	–	(41)
At 31 March 2024 and 1 April 2024	**13,700**	**12,272**	**55,386**	**4,173**	**1,185**	**1,905**	**88,621**
Additions	**9,100**	**402**	**970**	**–**	**–**	**345**	**10,817**
Disposals	**–**	**–**	**(13,908)**	**–**	**–**	**–**	**(13,908)**
At 31 March 2025	**22,800**	**12,674**	**42,448**	**4,173**	**1,185**	**2,250**	**85,530**

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold land and buildings HK$'000	Equipment and machinery HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Total HK$'000
ACCUMULATED DEPRECIATION							
At 1 April 2023	–	10,941	30,958	664	495	1,422	44,480
Charge for the year	395	615	2,131	307	109	160	3,717
Reclassified from right-of-use assets	–	–	15,001	–	–	–	15,001
Eliminated on disposals	–	–	(13)	–	–	–	(13)
At 31 March 2024 and and 1 April 2024	**395**	**11,556**	**48,077**	**971**	**604**	**1,582**	**63,185**
Charge for the year	**527**	**317**	**2,089**	**702**	**138**	**180**	**3,953**
Eliminated on disposals	**–**	**–**	**(10,289)**	**–**	**–**	**–**	**(10,289)**
At 31 March 2025	**922**	**11,873**	**39,877**	**1,673**	**742**	**1,762**	**56,849**
CARRYING AMOUNT							
At 31 March 2025	**21,878**	**801**	**2,571**	**2,500**	**443**	**488**	**28,681**
At 31 March 2024	13,305	716	7,309	3,202	581	323	25,436

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis as follows:

Leasehold land and buildings	Over the unexpired lease terms of the properties
Equipment and machinery	20% per annum
Motor vehicles	15% per annum
Leasehold improvement	Over the lease terms
Furniture and fixtures	20% per annum
Office equipment	20% per annum

The leasehold land and buildings acquired during the year represent property units situated on land in Hong Kong. The property units were kept vacant for renovation and not ready for their intended use, accordingly no depreciation on the property units have been recognised to profit and loss in respect of the year ended 31 March 2025.

Depreciation on motor vehicles for the periods prior to the year ended 31 March 2024 was calculated on the cost of motor vehicles over 5 years or at 20% per annum. During the prior year ended 31 March 2024, management of the Group conducted a review of the useful lives of the motor vehicles owned by the Group and under finance leases (classified as right-of-use assets) and considered it appropriate to revise the useful lives of such assets of 60 months (i.e. 5 years) previously adopted to 84 months approximately (7 years) in order to better reflect the working conditions of such motor vehicles used in the Group's business operations. The change of the useful lives of the motor vehicles has been applied by the Group on the prospective basis with effect from 1 April 2023, which resulted in the decrease in depreciation charge of the motor vehicles (owned by the Group and included in property, plant and equipment and held by the Group under finance leases and included in right-of-use assets) totalled approximately HK$6,272,000 recognised for the prior year ended 31 March 2024. Except as aforementioned, there were no other changes on the basis of depreciation of property, plant and equipment and right-of-use assets adopted in respect of the years ended 31 March 2025 and 31 March 2024.

14. RIGHT-OF-USE ASSETS

	Leased motor vehicles HK$'000 *(Note i)*	**Leased properties** HK$'000 *(Note ii)*	**Total** HK$'000
Carrying amount at 1 April 2023	43,422	518	43,940
Additions	432	–	432
Reclassified to property, plant and equipment	(5,218)	–	(5,218)
Depreciation provided for the year	(6,660)	(435)	(7,095)
Carrying amount at 31 March 2024 and 1 April 2024	**31,976**	**83**	**32,059**
Additions	**850**	**2,830**	**3,680**
Disposals	**(8,175)**	**–**	**(8,175)**
Depreciation provided for the year	**(5,637)**	**(814)**	**(6,451)**
Carrying amount at 31 March 2025	**19,014**	**2,099**	**21,113**

	2025 **HK$'000**	2024 HK$'000
Expense relating to short-term leases and other leases with lease terms end within twelve months	**650**	310
Total cash outflow for leases	**16,408**	16,275

14. RIGHT-OF-USE ASSETS (Continued)

Notes:

(I) LEASED MOTOR VEHICLES

The Group entered into finance lease arrangements for its motor vehicles. The average lease terms are three years with the purchase options at minimal consideration at end of the lease periods. Depreciation of the leased motor vehicles is recognised on the same basis for the motor vehicles owned by the Group as detailed in note 13. The finance leases payable by the Group (note 22) are secured by the Group's interests in the leased motor vehicles.

(II) LEASED PROPERTIES

The Group leases offices for its operations. Lease contracts are entered into for fixed term of one year to two years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Depreciation of the leased properties is calculated on a straight-line basis over the lease terms.

As at 31 March 2025 and 31 March 2024, the Group has extension and/or termination options in a number of leases for offices. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable both by the Group and the respective lessors. There was no potential exposures to these future lease payments for (i) extension options in which the Group is not reasonably certain to exercise and (ii) termination options in which the Group is not reasonably certain not to exercise.

15. GOODWILL

	2025 **HK$'000**	2024 HK$'000
Cost		
At beginning and end of the year	**4,095**	4,095

Impairment testing of goodwill

Cost of the goodwill has been allocated for impairment testing purpose to the following cash generating unit ("**CGU**"):

	2025 **HK$'000**	2024 HK$'000
Property management	**4,095**	4,095

15. GOODWILL (Continued)

Property management

Key assumptions adopted in the preparation of cash flow projections for value in use calculation are as follows:

	2025	2024
Compound annual growth rate of revenue in five-year period	**2.0%**	2.0%
Annual growth rate beyond the five-year period	**2.5%**	2.5%
Discount rate	**15.2%**	15.9%

The budgeted gross margin used for the preparation of the cash flow projections is estimated with reference to the actual performance for the year ended 31 March 2025 and 31 March 2024, with adjustment on the inflation of direct service costs.

The average annual revenue growth rate of revenue is estimated by management based on past performance, industry forecast and its expectation of market development. The discount rate used is before tax and reflects specific risks relating to this group of CGUs.

In respect of the goodwill allocated to the CGU of property management, the directors consider it appropriate not to recognise impairment loss of goodwill based on the recoverable amount of the CGUs.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 **HK$'000**	2024 HK$'000
Life insurance contract, at fair value	**1,777**	1,763
Movements during the year:		
At beginning of the year	**1,763**	–
Investment in financial assets *(note 18)*	**–**	2,010
Gain/(loss) on the change in fair value	**14**	(247)
At end of the year	**1,777**	1,763

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The fair value of the life insurance contract at 31 March 2025 was estimated to be US$228,000, equivalent to approximately HK$1,777,000 (2024:US$226,000, equivalent to approximately HK$1,763,000), which represents its guaranteed cash value refundable to the Group if the insurance contract was terminated as at that date. The guaranteed cash value increases over time and is estimated to be US$258,000 (equivalent to approximately HK$2,010,000) during the 8th year of the insurance contract.

17. TRADE RECEIVABLES

	2025	2024
	HK$'000	HK$'000
Gross trade receivables	**44,709**	102,660
Less: impairment loss recognised	**(405)**	(136)
Trade receivables, net of impairment loss recognised	**44,304**	102,524

As at 31 March 2025, the gross amount of trade receivables arising from contracts with customers amounted to HK$44,709,000 (2024: HK$102,660,000).

The Group allows a credit period of not more than 60 days to its trade customers. The following is an aged analysis of trade receivables, net of loss allowance:

	2025	2024
	HK$'000	HK$'000
0 to 60 days	**41,954**	97,900
61 to 90 days	**949**	3,530
Over 90 days	**1,401**	1,094
	44,304	102,524

17. TRADE RECEIVABLES (Continued)

The gross amount of trade receivables from government and public utility customers with an aggregate amount of approximately HK$25,324,000 at 31 March 2025 (2024: HK$77,644,000) were assessed for impairment individually and impairment allowance of HK$106,000 at 31 March 2025 (2024: HK$63,000) was made on these debtors as the default risk is considered to be low. For the remaining gross trade receivables of HK$19,385,000 at 31 March 2025 (2024: HK$25,016,000), they are assessed for impairment collectively as these customers consist of a large number of small customers with common risk and the Group recognised impairment allowance for non-government and non-public utility customers amounted to HK$299,000 at 31 March 2025 (2024: HK$73,000) .

The impairment loss rates are estimated based on the past due aging of the debtors and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in Hong Kong, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

Movements in the impairment loss allowance on trade receivables for the year ended 31 March 2025 and 2024 are as follows:

	2025 **HK$'000**	2024 HK$'000
Balance at beginning of the year	**136**	249
Loss allowance recognised/(reversed) for the year	**269**	(113)
Balance at end of the year	**405**	136

In addition, management of the Group assessed that certain trade receivables at 31 March 2024 amounted to HK$208,000 are considered irrecoverable which were written off to profit or loss in respect of that year then ended.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Deposits	**4,464**	6,424
Prepayments	**5,751**	8,929
Other receivables *(Note)*	**116**	882
Amount due from non-controlling interests	**20**	20
	10,351	16,255
Analysed for reporting purposes as		
Non-current assets	**390**	393
Current assets	**9,961**	15,862
	10,351	16,255

Note:

In prior years, a director Mr. Wong Chi Ho, entered into a life insurance policy (the "**Policy**") with an insurance Company for the policy amount of US$258,000, for which a sum equivalent to approximately HK$2,010,000 was paid by the Group. The beneficiary and policy holder of the Policy is the director and the benefits under the insurance policy have been assigned to a bank to secure certain banking facilities granted to the Group and the sum paid by the Group amounted to approximately HK$2,010,000 was included in other receivables. During the prior year ended 31 March 2024, Mr. Wong Chi Ho assigned the beneficial interests under the Policy to the Group, accordingly the Policy was recognised as the Group's financial assets at the deemed acquisition price of approximately HK$2,010,000, being the estimated market transaction price at the date on which the Group obtained the beneficial interests in the Policy. The deemed acquisition price of approximately HK$2,010,000 was settled by the Group during the prior year ended 31 March 2024 by offsetting the Group's receivable from the director.

19. RESTRICTED BANK BALANCES, PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

(i) The restricted bank balances amounted to HK$605,000 (2024: HK$1,017,000) are solely applied for the payments of expenses for certain properties managed by the Group.

(ii) The bank deposits amounted to HK$23,457,000 (2024: HK$78,730,000) were pledged to secure bank borrowings granted to the Group (notes 24 and 31) and performance bonds issued by banks in relation to service contracts entered into by the Group (note 35(a)).

(iii) The bank balances and cash are analysed as follows:

	2025 HK$'000	2024 HK$'000
Cash and cash equivalents for consolidated cash flow statement		
Bank balances and cash	**75,939**	73,192

The bank balances and pledged bank deposits totalled approximately HK$99,396,000 (2024: HK$151,914,000) earned interest at floating rates based on daily bank deposit rates.

20. TRADE PAYABLES

	2025 **HK$'000**	2024 HK$'000
Trade payables	**12,748**	13,509

An aged analysis of trade payables as at the end of the reporting period, based on invoice date, is as follows:

	2025 **HK$'000**	2024 HK$'000
0 to 60 days	**10,774**	11,266
61 to 90 days	**10**	187
Over 90 days	**1,964**	2,056
	12,748	13,509

The trade payables are interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

21. ACCRUALS AND OTHER PAYABLES

	2025 **HK$'000**	2024 HK$'000
Accrued expenses	**24,743**	74,361
Other payables	**676**	798
	25,419	75,159

22. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**6,160**	13,292
Within a period of more than one year but not more than two years	**2,118**	6,392
Within a period of more than two years but not more than three years	**129**	1,406
Within a period of more than three years but not more than five years	**–**	45
	8,407	21,135
Less: Amount due for settlement within twelve months	**(6,160)**	(13,292)
Amount due for settlement after twelve months shown under non-current liabilities	**2,247**	7,843

These lease liabilities mainly arose from the motor vehicles under finance leases (note 14) and were secured by the lessor's charge over the leased assets. The effective interest rate for the lease liabilities as at 31 March 2025 ranged from 2.00% to 3.75% per annum (2024: 2.50% to 3.25% per annum).

23. LONG SERVICE PAYMENT AND GRATUITY OBLIGATIONS

	2025 HK$'000	2024 HK$'000
Long service payment obligations	**3,457**	3,082
Gratuity obligations	**24,160**	74,606
	27,617	77,688
Analysed for reporting purposes as:		
Non-current liabilities	**2,372**	28,507
Current liabilities	**25,245**	49,181
	27,617	77,688

23. LONG SERVICE PAYMENT AND GRATUITY OBLIGATIONS (Continued)

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The Group has several subsidiaries operating in Hong Kong which are obliged to pay long service payment ("**LSP**") to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered that the impact from the Amendment Ordinance on the Group LSP liability is insignificant.

The Group is obliged to pay gratuity to employees upon the expiry or termination of employment contract in respect of the contract for a period of not less than twelve months immediately before the expiry or termination of the contract. The amount of gratuity shall be a sum equivalent to 6% of the total income earned by the employees during the above period.

23. LONG SERVICE PAYMENT AND GRATUITY OBLIGATIONS (Continued)

Movements in the long service payment and gratuity obligations are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the year	**77,688**	47,855
Charged to profit or loss	**13,767**	35,114
Paid during the year	**(63,838)**	(5,281)
At the end of the year	**27,617**	77,688

The obligation represents the management's best estimate of the Group's liability at the end of the reporting period.

24. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Secured bank borrowings	**5,500**	17,240

	2025 HK$'000	2024 HK$'000
Bank borrowings repayable within one year and classified under current liabilities	**5,500**	17,240

Notes:

(i) The bank borrowings as at 31 March 2025 and 2024 were denominated in HK$.

(ii) At 31 March 2025, the secured bank borrowings carried interest at floating rates by reference to the interest rate of HK$ Cost of Funding ("**COF**")/HIBOR (2023: HK$ COF) plus a margin ranged from 6.5% to 7.3% (2024: 3.16% to 4.39%) or prime rate less a margin ranged from 1.50% to 1.75% per annum.

24. BANK BORROWINGS (Continued)

The amounts of banking facilities and the utilisation at the end of the reporting period are set out as follows:

	2025 HK$'000	2024 HK$'000
Facility amount	**330,100**	290,800
Utilisation		
– Secured bank borrowings	**5,500**	17,240
– Performance bonds *(note 35(a))*	**70,369**	153,154
	75,869	170,394

As at 31 March 2025 and 2024, the above banking facilities were secured by assets pledged as set out in note 31 and corporate guarantees executed by the Company and certain of its subsidiaries.

25. DEFERRED TAX LIABILITIES/(ASSETS)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK$'000	2024 HK$'000
Deferred tax liabilities	**1,953**	643
Deferred tax assets	**(421)**	(10,444)
Net deferred tax liabilities/(assets)	**1,532**	(9,801)

25. DEFERRED TAX LIABILITIES/(ASSETS) (Continued)

Movements in deferred tax liabilities/(assets) are as follows:

	Accelerated tax depreciation HK$'000	Provision for long service payment and gratuity obligations HK$'000	Total HK$'000
At 1 April 2023	2,646	(7,326)	(4,680)
Credited to profit or loss *(note 8)*	(2,003)	(3,118)	(5,121)
At 31 March 2024 and 1 April 2024	**643**	**(10,444)**	**(9,801)**
Charged to profit or loss *(note 8)*	**1,310**	**10,023**	**11,333**
At 31 March 2025	**1,953**	**(421)**	**1,532**

The Group has unused tax losses arising in Hong Kong of approximately HK$87,780,000 (2024: HK$37,454,000) in which HK$37,454,000 (2024:HK$37,454,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

26. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares '000	**Share capital HK$'000**	Number of ordinary shares '000	Share capital HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000**	100,000	10,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each	**600,000**	6,000	600,000	6,000

There were no changes of the share capital of the Company for the years ended 31 March 2025 and 31 March 2024.

27. 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 remained unchanged from that of the prior year.

The capital structure of the Group consists of net debts, representing bank and other borrowings less bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration of future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at fair value through profit or loss	**1,777**	1,763
Financial assets at amortised cost		
Trade receivables	**44,304**	102,524
Deposits and other receivables	**4,600**	7,326
Pledged bank deposits	**23,457**	78,730
Restricted bank balances	**605**	1,017
Bank balances and cash	**75,939**	73,192
	150,682	264,552
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	**12,748**	13,509
Accruals and other payables	**25,419**	75,159
Lease liabilities	**8,407**	21,135
Bank borrowings	**5,500**	17,240
	52,074	127,043

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, pledged bank deposits, bank balances and cash, trade payables, accruals and other payables, lease liabilities and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments included credit risk, interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 31 March 2025 and 31 March 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 35(a).

As at 31 March 2025, the Group has concentration of credit risk as 43% (2024: 66%) and 73% (2024: 86%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, taking into account both quantitative and qualitative information that is reasonable and supportable, the Group applies the simplified approach to provide for expected credit losses for trade receivables, prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for these receivables.

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The loss allowance for trade receivables were determined as follows:

	Not overdue – 60 days overdue HK$'000	**61 – 360 days overdue HK$'000**	**More than 360 days overdue HK$'000**	**Total HK$'000**
31 March 2025				
Expected loss rate	**0.8%**	**1.8%**	**8.8%**	
Gross carrying amount	**42,312**	**2,329**	**68**	**44,709**
Loss allowance	**358**	**41**	**6**	**405**

	Not overdue – 60 days overdue HK$'000	61 – 360 days overdue HK$'000	More than 360 days overdue HK$'000	Total HK$'000
31 March 2024				
Expected loss rate	0.1%	1.1%	0%	
Gross carrying amount	97,983	4,657	20	102,660
Loss allowance	83	53	0	136

The above expected credit losses also incorporated forward looking information.

In this regard, the directors of the Company consider that the Group's credit risk is increased for the decrease in government and public utility customers for the year.

For deposits and other receivables, the Group has assessed the ECL based on 12-month ECL except that there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime ECL. Management assessed that the deposits and other receivables are fully recoverable, no loss allowance on such deposits and other receivables have been recognised.

The credit risk for bank balances is considered minimal as such amounts are placed with banks with high credit ratings assigned by international credit-rating agencies.

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate lease liabilities (see note 22 for details). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

As at 31 March 2025 and 31 March 2024, the Group was exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 24 for details). It is the Group's policy to keep its bank borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HK$ COF/HIBOR/Prime rate arising from the Group's Hong Kong dollar denominated borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings, pledged bank deposits and bank balances at the end of the reporting period. The analysis is prepared assuming the variable-rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 100 (2024: 100) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit would decrease/increase (2024: decrease/increase) by approximately HK$939,000 for the year ended 31 March 2025 (2024: HK$1,338,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The Group relies on bank borrowings as a significant source of liquidity and the management monitors the utilisation of bank borrowings and ensures compliance with loan covenants. As at 31 March 2025, the Group has available unutilised bank facilities of approximately HK$254,231,000 (2024: HK$120,406,000). Details of which are set out in note 24.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have 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. The maturity date for the non-derivative financial liabilities is prepared based on the scheduled repayment dates.

In addition, the following tables also detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual cashflows of the financial assets including interest that will be earned on the assets. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The Group

At 31 March 2025	Weighted average interest rate	Within 1 year HK$'000	More than 1 year but less than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
Non-derivative financial assets					
Financial assets at fair value through profit or loss		1,777	–	1,777	1,777
Trade receivables	–	44,304	–	44,304	44,304
Deposits and other receivables	–	4,210	390	4,600	4,600
Restricted bank balances		605	–	605	605
Pledged bank deposits	2.25% – 4.05%	23,457	–	23,457	23,457
Bank balances and cash	2.40% – 4.70%	75,939	–	75,939	75,939
		150,292	390	150,682	150,682
Non-derivative financial liabilities					
Trade payables	–	12,748	–	12,748	12,748
Accruals and other payables	–	25,419	–	25,419	25,419
Lease liabilities	3.42% – 8.00%	6,511	2,420	8,931	8,407
Bank borrowings	4.80% – 7.20%	5,830	–	5,830	5,500
		50,508	2,420	52,928	52,074

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The Group (Continued)

At 31 March 2024	Weighted average interest rate	Within 1 year HK$'000	More than 1 year but less than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
Non-derivative financial assets					
Financial assets at fair value through profit or loss		1,763	–	1,763	1,763
Trade receivables	–	102,524	–	102,524	102,524
Deposits and other receivables	–	7,326	–	7,326	7,326
Restricted bank balances		1,017	–	1,017	1,017
Pledged bank deposits	1.50% – 4.70%	78,730	–	78,730	78,730
Bank balances and cash	0.12% – 1.34%	73,192	–	73,192	73,192
		264,552	–	264,552	264,552
Non-derivative financial liabilities					
Trade payables	–	13,509	–	13,509	13,509
Accruals and other payables	–	75,159	–	75,159	75,159
Lease liabilities	2.50% – 3.30%	13,690	8,123	21,813	21,135
Bank borrowings	4.63% – 5.41%	18,102	–	120,460	17,240
		120,460	8,123	130,941	127,043

The amounts included above for variable interest rate instruments for non-derivative financial assets and financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

28. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values of financial instruments

The following table presents the fair value of financial instruments measured at fair value at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3: Fair value measured using significant unobservable inputs.

	Fair value as at 31 March		**Fair value hierarchy**	**Valuation technical(s) and key inputs**
	2025 **HK$'000**	2024 HK$'000		
Financial assets at fair value through profit or loss Life insurance contract	**1,777**	1,763	Level 3	Unobservable inputs

The fair value of the life insurance contract as at 31 March 2025 and 31 March 2024 is estimated by the management to be approximately their guarantee cash value as valued by the insurer. The unobservable input is the guaranteed cash value quoted by the insurance company according to the life insurance contract. When the guaranteed cash value is higher, the fair value of the life insurance contract will be higher. There were no transfer of the financial assets between the levels in both of the years presented.

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using the relevant prevailing market rate.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their short-term maturities.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	As at 1 April 2024 HK$'000	**Financing cash inflows HK$'000**	**Financing cash outflows HK$'000**	**Non-cash change HK$'000**	**As at 31 March 2025 HK$'000**
Lease liabilities	**21,135**	**–**	**(16,408)**	**3,680**	**8,407**
Bank borrowings	**17,240**	**304,860**	**(316,600)**	**–**	**5,500**
	38,375	**304,860**	**(333,008)**	**3,680**	**13,907**

	As at 1 April 2023 HK$'000	Financing cash inflows HK$'000	Financing cash outflows HK$'000	Non-cash change HK$'000	As at 31 March 2024 HK$'000
Lease liabilities	36,978	–	(16,275)	432	21,135
Bank borrowings	31,180	527,771	(541,711)	–	17,240
	68,158	527,771	(557,986)	432	38,375

30. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2025, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of approximately HK$3,680,000 (2024: HK$432,000).

31. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to banks to secure the banking facilities granted to the Group:

	2025 **HK$'000**	2024 HK$'000
Pledged bank deposits	**23,457**	78,730
	23,457	78,730

In addition, as referred in note 16, benefits under a life assurance contract for a director was assigned to a bank to secure the banking facilities granted to the Group.

32. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group also had the following transactions with its related parties during the year:

(a) In addition to the transactions and balances with related parties detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	Notes	**2025** **HK$'000**	2024 HK$'000
Substantial shareholder and director:			
Lease payment	(i)	**162**	400
Motor vehicles rental expense	(ii)	**3,888**	6,135

32. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

(i) Lease payment charged by a substantial shareholder and director, Mr. Wong Chong Shing, was made on mutually agreed terms.

(ii) Motor vehicles rentals were charged by an entity which is 100% owned by a substantial shareholder and director, Mr. Wong Chong Shing. The rental was made on terms mutually by the contracting parties.

(b) Compensation of key management personnel

The directors consider that the directors of the Company are the key management personnel of the Group. Their emoluments are set out in note 10.

33. SHARE OPTION SCHEME

The Company' adopted its share option scheme (the "**Scheme**") pursuant to written resolution of the Company passed on 20 March 2017 for the primary purpose of providing incentives to directors and incentive to employees, directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted to substantial shareholders or independent non-executive directors to subscriber for shares of the Company in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

No share options have been granted, exercised or lapsed since the adoption of the scheme and during the years ended 31 March 2025 and 2024.

34. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "**MPF**") for all qualifying employees in Hong Kong. The assets of the MPF are held separately from those of the Group in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by the employee. Contributions to the scheme vest immediately.

The contribution paid or payable to the schemes by the Group in respect of the year which were charged to profit or loss amounted to approximately HK$13,947,000 (2024: HK$21,654,000).

Apart from the above, the Group has no significant obligations under retirement benefit schemes at end of both of the years presented. The Group also had no forfeited contribution available at end of both of the years presented to reduce the contribution payable in future years.

35. CONTINGENT LIABILITIES

(a) Performance bonds

	2025 **HK$'000**	2024 HK$'000
Guarantees on performance bonds in respect of service contracts issued by the banks	**70,369**	153,154

The Group had bankers' guarantees on performance bonds issued for due performance under several service contracts.

The effective periods of performance bonds are based on the service periods and the contract terms. The performance bonds may be claimed by customers if services rendered by the Group fail to meet the standards as specified in these services contracts.

35. CONTINGENT LIABILITIES (Continued)

(b) Litigation

During the year ended 31 March 2021, Man Shing Cleaning Service Company Limited, a subsidiary of the Group, was engaged by the Food and Environmental Hygiene Department of Hong Kong government as the contractor for providing street cleaning services in Sham Shui Po, Hong Kong. On 12 September 2020, a vehicle (the "**Vehicle**") owned by the Group, being driven by an employee (the "**Employee**") of the Group in the course of providing the aforesaid cleaning services, collided with a KMB bus in Sham Shui Po (the "**Accident**"). The Vehicle and the KMB bus were damaged in the Accident. According to relevant news reports, a number of people were also injured.

As a result of the Accident, the Employee was being charged with the criminal offence of dangerous driving. To the best of the knowledge, information and belief of the directors of the Company, such criminal prosecution was still ongoing as at the date of approval of these consolidated financial statements.

As advised by the Group's legal adviser, the Employee may face civil litigation claims from KMB for repair costs of the KMB bus damaged in the Accident, as well as from third parties injured in the Accident for personal injuries. On 11 October 2021, KMB submitted a claim of approximately HK$420,000 for the damage and the damage was indemnified by a third party insurance in December 2021. Up to the date of approval of these consolidated financial statements, (i) the Group had been notified in writing that an individual was allegedly injured in the Accident, but it was still unknown as to the amount of such claim, and (ii) except as aforementioned, no other claims were received by the Group.

Based on the legal advice obtained, if the Employee is held liable for any such intended civil claims, the Group may be held vicariously liable to pay for related damages and legal costs. Nevertheless, according to the Group's legal adviser, any potential claims to be initiated against the Group arising therewith will be well covered and indemnified by insurance, accordingly the directors of the Company are of the view that no provision is required to be made in respect of the Accident in the consolidated financial statements.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 **HK$'000**	2024 HK$'000
Non-current assets		
Investments in subsidiaries	**30,071**	30,070
Current assets		
Prepayments and other receivables	**257**	257
Amounts due from subsidiaries	**1,792**	3,569
Bank balances	**37**	71
	2,086	3,897
Current liabilities		
Accruals and other payables	**1,196**	1,196
	1,196	1,196
Net current assets	**890**	2,701
Net assets	**30,961**	32,771
Capital and reserves		
Share capital	**6,000**	6,000
Reserves	**24,961**	26,771
Total equity	**30,961**	32,771

The Company's statement of financial position was approved and authorised for issue by the board of directors on 23 June 2025 and is signed on its behalf by:

Wong Chong Shing
Director

Wong Man Sing
Director

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Movement of the reserves of the Company are as follows:

	Share premium HK$'000 *(note i)*	Other reserve HK$'000 *(note ii)*	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	33,463	30,070	(34,778)	28,755
Loss and total comprehensive expense for the year	–	–	(1,984)	(1,984)
At 31 March 2024 and 1 April 2024	**33,463**	**30,070**	**(36,762)**	**26,771**
Loss and total comprehensive expense for the year	**–**	**–**	**(1,810)**	**(1,810)**
At 31 March 2025	**33,463**	**30,070**	**(38,572)**	**24,961**

Notes:

(i) SHARE PREMIUM

The share premium represents the excess of the consideration over the nominal value of share issued and allocated.

(ii) OTHER RESERVE

Other reserve represents the difference between the nominal value of the issued capital for acquisition of its subsidiaries and the net asset value of the subsidiaries at the date of acquisition.

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are as follows:

Name of subsidiaries	Place and date of incorporation/ operation	Issued and fully paid share capital	Percentage of equity interest and voting power attributable to the Group				Principal activities
			Direct 31 March 2025	**Indirect 31 March 2025**	Direct 31 March 2024	Indirect 31 March 2024	
Choose Right Investments Limited	BVI 8 March 2022	US$1	–	**100%**	–	100%	Investment holding
Curtaman Property Management Ltd	Hong Kong 7 January 1983	HK$500,000	–	**100%**	–	100%	Property management
Fast Charging Limited*	Hong Kong 18 February 2025	HK$100	–	**100%**	–	–	Inactive
Jasen Services (BVI) Limited	BVI 21 March 2016	US$1	–	**100%**	–	100%	Investment holding
Jasen Services Limited	Hong Kong 18 May 1995	HK$10,000	–	**100%**	–	100%	Provision of cleaning services
Man Shing Cleaning Service Company Limited	Hong Kong 29 July 1998	HK$100,000	–	**100%**	–	100%	Provision of cleaning services
Man Shing Environmental (BVI) Co. Limited	BVI 21 March 2016	US$1	–	**100%**	–	100%	Investment holding
Man Shing Cleaning Service (BVI) Co. Limited	BVI 21 March 2016	US$1	–	**100%**	–	100%	Investment holding
Man Shing Environmental Company Limited	Hong Kong 1 September 2015	HK$100	–	**100%**	–	100%	Provision of waste collecting services
Man Shing Global Group (BVI) Limited	BVI 21 March 2016	US$1	**100%**	–	100%	–	Investment holding
Man Shing Global Group Limited	Hong Kong 21 March 2016	HK$1	–	**100%**	–	100%	Investment holding

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ operation	Issued and fully paid share capital	Percentage of equity interest and voting power attributable to the Group				Principal activities
			Direct 31 March 2025	**Indirect 31 March 2025**	Direct 31 March 2024	Indirect 31 March 2024	
Man Shing Plastic Manufacturing Company Limited	Hong Kong 19 April 2022	HK$100,000	**–**	**80%**	–	80%	Inactive
Matrix International Investments Limited	Hong Kong 6 November 2017	HK$1	**–**	**100%**	–	100%	Investment holding
Season Sail Limited	BVI 8 November 2023	US$1	**–**	**100%**	–	100%	Investment holding
Welcome Parking Limited	Hong Kong 16 March 2022	HK$10,000	**–**	**100%**	–	100%	Inactive

* The subsidiary is incorporated during the year.

The directors are of the opinion that a complete list of the subsidiaries of the Company will be of excessive length and therefore the above list contains only the particulars of subsidiaries which principally affects the results or assets of the Group.

None of the subsidiaries has issued any debt securities at the end of both years ended 31 March 2025 and 31 March 2024.

All of the above subsidiaries operate principally in their respective place of incorporation.