CHINA HONGBAO HOLDINGS LIMITED
中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8316

2025
ANNUAL REPORT

CHARACTERISTICS OF GEM

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 collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Jun *(Chairman)*
Mr. Yu Hua *(Chief Executive Officer)*

Independent non-executive Directors

Mr. Chow Chun To
Ms. Wong Chi Yan
Professor Cheung Ka Yue

BOARD COMMITTEES

Audit Committee

Mr. Chow Chun To *(Chairman)*
Ms. Wong Chi Yan
Professor Cheung Ka Yue

Remuneration Committee

Professor Cheung Ka Yue *(Chairman)*
Mr. Chow Chun To
Ms. Wong Chi Yan

Nomination Committee

Mr. Cheng Jun *(Chairman)*
Mr. Chow Chun To
Ms. Wong Chi Yan
Professor Cheung Ka Yue

COMPANY SECRETARY

Ms. Chu Mei Po *(CPA) (Chief Financial Officer) (appointed on 13 September 2024)*
Ms. Wong Ka Yan *(resigned on 13 September 2024)*

AUTHORISED REPRESENTATIVES

Mr. Cheng Jun
Ms. Chu Mei Po *(appointed on 13 September 2024)*
Ms. Wong Ka Yan *(resigned on 13 September 2024)*

COMPLIANCE OFFICER

Mr. Cheng Jun

AUDITOR

CCTH CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 1510-1517, 15/F,
Tower 2, Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

HONG KONG LEGAL ADVISERS

Howse Williams
27/F, Alexandra House
18 Chater Road
Central
Hong Kong

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit Nos. 1–3 on Level 9 of
Tower A of Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited

China Construction Bank (Asia) Corporation Limited

WEBSITE OF THE COMPANY

www.quantongkonggu.com

STOCK CODE

8316

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the annual report of the Group for the year ended 31 March 2025.

REVIEW

The Group has been engaging in foundation works business as a subcontractor and other construction works in Hong Kong for over 10 years. During the year ended 31 March 2025, the overall construction industry in Hong Kong was still facing various challenges. Furthermore, the construction industry in Hong Kong is fragmented with an increasing number of market players, resulting in keen competitions in the market and unstable and uncertain gross margin of construction projects. During the year ended 31 March 2025, the foundation and other construction works business of the Group generated revenue of approximately HK$46.2 million (2024: approximately HK$59.6 million).

On the other hand, the Group engages in the provision of internet services (including supply chain management and O2O commerce). Having considered the stable economic growth in the PRC and good prospects in the PRC e-commerce market, the Group launched a one-stop e-commerce platform (the "**Platform**") and carried out technological innovations and upgrades for the Platform in respect of the merchant-end of "on-demand delivery" in late 2023. During the year ended 31 March 2025, the Group generated revenue of approximately HK$34.7 million (2024: approximately HK$38.0 million) and gross profit of approximately HK$19.0 million (2024: approximately HK$16.1 million) from the internet services segment.

PROSPECT

Despite the uncertain economic and political environment of Hong Kong and around the world, and the unfavourable conditions in the construction industry such as keen competition due to the growing number of market players, continuously increasing construction costs due to labour shortage, increasingly stringent regulatory controls and rising construction material and operational costs, the Directors are of the view that the market conditions of the construction industry will improve and consider that with the Group's business presence and good reputation in the market, the Group is well-positioned to compete with its competitors under the above-mentioned challenges that are commonly faced by all industry players.

Meanwhile, despite facing challenges in the PRC supply chain management business leading to the substantial decrease in demand for integrated digital supply chain solutions during the year ended 31 March 2025, the Directors remain confident that the performance of the internet services segment will improve, as supported by the growth of O2O commerce in the PRC and upgrades to the Platform.

APPRECIATION

On behalf of the Board, I wish to take this opportunity to express my gratitude to our customers, business partners, suppliers and the Shareholders for their continuous support, and to our management and staff members for their commitment and contribution throughout the years.

Cheng Jun
Chairman and Executive Director

Hong Kong, 25 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has been engaging in foundation works business as a subcontractor and other construction works in Hong Kong for over 10 years. During the year ended 31 March 2025, the overall construction industry in Hong Kong was still facing various challenges. Furthermore, the construction industry in Hong Kong is fragmented with an increasing number of market players, resulting in keen competitions in the market and unstable and uncertain gross margin of construction projects. Despite the uncertain economic and political environment of Hong Kong and around the world, and the unfavourable conditions in the construction industry such as keen competition due to the growing number of market players, continuously increasing construction costs due to labour shortage, increasingly stringent regulatory controls and rising construction material and operation costs, the Directors are of the view that the market conditions of the construction industry will improve and consider that with the Group's business presence and good reputation in the market, the Group is well-positioned to compete with its competitors under the above-mentioned challenges that are commonly faced by all industry players. During the year ended 31 March 2025, the Group recorded revenue of approximately HK$46.2 million (2024: approximately HK$59.6 million) from this business segment of foundation and other construction works.

On the other hand, the Group engages in the provision of internet services (including supply chain management and O2O commerce). Having considered the stable economic growth in the PRC and good prospects in the PRC e-commerce market, the Group launched the Platform and carried out technological innovations and upgrades for the Platform in respect of the merchant-end of "on-demand delivery" in late 2023. Despite facing challenges in the PRC supply chain management business leading to the substantial decrease in demand for integrated digital supply chain solutions during the year ended 31 March 2025, the Directors remain confident that the performance of the internet services segment will improve, as supported by the growth of O2O commerce in the PRC and recent upgrades to the Platform. During the year ended 31 March 2025, the Group generated revenue of approximately HK$34.7 million (2024: approximately HK$38.0 million) and segment profit of approximately HK$19.0 million (2024: approximately HK$16.1 million) from the internet services segment.

Despite the challenges facing both the construction market in Hong Kong and the supply chain market in the PRC, the Group is strategically focusing on expanding its presence in the O2O commerce sector, which offers a higher gross profit margin. This strategic shift aims to offset any potential adverse impacts on the Group stemming from the conditions in the Hong Kong construction and the PRC supply chain markets. Furthermore, the Group remains committed to exploring new business opportunities in the market with the primary goal of delivering increased returns to the Shareholders. By diversifying our business portfolio and capitalizing on emerging sectors, we aim to strengthen our position in the industry and enhance the value of the Shareholders.

FINANCIAL REVIEW

REVENUE

The Group's revenue for the year ended 31 March 2025 was approximately HK$80.9 million, representing a decrease of approximately HK$16.7 million or 17.1% as compared to approximately HK$97.6 million for the year ended 31 March 2024. The decrease in revenue was attributable to decrease in revenue from both foundation and other construction works business and internet services business (O2O commerce and supply chain management). Such decrease is caused by the unfavorable business environment.

COST OF SALES

The Group's cost of sales decreased from approximately HK$76.6 million for the year ended 31 March 2024 to approximately HK$57.8 million for the year ended 31 March 2025, representing a decrease of approximately HK$18.8 million or 24.5%. Such decrease was driven by the decrease in revenue for the year ended 31 March 2025 and was also resulted from the enhancement of cost control measures adopted by the Group.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 March 2025, the Group recorded gross profit of approximately HK$23.0 million (2024: approximately HK$21.0 million) and gross profit margin of approximately 28.5% (2024: approximately 21.5%). The increase in gross profit was due to the gross profit generated from the internet services segment which has higher gross profit margin during the year ended 31 March 2025.

OTHER INCOME AND GAINS

Other income and gains of the Group decreased substantially by approximately HK$17.0 million from approximately HK$17.2 million for the year ended 31 March 2024 to approximately HK$0.1 million for the year ended 31 March 2025. The decrease was substantially attributable to the decrease in recognition of gain on disposal of certain subsidiaries by the Group of approximately HK$17.0 million.

IMPAIRMENT LOSS ON FINANCIAL ASSETS, CONTRACT ASSETS AND PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2025, the Group recognised impairment loss on financial assets, contract assets and property, plant and equipment of approximately HK$3.9 million in total (2024: approximately HK$11.4 million). Such decrease was primarily attributable to (i) the decrease in impairment loss recognised on property, plant and equipment by approximately HK$1.1 million arising from the poor performance in the foundation and other construction works business during the year ended 31 March 2025; and (ii) the decrease in impairment loss recognised in trade and other receivables and contract assets by approximately HK$1.8 million and HK$4.6 million, respectively, during the year ended 31 March 2025.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group decreased by approximately HK$4.8 million or 14.9% from approximately HK$32.2 million for the year ended 31 March 2024 to approximately HK$27.4 million for the year ended 31 March 2025. The lower administrative expenses was primarily attributable to decrease in staff cost by approximately HK$5.5 million. It was partially offset by increase in written off of prepayments of approximately HK$2.0 million.

FINANCE COSTS

Finance costs of the Group decreased by approximately HK$0.8 million or 39.0% from approximately HK$2.0 million for the year ended 31 March 2024 to approximately HK$1.2 million for the year ended 31 March 2025. Such decrease was mainly attributable to the decrease in interest on loan from other borrowings by approximately HK$0.6 million. It was due to the fact that the Group disposed of the subsidiaries which owed those other borrowings of approximately HK$10.2 million during the year ended 31 March 2024. Please refer to Note 31(b) to the consolidated financial statements for details.

LOSS BEFORE INCOME TAX

The Group recorded loss before income tax of approximately HK$9.4 million for the year ended 31 March 2025 (2024: approximately HK$7.5 million). The increase in loss before income tax was mainly contributed by the decrease in other income of approximately HK$17.0 million. It was partially offset by increase in gross profit of approximately HK$2.0 million and decrease in administrative expenses, impairment loss on financial assets, contract assets and property, plant and equipment and finance cost of approximately HK$13.1 million in total.

INCOME TAX EXPENSE

The Group's income tax expense for the year ended 31 March 2025 was approximately HK$0.4 million (2024: approximately HK$1,000). Such increase was mainly due to the taxable profit made by the internet services segment during the year ended 31 March 2025.

LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Loss and total comprehensive expense for the year ended 31 March 2025 was approximately HK$9.8 million (2024: approximately HK$6.7 million). Such increase in net loss was due to the above-mentioned reasons under the paragraph "Loss before income tax" and the effect from increase in income tax expense of approximately HK$0.4 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Shares were successfully listed on GEM on the Listing Date. Save as disclosed in the section headed "Management Discussion and Analysis — Capital Structure" below, there has been no change in the capital structure of the Group since the Listing Date and up to the date of this annual report.

	2025 HK$'000	2024 HK$'000
Current assets	**57,527**	17,191
Current liabilities	**74,186**	52,677
Current ratio (times)	**0.78**	0.33

The current ratio of the Group as at 31 March 2025 was approximately 0.78 times as compared to that of approximately 0.33 times as at 31 March 2024.

As at 31 March 2025, the Group had total cash and cash equivalents of approximately HK$36.8 million (2024: approximately HK$1.2 million).

As at 31 March 2025 and 31 March 2024, the Group had other borrowings, amount due to a shareholder, amount due to a director, loan from a related party and lease liabilities of approximately HK$19.4 million and HK$38.7 million in aggregate, respectively. Our other borrowings, amount due to a director and loan from a related party were denomination in HK$ and amount due to a shareholder was denominated in RMB. The scheduled repayment date of the Group were as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**19,445**	36,852
Between one and two years	**–**	1,847
	19,445	38,699

For further details, please refer to Notes 22 and 23 to the consolidated financial statements.

GEARING RATIO

The Group monitors capital using a gearing ratio, which is net debt divided by total deficit. Net debts are calculated as the total of lease liabilities, amount due to a shareholder, amount due to a director, loan from a related party and other borrowings less cash and cash equivalents.

	2025 HK$'000	2024 HK$'000
Total debts	**19,445**	38,699
Less: Cash and cash equivalents	**(36,771)**	(1,230)
Net (cash)/debts	**(17,326)**	37,469
Total deficits	**(15,332)**	(31,150)
Gearing ratio	**N/A**	(120.3%)

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group's credit risk is primarily attributable to contract assets and trade receivables is concentrated since approximately 89.6% of which was derived from the five largest customers as at 31 March 2025 (2024: approximately 91.7%). As the customers of the Group are reputable corporations, the credit risk is considered to be low. The Group's major bank balances are deposited with banks with good reputation and hence the management of the Company (the "**Management**") does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on the Listing Date. The Issued Share Capital only comprises ordinary shares.

The changes in the Issued Share Capital since the Listing Date and up to the date of this annual report were as follows:

	Number of Issued Share Capital
On the Listing Date	800,000,000
Completion of a subscription of new shares under general mandate on 16 January 2023 *(Note (a))*	28,050,000
As at 16 January 2023	828,050,000
Completion of a subscription of new shares under general mandate on 13 March 2023 *(Note (b))*	38,350,000
As at 13 March 2023 and 31 March 2024	866,400,000
Completion of the Subscription of New Shares A *(Note (c))*	41,666,000
As at 31 July 2024	908,066,000
Completion of the Subscription of New Shares B *(Note (d))*	45,310,000
As at 4 March 2025, 31 March 2025 and up to the date of this annual report	953,376,000

Notes:

(a) Please refer to the announcements of the Company dated 5 January 2023 and 16 January 2023 for further details.

(b) Please refer to the announcements of the Company dated 27 February 2023 and 13 March 2023 for further details.

(c) Please refer to the Subscription Announcements A for further details.

(d) Please refer to the Subscription Announcements B for further details.

With effect from 17 July 2023, the board lot size of the Shares for trading on GEM has been changed from 10,000 Shares to 2,000 Shares. Please refer to the announcements of the Company dated 26 June 2023 and 19 July 2023 for further details.

As disclosed in the announcement of the Company dated 25 June 2025, an ordinary resolution will be proposed at the annual general meeting of the Company to be convened and held on Wednesday, 30 July 2025 to approve, among others, the proposed increase in authorised share capital of the Company from HK$10,000,000 divided into 1,000,000,000 Shares to HK$30,000,000 divided into 3,000,000,000 Shares by the creation of an additional 2,000,000,000 new Shares. For further details, please refer to the announcement of the Company dated 25 June 2025.

As at 1 April 2024 and 31 March 2025, the Issued Share Capital was approximately HK$8.7 million (representing 866,400,000 issued ordinary shares of HK$0.01 each) and approximately HK$9.5 million (representing 953,376,000 issued ordinary shares of HK$0.01 each), respectively.

SUBSCRIPTION OF NEW SHARES

Subscription of New Shares A

On 24 April 2024 (after trading hours), the Company (as issuer) entered into the Subscription Agreement A with Subscriber A (an independent third party) (as subscriber), pursuant to which, the Company has conditionally agreed to allot and issue, and Subscriber A has conditionally agreed to subscribe for, a total of 41,666,000 subscription Shares at the subscription price of HK$0.12 per subscription Share. Based on the closing price of the Shares of HK$0.115 per Share on 24 April 2024, being the date of the Subscription Agreement A, the subscription Shares have a market value of approximately HK$4.8 million. The aggregate nominal value of such subscription Shares is HK$416,660. The Subscription of New Shares A involved the capitalisation of part of the Debt A into the subscription Shares, and the Company used its internal resources to settle the relevant expenses in connection with the Subscription of New Shares A. The Company fully settled the Debt A from Subscriber A by the Subscription of New Shares A (HK$4,999,920) and cash (HK$80). The Directors considered that the Subscription of New Shares A would allow the Company to settle a substantial part of the Debt A without utilising existing financial resources of the Group thereby strengthening the financial position of the Group. The Directors also considered that the Subscription of New Shares A would broaden the Company's capital base and shareholders base without any interest burden. The net issue price, after deduction of relevant expenses, was approximately HK$0.113 per subscription Share. There were no proceeds arising from the Subscription of New Shares A as all the proceeds from the Subscription of New Shares A were set-off against the Debt A on a dollar-to-dollar basis. Completion of the Subscription of New Shares A took place on 31 July 2024. Please refer to the Subscription Announcements A for further details.

Subscription of New Shares B

On 15 January 2025 (after trading hours), the Company (as issuer) entered into the Subscription Agreement B with Subscriber B (an independent third party) (as subscriber), pursuant to which, the Company has conditionally agreed to allot and issue, and Subscriber B has conditionally agreed to subscribe for, a total of 45,310,000 subscription Shares at the subscription price of HK$0.203 per subscription Share. Based on the closing price of the Shares of HK$0.200 per Share on 15 January 2025, being the date of the Subscription Agreement B, the subscription Shares have a market value of approximately HK$9.1 million. The aggregate nominal value of such subscription Shares is HK$453,100. The Subscription of New Shares B involved the capitalisation of part of the Debt B into the subscription Shares, and the Company used its internal resources to settle the relevant expenses in connection with the Subscription of New Shares B. The Company fully settled the Debt B from Subscriber B by the Subscription of New Shares B (HK$9,197,930) and cash (HK$802,070). The Directors considered that the Subscription of New Shares B would allow the Company to settle a substantial part of the Debt B without utilising existing financial resources of the Group thereby strengthening the financial position of the Group. The Directors also considered that the Subscription of New Shares B would broaden the Company's capital base and shareholders base without any interest burden. The net issue price, after deduction of relevant expenses, was approximately HK$0.196 per subscription Share. There were no proceeds arising from the Subscription of New Shares B as all the proceeds from the Subscription of New Shares B were set-off against the Debt B on a dollar-to-dollar basis. Completion of the Subscription of New Shares B took place on 4 March 2025. Please refer to the Subscription Announcements B for further details.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in Note 6 to the consolidated financial statements.

DIVIDEND

The Board does not recommend the payment of dividend for the year ended 31 March 2025 (2024: Nil).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any significant contingent liabilities (2024: Nil).

CHARGE ON GROUP ASSETS

As at 31 March 2025, the Group had no assets charged for bank borrowings or for other purposes.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any significant capital commitments (2024: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 23 September 2024, the Company disposed of the entire issued share capital in Fortune Elite Investments Limited, a wholly-owned subsidiary of the Company and which held the entire equity interest in Quantong Globle Limited, to an independent third party at a consideration of US$10,000. Both companies had ceased business operation at the time of disposal. The Company recognised a gain on disposal of subsidiaries of approximately HK$91,000 during the year ended 31 March 2025. For further details, please refer to Note 31(a) to the consolidated financial statements.

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

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 March 2025, there was no significant investment held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2025, the Group did not have any concrete plan for material investments or capital assets.

FOREIGN CURRENCY EXPOSURE

For the Group's operation in Hong Kong, the major revenue and expenses are denominated in HK$. For the Group's operation in the PRC, the major revenue and expenses are denominated in RMB, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed a total of 59 staff (2024: 76 staff). The total employees remuneration, including remuneration of the Directors, for the year ended 31 March 2025 amounted to approximately HK$14.7 million (2024: approximately HK$27.8 million).

The Group entered into separate labour contracts with each of the employees in accordance with the applicable labour laws in Hong Kong and the PRC. Employees are remunerated according to their performance and working experience. The Group provides its staff with various benefits including discretionary bonus, contributory provident fund and medical insurance. The Group also provides and sponsors various types of training to employees and offer Options that may be granted to employees under Scheme.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there is no other material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

(i) The Group's past revenue and profit margin may not be indicative of the Group's future revenue and profit margin.

(ii) The Group determined the project price based on estimated time and costs involved in a project, which may deviate from actual time and cost incurred. Inaccurate estimation may adversely affect the Group's financial results.

(iii) The Group's business operations depend on the expertise and continuing performance of the key management personnel and there is no assurance that the Group can hire and retain them.

(iv) Failure to invest in suitable machinery may adversely affect the Group's market competitiveness.

(v) Acquiring machinery may result in an increase in depreciation expenses, machine operation costs, repair and maintenance costs and cash flow used in investing activities and may adversely affect the Group's operating results and financial position.

(vi) As the Group from time to time engages subcontractors, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of the subcontractors.

(vii) The Group is exposed to possible environmental liability.

(viii) The Group will encounter a series of network risks, especially the risk of data leakage, such as customer information.

(ix) Adverse weather conditions, natural disasters, potential wars, terrorist attacks, riots and other disasters which are beyond the Group's control may reduce the number of workdays and may incur additional operational costs.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's operations at work sites are subject to certain environmental requirements pursuant to the laws in Hong Kong and the PRC, including primarily those in relation to air pollution control, noise control, waste disposal and waste water disposal.

Area	Measures
Air pollution control	(i) Dust suppression by use of water (ii) Installation of dust screens as required (iii) Conduct vehicle inspections and maintenance regularly to phase out substandard vehicles (iv) Encourage workers to turn off engines when they are idle and plan routes in advance
Noise control	(i) Installation of acoustic barriers as required (ii) Works to be undertaken in accordance with the permitted work hours as specified by the Group's customers
Waste disposal	(i) Engage qualified waste collectors to handle hazardous waste (ii) Construction waste materials such as timber, plywood, metal, and plastic are classified and separated for recycling (iii) Adhere to the 5Rs principle (reduce, renew, reuse, recycle and replace)
Waste water disposal	(i) Use of sewage treatment system to filter wastewater before discharging to public sewers (ii) Reusing waste water for dust control measures

The Directors consider that the measures and work procedures adopted are appropriate and adequate. During the year ended 31 March 2025, the Group was not in violation of applicable environmental laws and regulations which would have a material adverse impact on the business, financial condition or results of operations of the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, 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 during the year ended 31 March 2025.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

Customers

The Group's customers in the segment of foundation and other construction works are principally main contractors and subcontractors of construction projects in the private and public sectors. For the internet services business, we are providing integrated online-and-offline sales of food, daily necessities and other commodities to our diverse range of customers in the PRC. During the year ended 31 March 2025, the Group's five largest customers accounted for approximately 71.7% (2024: 72.8%) of the total revenue for the year ended 31 March 2025, and the Group's largest customer accounted for approximately 43.0% (2024: 31.8%) of the total revenue for the year ended 31 March 2025. The Group has had good business relationship with most of the top customers which the Directors believe to imply that the Group is one of the selected subcontractors on such customers' approved lists of subcontractors and the Group being invited to tender or quote from time to time.

To the best knowledge of the Directors, none of the Directors or any of their respective close associates, or any Shareholder (which, to the best knowledge of the Directors, own more than 5% of the Issued Share Capital) had any beneficial interest in the Group's five largest customers during the year ended 31 March 2025.

Suppliers

The Group's suppliers primarily (i) supply construction materials (such as cement, machinery spare parts and loose tools, diesel fuel and/or steel pile and casing) and/or provide services which primarily include machinery rental and machinery repair and maintenance for the segment of foundation and other construction works; and (ii) supply wide range of consumer products for the segment of internet services (including O2O commerce and supply chain management). The Group's largest and five largest suppliers accounted for not exceeding 30% of the total costs of sales for the years ended 31 March 2025 and 2024.

To the best knowledge of the Directors, none of the Directors or any of their respective close associates, or any Shareholder (which, to the best knowledge of the Directors, own more than 5% of the Issued Share Capital) had any beneficial interest in the Group's five largest suppliers during the year ended 31 March 2025.

Subcontractors

During the year ended 31 March 2025, the Group subcontracted a portion of the works which primarily consisted of drilling, grouting and geotechnical works to other parties with an aim to utilise the Group's own manpower and machinery in a more cost efficient manner. The Group's subcontracting fees represented approximately 33.2% and 26.7% of the total costs of sales for the years ended 31 March 2025 and 2024 respectively. The Group's largest subcontractor accounted for approximately 20.4% of the total costs of sales for the year ended 31 March 2025 (2024: 15.2%). The Group's five largest subcontractors accounted for approximately 29.1% of the total costs of services for the year ended 31 March 2025 (2024: 24.4%).

To the best knowledge of the Directors, none of the Directors or any of their respective close associates, or any Shareholder (which, to the best knowledge of the Directors, own more than 5% of the Issued Share Capital) had any beneficial interest in the Group's five largest subcontractors during the year ended 31 March 2025.

The Group selected subcontractors on a project-by-project basis, based on the Group's assessment of their (i) service quality; (ii) timeliness on delivery; (iii) price; and (iv) whether they have a quality assurance system that meets the Group's works requirements. The Group regularly reviews and updates the internal approved list of subcontractors according to the Group's evaluation.

Employees

The Group recognises employees as valuable assets of the Group and during the year ended 31 March 2025, the Group endeavoured to attract and retain appropriate and suitable personnel to serve the Group. The Group assesses the available human resources on a continual basis and will determine whether additional personnel are required to cope with the business development of the Group.

The Directors consider that the Group has maintained good relationship with its employees. The Group was not involved in any labour disputes nor did the Group experience any difficulties in recruiting and retaining experienced or skilled staff members which would have a material impact on the Group's business, financial condition or results of operations. The Group has not set up any trade union for its employees.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out as follows:

EXECUTIVE DIRECTORS

Mr. Cheng Jun (**程俊**) (“**Mr. Cheng**”), aged 62, has been appointed as the Chairman, an executive Director, the compliance officer, the Authorised Representative and the chairman of the Nomination Committee since 19 May 2022.

Mr. Cheng obtained a bachelor’s degree in business administration from Beijing University of Arts and Sciences in July 1998 and has over 32 years of experience in finance and business administration.

Mr. Cheng has been the chairman of Beijing Sousou Kuaipao Technology Co., Ltd.* (北京嗖嗖快跑科技有限公司) since 2015, a company of which Mr. Yu Hua (an executive Director and the Chief Executive Officer) is the chief executive officer. He has also been an executive director of Nanchang Woai Wojia Technology Co., Ltd.* (南昌我愛我家科技有限公司) since 2018. From 2002 to 2014, Mr. Cheng was the chairman and chief executive officer of Jiangxi Mytophome Property Co., Ltd.* (江西省滿堂紅置業有限公司). Mr. Cheng was the chairman and executive director of S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (stock code: 8506, the shares of which were delisted from GEM on 7 June 2022), from December 2020 to May 2022.

As at the date of this annual report, Mr. Cheng held 180,078,000 Shares, representing approximately 18.89% of the Issued Share Capital.

Mr. Yu Hua (于華) ("**Mr. Yu**"), aged 40, has been appointed as an executive Director since 27 February 2023 and the Chief Executive Officer since 17 May 2023.

Mr. Yu obtained a master's degree in software engineering from Peking University in July 2011 and has over 9 years of experience in finance and business administration. Mr. Yu has been the chief executive officer of Beijing Sousou Kuaipao Technology Co., Ltd.* (北京嗖嗖快跑科技有限公司) since October 2015, a company of which Mr. Cheng (the Chairman and an executive Director) is the chairman and a shareholder. He has also been a chief executive officer and the executive director, general manager and legal representative of Hainan Hongbao Linkage Technology Co. Ltd.* (海南紅包聯動科技有限公司), an indirect wholly-owned subsidiary of the Company, since July 2022. He is also directors of the following subsidiaries of the Company:

Name of the subsidiaries	Nature of control of the Company	Appointment date
Mega Benefit Corporation Limited 澤萬有限公司	An indirect wholly-owned subsidiary	June 2022
Grand Goal Group Limited 巨志集團有限公司	A direct wholly-owned subsidiary	November 2022
Glorious Leap Limited 榮躍有限公司	A direct wholly-owned subsidiary	November 2022
Star Creation Global Limited	A direct wholly-owned subsidiary	November 2022
State Charm Developments Limited 國昌發展有限公司	A direct wholly-owned subsidiary	November 2022
Jovial Elite Holdings Limited 喜傑控股有限公司	A direct wholly-owned subsidiary	November 2022
Ambitious Achievement New Materials Holding Limited 遠為新材料控股有限公司	An indirect wholly-owned subsidiary	December 2022

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Chun To (鄒振濤) ("**Mr. Chow**"), aged 42, has been appointed as an independent non-executive Director since 28 January 2022. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Chow has more than 18 years of experience in accounting and auditing. Mr. Chow worked at PCP CPA Limited as an accountant III from June 2006 to June 2007. He then joined HLB Hodgson Impey Cheng (currently known as HLB Hodgson Impey Cheng Limited) as an accountant I in June 2007 until December 2007. In February 2008, Mr. Chow joined Deloitte Touche Tohmatsu as an associate and was promoted to a senior in October 2008 until he left the company in April 2011. Mr. Chow worked as a financial manager at Chiho-Tiande (HK) Limited, a wholly-owned subsidiary of Chiho-Tiande Group Limited (currently known as Chiho Environmental Group Limited) (stock code: 976), the issued shares of which are listed on the Main Board of the Stock Exchange, between May 2011 and May 2013. He then worked as a financial controller at JC Group Holdings Limited (currently known as Tonking New Energy Group Holdings Limited) (stock code: 8326), the issued shares of which are listed on GEM, from May 2013 to September 2014. Mr. Chow worked as the financial controller at In Construction Holdings Limited (stock code: 1500), the issued shares of which are listed on the Main Board of the Stock Exchange, between September 2014 and February 2017. He was an independent non-executive director of Geotech Holdings Ltd. (stock code: 1707), AV Promotions Holdings Limited (stock code: 8419) and Kingland Group Holdings Ltd (stock code: 1751) from September 2017 to January 2019, from December 2017 to July 2019 and from November 2016 to December 2024 respectively. Mr. Chow was the company secretary of E-Station Green Technology Group Co., Limited (formerly known as K Group Holdings Limited) (stock code: 8475) and S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (stock code: 8506, the shares of which were delisted from GEM on 7 June 2022), from September 2019 to October 2020 and from May 2021 to June 2023 respectively.

Ms. Wong Chi Yan (黃志恩) ("**Ms. Wong**"), aged 43, has been appointed as an independent non-executive Director since 20 January 2021. She is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Ms. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and an associate member of the Hong Kong Institute of Chartered Secretaries (currently known as The Hong Kong Chartered Governance Institute) and the Chartered Governance Institute. Ms. Wong has extensive experiences in auditing, accounting and financing as well as merger and acquisition.

Ms. Wong is currently an independent non-executive director of each of (i) Success Dragon International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1182); and (ii) Famous Tech International Holdings Limited (formerly known as GET Holdings Limited), the shares of which are listed on GEM (stock code: 8100).

Ms. Wong was an independent non-executive director of (i) Asia Television Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 707) from January 2019 to December 2022; and (ii) Modern Innovative Digital Technology Company Limited (formerly known as Hong Kong ChaoShang Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2322) from September 2023 to December 2023. Ms. Wong served as the company secretary and authorised representative of (i) China Properties Investment Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 736) from February 2018 to October 2023; and (ii) China Environmental Energy Investment Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 986) from July 2023 to August 2023.

Ms. Wong obtained a bachelor of business administration degree in accounting from Hong Kong Baptist University in Hong Kong in December 2003 and a master of laws degree in international corporate and financial law from The University of Wolverhampton in the United Kingdom in November 2016.

Professor Cheung Ka Yue (張嘉裕) ("**Prof. Cheung**"), aged 52, has been appointed as an independent non-executive Director since 11 December 2023. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Prof. Cheung has over three decades of business and professional experience in public accounting firm and across different industries in the commercial sector. He has extensive experience and profound knowledge in the regulatory, corporate finance, compliance, corporate governance and academic fields. He is actively involved in public and social service. He serves as the secretary-general of the honorary consulate of the Republic of Fiji in Hong Kong. He is conferred with the Knight Commander of Rizal of the Republic of the Philippines.

Prof. Cheung is a postdoctoral researcher and an honorary professor. He holds a doctoral degree in business administration, a master's degree in education, a master's degree in laws, a master's degree in professional accountancy, and a bachelor's degree in accounting. He is a practicing accountant in Hong Kong.

Prof. Cheung is currently an independent non-executive director of Peking University Resources (Holdings) Company Limited (stock code: 618, shares of which are listed on the Main Board of the Stock Exchange), Success Dragon International Holdings Limited (stock code: 1182, shares of which are listed on the Main Board of the Stock Exchange), Ganglong China Property Group Limited (stock code: 6968, shares of which are listed on the Main Board of the Stock Exchange), and MaxWin International Holdings Limited (stock code: 8513, shares of which are listed on the GEM of Stock Exchange). He is currently an executive director of Huiyuan Cowins Technology Group Limited, formerly known as Mayer Holdings Limited (stock code: 1116, shares of which are listed on the Main Board of the Stock Exchange). He was an independent non-executive director of Crown International Corporation Limited (stock code: 727, shares of which are listed on the Main Board of the Stock Exchange) from December 2022 to July 2023. He was an independent director of Primega Group Holdings Limited (stock code: ZDAI, shares of which are listed on the NASDAQ) from September 2024 to April 2025.

COMPANY SECRETARY

Ms. Chu Mei Po (朱美寶) ("**Ms. Chu**"), aged 36, has been appointed as the Company Secretary and the Authorised Representative since 13 September 2024. She is also the Chief Financial Officer. Ms. Chu has over 10 years of experience in accounting, finance and audit with international audit firms and a listed company in Hong Kong. She has been the company secretary of Elephant Holdings Group Limited (formerly known as Novacon Technology Group Limited) (the shares of which are listed on GEM of the Stock Exchange (stock code: 8635)) since April 2025. Ms. Chu obtained a degree of Master of Finance from Smith School of Business at Queen's University, Canada, and a degree of Bachelor of Business Administration in Accountancy from City University of Hong Kong. She is a member of the HKICPA.

* *For the purposes of identification only*

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Company is committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are the key to obtaining and maintaining the trust of the Shareholders and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the CG Code as set out in Appendix C1 to the GEM Listing Rules as its corporate governance practices. During the year ended 31 March 2025, to the best knowledge of the Board, the Company has complied with the applicable code provisions set out in Part 2 of the CG Code except for the deviation from code provision D.2.5 of the CG Code as set out in "Risk Management and Internal Control" below in this corporate governance report ("**CG Report**").

CULTURES AND VALUES

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook (including therein the Group's code of conduct), the Anti-bribery and Anti-corruption Policy and the Whistleblowing Policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in business development and management is to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had also made specific enquiry with all the Directors and each of the Directors confirmed that he/she was in compliance with the Required Standard of Dealings throughout the year ended 31 March 2025.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprised five Directors, including two executive Directors, namely Mr. Cheng and Mr. Yu, and three independent non-executive Directors, namely Mr. Chow, Ms. Wong and Prof. Cheung.

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Director(s) and senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors and reviewing the Company's compliance with the CG Code and the disclosures in this annual report. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The biographical details of the Directors and other senior management are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 18 to 22 of this annual report. Save as disclosed in the section headed "Biographical Details of the Directors and Senior Management" in this annual report, none of the Board members has any financial, business, family or other material or relevant relationships with each other.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties as set out in code provision A.2.1 of the CG Code, which include the following:

1. to develop and review the policies and practices on corporate governance of the Group and make recommendations;

2. to review and monitor the training and continuous professional development of the Directors and senior management;

3. to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and

5. to review the Company's compliance with the CG Code and disclosure in the CG Report of the Company.

Composition

The composition of the Board as at the date of this annual report is set out as follows:

Executive Directors

Mr. Cheng Jun *(Chairman)*
Mr. Yu Hua *(Chief Executive Officer)*

Independent non-executive Directors

Mr. Chow Chun To
Ms. Wong Chi Yan
Professor Cheung Ka Yue

The three independent non-executive Directors represent more than one-third of the Board (the proportion of which is higher than what is required by Rule 5.05A of the GEM Listing Rules and in compliance with Rule 5.05(1) of the GEM Listing Rules) and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise in accordance with Rule 5.05(2) of the GEM Listing Rules. With the various experience of the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Company's strategies, performance and control, as well as ensure that the interests of all shareholders are taken into account. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any Shares. The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 5.09 of the GEM Listing Rules.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the other Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years and renewable automatically for successive terms of three years, which may be terminated by not less than one month's notice in writing served by either party on the other and is subject to retirement by rotation and re-election in accordance with the memorandum and articles of association of the Company.

Pursuant to the letter of appointment between the Company and each of the independent non-executive Directors, the independent non-executive Directors have been appointed for an initial term of three years and renewable automatically for successive terms of three years, which may be terminated by either party by giving no less than two months' written notice.

According to the Articles of Association, 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 at every annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an additional Director shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Mr. Yu and Mr. Chow will retire from office as Directors at the forthcoming annual general meeting of the Company to be held on Wednesday, 30 July 2025 pursuant to Article 108 of the Articles of Association. Mr. Yu and Mr. Chow, being eligible, will offer themselves for re-election.

At the forthcoming annual general meeting of the Company, separate ordinary resolutions will be put forward to the Shareholders in relation to the proposed re-election of Mr. Yu and Mr. Chow.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of chairman and chief executive officer are separate and not performed by the same individual to avoid power being concentrated in any one individual. Mr. Cheng is the Chairman and Mr. Yu is the Chief Executive Officer.

TRAINING FOR DIRECTORS AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company Secretary reports from time to time the latest changes and development of the GEM Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities. Up to the date of this annual report, all Directors, namely Mr. Cheng, Mr. Yu, Mr. Chow, Ms. Wong and Prof. Cheung, have participated in continuous professional development by reading in-house training handbook, relevant materials or attending training seminar on the topics related to corporate governance. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they keep abreast with the current requirements under the GEM Listing Rules.

All Directors also understand the importance of continuous professional development and are committed to participating any suitable training or reading relevant materials in order to develop and refresh their knowledge and skills.

COMPANY SECRETARY

The Company Secretary assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance matters.

Ms. Chu possesses the necessary qualification and experience, and is capable of performing the functions of the Company Secretary. Mr. Cheng, the Chairman and an executive Director, is the primary contact person who Ms. Chu contacts.

For the year ended 31 March 2025, Ms. Chu undertook no less than 15 hours of relevant professional training to update her skills and knowledge in accordance with Rule 5.15 of the GEM Listing Rules. The biographical details of Ms. Chu is set out in the section headed "Biographical Details of the Directors and Senior Management" of this annual report.

BOARD COMMITTEES

The Board has established three Board Committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board Committees have been established with defined written terms of reference, which are posted on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.quantongkonggu.com". All the Board Committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board Committees are in line with, so far as practicable, those of the Board meetings set out below.

All Board Committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code which includes, amongst others, developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors, and reviewing the Company's compliance with the code provisions in the CG Code and disclosures in this report.

Audit Committee

The Audit Committee was established on 6 July 2015. The chairman of the Audit Committee is Mr. Chow, an independent non-executive Director, and other members comprise Ms. Wong and Prof. Cheung, the other independent non-executive Directors. The Company has complied with Rule 5.28 of the GEM Listing Rules with three members comprising independent non-executive Directors only and at least one of the members of the Audit Committee is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code have been adopted. The written terms of reference of the Audit Committee have been revised pursuant to Board resolution passed on 28 March 2025.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, oversee the financial controls, internal control procedures and risk management system, effectiveness of the Company's internal audit function, audit plan and relationship with external auditors and review arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2025 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

During the year ended 31 March 2025, the Audit Committee had held two meetings to review and comment on the Company's 2024 annual results and interim results as well as the Company's internal control procedures and risk management system. The details of attendance of each Audit Committee member are set out in the section headed "Attendance Records of Board Meetings, Board Committees Meetings and General Meeting" on page 31 of this report.

Remuneration Committee

The Remuneration Committee was established on 6 July 2015. The chairman of the Remuneration Committee is Prof. Cheung, an independent non-executive Director, and other members comprise Mr. Chow and Ms. Wong, the other independent non-executive Directors. Written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules, code provision E.1.2 of the CG Code and the model under code provision E.1.2(c)(ii) of the CG Code have been adopted.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriate policy and structures for all aspects of Directors' and senior management's remuneration. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors/senior management, employment conditions in the Group and desirability of performance-based remuneration. The Remuneration Committee also assesses the performance of the executive Directors, approves the terms of their service contracts, and reviews and/or approves matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

During the year ended 31 March 2025, the Remuneration Committee had held one meeting to review the remuneration packages and emoluments of Directors and senior management and considered that they are fair and reasonable. During the year ended 31 March 2025, there were no material matters relating to the Scheme which required review or approval by the Remuneration Committee. The details of attendance of each Remuneration Committee member are set out in the section headed "Attendance Records of Board Meetings, Board Committees Meetings and General Meeting" on page 31 of this report.

Nomination Committee

The Nomination Committee was established on 6 July 2015. The chairman of the Nomination Committee is Mr. Cheng, an executive Director and the Chairman, and other members comprise Mr. Chow, Ms. Wong and Prof. Cheung, the independent non-executive Directors. Written terms of reference in compliance with code provision B.3.1 of the CG Code have been adopted.

The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors and make recommendations to the Board on appointment of new directors of the Company. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board.

In designing the Board's composition, board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprised five Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, industry experience, cultural and educational background, professional skills and/or qualifications and knowledge.

During the year ended 31 March 2025, the Nomination Committee had held one meeting to review and recommend the re-election of the Directors. The details of attendance of each Nomination Committee member are set out in the section headed "Attendance Records of Board Meetings, Board Committees Meetings and General Meeting" on page 31 of this report.

ATTENDANCE RECORDS OF BOARD MEETINGS, BOARD COMMITTEES MEETINGS AND GENERAL MEETING

During the year ended 31 March 2025, five Board meetings and one general meeting were held. Apart from the Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 March 2025. Details of the attendance of each Director at the Board meetings, Board Committees meetings and general meeting of the Company are set out below:

	Number of attendance/number of meeting(s)				
Name of Director	**Board Meetings**	**Audit Committee Meetings**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**General Meeting**
Executive Directors					
Mr. Cheng Jun	5/5	N/A	N/A	1/1	1/1
Mr. Yu Hua	5/5	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Chow Chun To	5/5	2/2	1/1	1/1	1/1
Ms. Wong Chi Yan	5/5	2/2	1/1	1/1	1/1
Professor Cheung Ka Yue	5/5	2/2	1/1	1/1	1/1

N/A represents not applicable

Code provision C.5.3 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and Board Committees' meetings, reasonable notices should be given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or Board Committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are provided with details of agenda items for decision making with reasonable notice and are welcomed to include matters in the agenda of each Board meeting. Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the procedures are complied with and advising the Board on compliance matters.

Minutes of Board meetings and Board Committees meetings are kept by the Company Secretary and are opened for inspection as requested by Directors. During the year ended 31 March 2025, the Board was given sufficient time to review and approve the minutes of Board meetings and Board Committees meetings. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company. If potential conflict of interest involving a substantial shareholder or a Director arises which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting. The Directors attended meetings in persons or through other means of electronic communication in accordance with the Articles of Association. The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Directors and senior management. All Directors assume the responsibilities owed to the Shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company. The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates Shareholders on the operations and financial position of the Group through half-yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy ("**Board Diversity Policy**") on 28 December 2018. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Board Diversity Policy

With a view to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In determining the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, professional experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, professional experience, cultural and educational background, expertise, skills and know-how. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will adhere to the Board Diversity Policy to ensure that there is at least one female Director in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, Shareholders, Management and advisors of the Company and external agents as and when appropriate such that a robust pipeline of female successors to the Board can be established in the near future.

Monitoring and reporting

The composition of the Board will be disclosed annually in the CG Report and the Nomination Committee will monitor the implementation of the Board Diversity Policy. The Board currently has one female Director, and as such, the Company has achieved gender diversity on the Board level. The Nomination Committee will report annually, in the CG Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Board Diversity Policy including but is not limited to the progress towards meeting the measurable objectives of this policy.

GENDER RATIO IN WORKFORCE

The Group is dedicated to achieving a balance between growth and diversity in its business and governance practices. The Group is committed to ensuring that recruitment at all levels, including the Board, adheres to stringent diversity criteria in order to consider an expensive pool of talented individuals. The Group firmly believes that diversity is an asset to the Group.

As at 31 March 2025, the Company had 59 employees, 37 of which (i.e. approximately 62.7%) are male and 22 of which (i.e. approximately 37.3%) are female. The Group will continue to take gender diversity into consideration during recruitment. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified.

NOMINATION POLICY

The Board adopted a nomination policy ("**Nomination Policy**") on 28 December 2018. A summary of the Nomination Policy, together with the measurable objectives set for implementing the Nomination Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Nomination Policy

The Nomination Policy aims to set out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors. This also ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business.

Measurable Objectives

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria including but not limited to:

(a) The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort (collectively, the "**Criteria**");

(b) The Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from the Shareholders with due consideration given to the Criteria;

(c) The Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;

(d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(e) The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(f) The Board will have the final authority on determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Registrar of Companies in Hong Kong.

Monitoring and Reporting

The Nomination Committee will assess and report annually, in the CG Report, on the composition of the Board, and launch a formal process to monitor the implementation of this Nomination Policy as appropriate.

REVIEW OF NOMINATION POLICY

The Nomination Committee will launch a formal process to review this Nomination Policy periodically to ensure that it is transparent and fair, remains relevant to the Company's needs and reflects the current regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

DISCLOSURE OF NOMINATION POLICY

A summary of the Nomination Policy including the nomination procedures and process and the Criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year ended 31 March 2025 will be disclosed in the CG Report.

In the circular to the Shareholders for proposing a candidate as an independent non-executive Director, it should also set out:

- the process used for identifying the candidate and why the Board believes the candidate should be elected and the reason why it considers the candidate to be independent;
- if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, the reason the board believes the candidate would still be able to devote sufficient time to the Board;
- the perspectives, skills and experience that the candidate can bring to the Board; and
- how the candidate can contribute to the diversity of the Board.

DIVIDEND POLICY

The Board adopted a dividend policy ("**Dividend Policy**") on 28 December 2018. According to the Dividend Policy, in deciding whether to propose any dividend payout, the Board shall also take into account, inter alia:

- the Group's actual and expected financial performance;
- Shareholders' interests;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group's creditworthiness;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

Such declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance and the Articles of Association. Except for interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at the general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends as appear to the Directors to be justified by the financial conditions and the profits of the Company available for distribution.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and this Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

AUDITOR'S REMUNERATION

The Company has engaged CCTH CPA Limited as its external auditor for the year ended 31 March 2025 until the conclusion of the forthcoming annual general meeting. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

The amount of fees charged by the external auditor generally depends on the scope and volume of the external auditor's work performed. For the year ended 31 March 2025, the remuneration paid or payable to the external auditor of the Company in respect of the audit services for the Group are as follows:

	Fees paid/ payable for the services rendered HK$'000
Audit services	900

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems ("**Systems**") and reviews their effectiveness annually. Such Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective Systems.

The Company has been developing and adopting various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, financial reporting, human resources etc. The main features are as follows:

Control structure

A. The Board

(I) ensure the maintenance of appropriate and effective Systems in order to safeguard the Shareholders' investment and assets of the Company;

(II) define management structure with clear lines of responsibility and limit of authority; and

(III) determine the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives and formulate the Company's risk management strategies.

B. Audit Committee

(I) assist the Board in leading the Management and overseeing their design, implementation and monitoring of the Systems of the Company;

(II) review and discuss with the Management annually to ensure that the Management has performed its duty to maintain effective Systems; and

(III) consider major findings on internal control matters and make recommendations to the Board.

C. The Management

(I) design, implement and monitor the Systems properly and ensure the Systems are executed effectively;

(II) monitor risks and take measures to mitigate risks in day-to-day operations;

(III) give prompt responses to, and follow up the findings on internal control matters; and

(IV) provide confirmation to the Board on the effectiveness of the Systems.

Control approach

The risk management process includes risk identification, risk evaluation and risk management measures as well as reviewing the effectiveness of the Systems and resolving material internal control defects.

The Management conducted interviews with relevant staff members, reviewing relevant documentation of the Systems, identifying and evaluating findings of any deficiencies in the design of the Company's Systems, providing recommendations for improvement and following up on the effectiveness of implementation of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee during the year ended 31 March 2025.

Procedure manuals and operational guidelines are in place to safeguard the assets against unauthorised use or disposition, ensuring maintenance of proper accounting records in compliance with the applicable laws, rules and regulations for the provision of reliable financial information for internal use and/or external publication.

During the year ended 31 March 2025 under review, the Group appointed external professional to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control review and assess effectiveness of the Group's risk management and Systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by external professional to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of external professional as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

The Group has yet to establish its internal audit function during the year ended 31 March 2025 as required under code provision D.2.5 of the CG Code. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. The Audit Committee and the Board have considered the internal control review report prepared by an independent consultancy company and communications with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and Systems. The Company considers that sufficient risk management and internal control of the Group can be maintained with the above-mentioned arrangements. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Inside Information

To ensure timely, fair, accurate and complete disclosure of inside information and for compliance with the applicable laws and regulations, the Group has in place, as an internal control element, procedures for handling and dissemination of inside information. Under the procedures, heads of business units shall report to the Directors any potential inside information event as soon as practicable when it materialises for determining the nature of developments, and if required, making disclosure.

Annual Review

During the year ended 31 March 2025, the Audit Committee has conducted an annual review of the risk management and internal control systems. The results of the review were reported by the Audit Committee to the Board, based on which the Directors concluded that, for the year ended 31 March 2025, the risk management and Systems were effective and adequate and, save for the deviation from code provision D.2.5 of the CG Code as set out above, the Group has complied with the provisions in the CG Code regarding risk management and internal control.

Whistleblowing Policy

The Board has set up a whistleblowing policy (the "**Whistleblowing Policy**") since 2015. The purpose of the Whistleblowing Policy is to (i) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and (ii) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the human resource manager of the Group. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-bribery and Anti-corruption Policy

The Board has adopted an anti-bribery and anti-corruption policy (the "**Anti-bribery and Anti-corruption Policy**") since 2015. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The Anti-bribery and Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-bribery and Anti-corruption Policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. To be in line with this commitment and to ensure transparency in the Group's practices, this Anti-Bribery and Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The Anti-bribery and Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders' communication policy (the "**Shareholders' Communication Policy**") with objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the Shareholders as follows:

(I) corporate communications such as annual reports, quarterly reports (if any), interim reports and circulars are issued in printed form upon request and are available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.quantongkonggu.com";

(II) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(III) corporate information is made available on the Company's website;

(IV) annual and special general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(V) the Company's branch share registrar and transfer office in Hong Kong serves the Shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company has reviewed the implementation and effectiveness of its Shareholders' Communication Policy for the year ended 31 March 2025. Having considered that effective shareholders communication channels are in place and Shareholders are provided with regular updates of the Group's financial performance, strategic direction and material business development, the Board is of view that the Company has established an effective communication channel with its Shareholders and considers that the Company's Shareholders' Communication Policy and its implementation are effective.

During the year ended 31 March 2025, there was no change in the memorandum and articles of association of the Company.

As disclosed in the announcement of the Company dated 30 June 2025, a special resolution will be proposed at the annual general meeting of the Company to be convened and held on Wednesday, 30 July 2025 to approve, among others, the proposed amendments to the existing second amended and restarted memorandum and articles of association of the Company and to adopt the third amended and restated memorandum and articles of association of the Company, in order to, among others, (i) ensure alignment with applicable laws (including the GEM Listing Rules); and (ii) make other consequential and housekeeping changes. For further details, please refer to the announcement of the Company dated 30 June 2025.

SHAREHOLDERS' RIGHT

As one of the measures to safeguard Shareholders' interest and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the respective websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis, in the share capital of the Company (the "**Requisitionists**") pursuant to Article 64 of the Articles of Association. The Requisitionists shall be able to add resolutions to the meeting agenda. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such Article for convening an extraordinary general meeting. Shareholders may put forward proposals with general meeting of the Company by sending the same to the Company at the principal place of business of the Company in Hong Kong.

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong at Unit Nos. 1–3 on Level 9 of Tower A of Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong or by email at info@quantongkonggu.com.

DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. Key procedures in place include:

— define the requirements of periodic financial and operational reporting to the Board and the Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;

— control the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and

— procedures of communicating with the Group's stakeholders, including Shareholders, investors, analysts, etc. in ways which are in compliance with the GEM Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the respective websites of the Stock Exchange and the Company.

DIRECTORS' ACKNOWLEDGEMENT

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the financial position of the Group. The Directors ensure the consolidated financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the publication of the consolidated financial statements of the Group is made in a timely manner. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

AUDITOR'S STATEMENT

The statement of the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group for the year ended 31 March 2025 is set out in the Auditor's Report on pages 53 to 58.

DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in foundation and other construction business in Hong Kong and internet services (including O2O Commerce and supply chain management) in the PRC. Details of the principal activities of its subsidiaries are set out in Note 29 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2025.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group, environmental policies and performance of the Group, compliance with laws and regulations by the Group, its relationships with customers, suppliers, subcontractors and employees, an indication of likely future developments in the Group's business and events after the reporting period, can be found in the Management Discussion and Analysis set out on pages 6 to 17 of this annual report. This discussion forms part of this directors' report.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2025 is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 59 to 61.

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

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 131 in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2025 are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

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

RESERVES

Details of movements in the reserves of the Company are set out in Note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

RELATED PARTY TRANSACTION

The related party transaction disclosed in Note 30 to the consolidated financial statements were connected transactions fully exempt from the Shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

DISTRIBUTABLE RESERVES

The Company's reserves comprise share premium, capital reserves and accumulated losses. No reserve of the Company is available for distribution to shareholders as at 31 March 2025 (2024: Nil).

SHARE OPTION SCHEME

The Company has adopted the Scheme on 6 July 2015 pursuant to the written resolution of the Shareholders on 6 July 2015 for the purpose of providing additional incentives to eligible participants for their contribution to the Group and/or enabling the Group to attract and retain best available personnel that are valuable to the Group.

Details of the Scheme are as follows:

1.	Purpose of the Scheme	As incentive to eligible participants for their contribution to the Group and/or to enable the Group to attract and retain best available personnel that are valuable to the Group.
2.	Eligible participants to the Scheme	Any eligible employee (full-time or part-time), 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.	Total number of Shares available for issue under the Scheme and percentage to the Issued Share Capital as at the date of this annual report	80,000,000 shares (equivalent to approximately 8.39% of total Issued Share Capital (excluding treasury shares) as at the date of this annual report).

4.	Maximum entitlement of each participant under the Scheme	Not exceeding 1% of the Issued Share Capital for the time being in any 12 month period up to the date of grant. Any further grant of Option in excess of such limit must be separately approved by the Shareholders in general meeting with such grantee and his/her associate(s) abstaining from voting.
5.	The period within which the Options may be exercised by grantees under the Scheme	A period (which may not expire later than 10 years from the date of offer of that Option) to be determined and notified by Directors to the grantee thereof.
6.	Vesting period of Options	Unless otherwise determined by the Directors, there is no minimum period required under the Scheme for the holding of an Option before it can be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Options, there is no performance target which must be achieved before any of the Options can be exercised.
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 remittance of HK$1.00 on or before the date of acceptance (which may not be later then seven days from the date of offer).
8.	The basis of determining the exercise price	Being determined by the Directors and being not less than the price highest of: a. the closing price of Shares as stated in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day; b. the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately proceeding the offer date; and c. the nominal value of the Share on the offer date.
9.	The remaining life of the Scheme	The Scheme is valid and effective for a period of 10 years commencing on 6 July 2015 (being the date of adoption of the Scheme). As at 31 March 2025, the remaining life of the Scheme was approximately 3 months.

No Option has been granted, exercised, cancelled, lapsed or forfeited under the Scheme since its adoption and up to the date of this annual report. As at 1 April 2024 and 31 March 2025, there was no outstanding share option and the number of options available for grant under the Scheme was 80,000,000.

MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During the year ended 31 March 2025, the percentage of the Group's aggregate turnover attributable to the Group's largest customer was approximately 43.0%, while the percentage of the Group's total turnover attributable to the five largest customers in aggregate was approximately 71.7%.

During the year ended 31 March 2025, the percentage of purchase attributable to the Group's largest supplier was approximately 6.9% of the total cost of sales for the period, while the percentage of purchase attributable to the Group's five largest suppliers accounted for approximately 11.7% of the total cost of sales.

During the year ended 31 March 2025, the percentage of purchase attributable to the Group's largest subcontractor was approximately 20.4% of the total cost of sales for the period, while the percentage of purchase attributable to the Group's five largest subcontractors accounted for approximately 29.1% of the total cost of sales.

None of the Directors or any of their respective close associates, or any Shareholder (which, to the best knowledge of the Directors, own more than 5% of the Issued Share Capital) (excluding treasury shares) had any beneficial interest in the Group's five largest customers, suppliers or subcontractors during the year ended 31 March 2025.

DIRECTORS

The composition of the Board as at the date of this annual report were as follows:

Executive Directors
Mr. Cheng Jun *(Chairman)*
Mr. Yu Hua *(Chief Executive Officer)*

Independent non-executive Directors
Mr. Chow Chun To
Ms. Wong Chi Yan
Professor Cheung Ka Yue

According to the Articles of Association, 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 at every annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an additional Director shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Accordingly, Mr. Yu and Mr. Chow will retire from office as Directors at the forthcoming annual general meeting of the Company. Mr. Yu and Mr. Chow, being eligible, will offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses and liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years and renewable automatically for successive terms of three years, which may be terminated by not less than one month's notice in writing served by either party on the other and is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Pursuant to the letter of appointment between the Company and each of the independent non-executive Directors, the independent non-executive Directors have been appointed for an initial term of three years and renewable automatically for successive terms of three years, which may be terminated by either party by giving no less than two months' written notice.

None of the Directors has any unexpired service contract or letter of appointment which is not determinable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 18 to 22 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Note 11 to the consolidated financial statements.

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload, performance, the time devoted to the Group and the market condition.

The Remuneration Committee will meet at least once each year to discuss remuneration related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in Note 30 to the consolidated financial statements, no Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party that was subsisting during or at the end of the year ended 31 March 2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's Controlling Shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's Controlling Shareholders or their subsidiaries during the year ended 31 March 2025.

MANAGEMENT CONTRACTS

As at 31 March 2025, save for the service contracts of the executive Directors, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of any business of the Company.

PENSION SCHEME ARRANGEMENTS

A Mandatory Provident Fund Scheme (the "**MPF Scheme**") has been set up for employees of the Group in Hong Kong, in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). All employees in Hong Kong are required to join the MPF Scheme and the employees and their employer are each required to contribute 5% of their gross earnings with a current ceiling of HK$1,500 per month to the MPF scheme. The only obligation of the Group with respect to the MPF Scheme is to make required contribution under the scheme. The Group pays "five social insurances and one housing fund" for employees in accordance with the Social Insurance Law of the PRC, namely, endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund to ensure employees are covered by social insurance. No forfeited contribution is available to reduce the existing level of contributions. The contribution charged to the consolidated statement of comprehensive income represents the contribution payable to the funds by the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the section headed "Directors' Report — Disclosure of Interests" below and the Scheme disclosed in Note 38 to the consolidated financial statements, at no time during the year ended 31 March 2025 were rights to acquire benefits by means of the acquisition of Shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the ordinary shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of shareholding
Mr. Cheng Jun	Beneficial owner	180,078,000	18.89%

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

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

As at 31 March 2025, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Directors' Report — Disclosure of Interests — Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had or were deemed to have an interest or a short position in the shares or the underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

COMPETING INTERESTS

During the year ended 31 March 2025, the Directors, the Controlling Shareholders of the Company and their respective close associates did not have any business or interest apart from the business of the Group which competed or might compete, directly or indirectly, with the business of the Group or any other conflicts of interests which any such person had or might have with the Group.

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

Save as disclosed in "Management Discussion and Analysis — Subscription of New Shares", during the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

NON-COMPETITION UNDERTAKINGS IN DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has undertaken, among other things, not to conduct any business transactions with any individual or company that are similar to the Group's business or in any way competes with the Group, whether directly or indirectly. Each of the executive Directors confirms that he had complied with the non-competition undertakings as set out in their respective service contracts from the date of the service contract up to the date of this annual report.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Friday, 25 July 2025 to Wednesday, 30 July 2025, both days inclusive, during which period no transfer of the Shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 24 July 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 March 2025.

DONATIONS

No donations had been made by the Group during the year ended 31 March 2025 (2024: Nil).

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the CG Report on pages 23 to 43 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

As at 31 March 2025 and the date of this report, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors in writing an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

INDEPENDENT AUDITOR

CCTH CPA Limited was appointed as the auditor of the Company with effect from 23 February 2023 to fill the casual vacancy following the resignation of BDO Limited with effect from 23 February 2023. Details of the change of auditors were set out in the announcement of the Company dated 23 February 2023. Saved as disclosed above, the Company has not changed its external auditors in any of the preceding three years.

The consolidated financial statements of the Group for the year ended 31 March 2025 has been audited by CCTH CPA Limited. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint CCTH CPA Limited as auditor of the Company.

ON BEHALF OF THE BOARD

Cheng Jun
Chairman and Executive Director

Hong Kong, 25 June 2025

CCTH CPA LIMITED
中正天恆會計師有限公司

TO THE SHAREHOLDERS OF
China Hongbao Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Hongbao Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 59 to 130, 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3(b) to the consolidated financial statements that the Group incurred a net loss of approximately HK$9,747,000 for the year ended 31 March 2025 and the Group had net current liabilities and net liabilities of approximately HK$16,659,000 and HK$15,332,000, respectively, as at 31 March 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in Note 3(b) to the consolidated financial statements, the directors are of the opinion that the Group will be able to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition — construction contracts	
Refer to Note 5 and Note 6 to the consolidated financial statements.	
The Group recorded revenue from foundation and other construction works of approximately HK$46,168,000 for the year ended 31 March 2025. The Group recognised revenue from construction contracts over time using the output method, which is by reference to the progress toward complete satisfaction of performance obligation at the end of the reporting period. For those contracts that contain variable consideration, the Group estimates the amount of variable consideration to which it will be entitled and includes it in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. We have identified the revenue recognition of construction contracts as a key audit matter as the magnitude of the revenue are significant and it involves significant management judgment and estimation.	Our procedures in relation to revenue recognition included: • Obtaining an understanding of the Group's key internal controls over the revenue recognition process; • Understanding the significant estimates made by management and discussing the status of selected projects with the management of the Group; • Assessing management's estimates by comparing the gross profit margin with similar completed projects; • Assessing reasonableness of revenue recognised and the progress towards completion of the contracts by reference to the relevant payment certificates issued by customers; and • Testing, on a sample basis, on costs incurred, including checking invoices and timesheet to ensure that the costs are directly attributable to the contracts tested.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">Expected credit losses assessment of trade receivables and contract assets</td></tr>
<tr><td colspan="2">Refer to Note 4, Note 5, Note 16 and Note 17 to the consolidated financial statements.</td></tr>
<tr><td>As at 31 March 2025, the Group had trade receivables and contract assets amounting to approximately HK$10,147,000 and HK$2,000 respectively (net of allowance for expected credit loss ("ECL") of approximately HK$6,170,000 and HK$2,000, respectively).

Management of the Group has performed impairment assessment of the trade receivables and contract assets, based on information including the Group's historical credit loss experience, the number of days past due, adjusted for forward-looking factors and specific consideration to the debtors and the economic environment.

We focused on this area due to the magnitude of the trade receivables and the ECL assessment on trade receivables involved significant management's judgements and estimation.</td><td>Our procedures in relation to ECL assessment of trade receivables and contract assets included:

• Obtaining an understanding of the Group's methodology for the ECL assessment and the key data and assumption involved;

• Obtaining management's assessment on the collectability of individual significant balances, and corroborating management's assessment against relevant supporting evidence, including credit history and financial capability of these customers;

• Assessing the reasonableness of management's ECL assessment by examining the key inputs, on a sample basis, used by the management, including assessing the reasonableness of management's use of the historical and forward-looking information;

• Assessing whether the trade receivables and contract assets were appropriately grouped for collective assessment by checking the nature and aging profiles of the trade receivables and contract assets, on a sample basis; and

• Testing the aging and historical settlement records used by management by checking to the supporting documents, on a sample basis.</td></tr>
</table>

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 THE 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 judgement and maintain professional scepticism throughout the audit. We also:

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

- 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

CCTH CPA Limited
Certified Public Accountants

Yeung May May Joey
Practising certificate number: P05205

Hong Kong, 25 June 2025

Unit 1510–1517, 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	6	**80,854**	97,557
Cost of sales		**(57,835)**	(76,559)
Gross profit		**23,019**	20,998
Other income and gains	7	**145**	17,153
Impairment loss recognised on			
— trade receivables, net	17	**(1,625)**	(3,506)
— other receivables, net	17	**(7)**	(1)
— deposits		**(53)**	(3)
— contract assets	16	**(531)**	(5,107)
— property, plant and equipment	15	**(1,694)**	(2,782)
Administrative expenses		**(27,421)**	(32,227)
Finance costs	10	**(1,222)**	(2,002)
Loss before income tax	8	**(9,389)**	(7,477)
Income tax expense	12	**(358)**	(1)
Loss for the year		**(9,747)**	(7,478)
Other comprehensive (expenses)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(78)**	742
Total comprehensive expense for the year attributable to owners of the Company		**(9,825)**	(6,736)
		2025 **HK cents**	2024 HK cents
Loss per share			
— Basic and diluted	14	**(1.09)**	(0.86)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current Assets			
Property, plant and equipment	15	**1,327**	6,183
Current Assets			
Trade and other receivables	17	**11,211**	8,111
Prepayments and deposits	18	**9,538**	7,321
Contract assets	16	**2**	529
Cash and cash equivalents	19	**36,771**	1,230
		57,522	17,191
Assets classified as held for sale	31	**5**	–
		57,527	17,191
Total Assets		**58,854**	23,374
Current Liabilities			
Trade and other payables	21	**17,108**	11,145
Contract liabilities	20	**30,402**	4,680
Income tax payable		**204**	–
Lease liabilities	24	**1,686**	2,875
Amount due to a director	23	**1,184**	–
Amount due to a shareholder	23	**–**	3,156
Loan from a related party	23	**14,375**	14,375
Other borrowings	22	**2,200**	16,446
		67,159	52,677
Liabilities directly associated with assets classified as held for sale	31	**7,027**	–
		74,186	52,677
Net Current Liabilities		**(16,659)**	(35,486)
Total Assets less Current Liabilities		**(15,332)**	(29,303)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current Liabilities			
Lease liabilities	24	**–**	1,847
		–	1,847
NET LIABILITIES		**(15,332)**	(31,150)
Equity attributable to owners of the Company			
Share capital	26	**9,534**	8,664
Reserves		**(24,866)**	(39,814)
TOTAL DEFICITS		**(15,332)**	(31,150)

The consolidated financial statements on pages 59 to 130 were approved and authorised for issue by the board of directors on 25 June 2025 and are signed on its behalf by:

Cheng Jun
Director

Yu Hua
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital (Note 26) HK$'000	Share premium (Note 28(a)) HK$'000	Merger reserve (Note 28(b)) HK$'000	Capital reserve (Note 28(c)) HK$'000	Statutory reserve (Note 28(d)) HK$'000	Exchange reserve (Note 28(e)) HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2023	8,664	129,601	(51,705)	5,741	341	(1,181)	(115,875)	(24,414)
Loss for the year	–	–	–	–	–	–	(7,478)	(7,478)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	–	–	–	–	–	742	–	742
Total comprehensive income/(expenses) for the year	–	–	–	–	–	742	(7,478)	(6,736)
Transferred to accumulated losses on disposal of subsidiaries (Note 31(b))	–	–	51,705	(982)	–	–	(50,723)	–
As at 31 March 2024 and 1 April 2024	8,664	129,601	–	4,759	341	(439)	(174,076)	(31,150)
Loss for the year	–	–	–	–	–	–	(9,747)	(9,747)
Other comprehensive expenses:								
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(78)	–	(78)
Total comprehensive expenses for the year	–	–	–	–	–	(78)	(9,747)	(9,825)
Derecognition of an other borrowing (Note 22(a))	–	–	–	(2,136)	–	–	13,582	11,446
Transactions with owners in their capacity as owners:								
Loan capitalisation through subscription of new shares	870	13,327	–	–	–	–	–	14,197
As at 31 March 2025	**9,534**	**142,928**	**–**	**2,623**	**341**	**(517)**	**(170,241)**	**(15,332)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Loss before income tax		**(9,389)**	(7,477)
Adjustments for:			
Depreciation of property, plant and equipment	15	**2,811**	4,763
Finance costs	10	**1,222**	2,002
Gain on disposal of subsidiaries	31	**(91)**	(17,059)
Gain on early termination of lease contract	7	**(11)**	(12)
Impairment loss recognised on:			
— trade receivables	17	**1,625**	3,506
— other receivables	17	**7**	1
— deposits	18	**53**	3
— contract assets	16	**531**	5,107
— property, plant and equipment	15	**1,694**	2,782
Operating loss before working capital changes		**(1,548)**	(6,384)
(Increase)/decrease in contract assets		**(4)**	1,901
(Increase)/decrease in trade and other receivables		**(4,656)**	27,360
Increase in prepayments and deposits		**(2,353)**	–
Increase/(decrease) in trade and other payables		**8,917**	(10,198)
Increase/(decrease) in contract liabilities		**25,842**	(34,126)
Cash generated from/(used in) operations		**26,198**	(21,447)
Income tax paid		**(152)**	(1)
Net cash generated from/(used in) operating activities		**26,046**	(21,448)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(7)**	(301)
Proceeds from disposal of subsidiaries		**78**	2
Asset classified as held for sale		**(5)**	–
Net cash generated from/(used in) investing activities		**66**	(299)
Cash flows from financing activities			
New other borrowings	34(b)	**12,200**	5,000
Additions of amount due to a director	34(b)	**1,184**	–
Repayment of other borrowings	34(b)	**(802)**	–
Payment for lease liabilities	34(b)	**(2,667)**	(2,983)
Interest paid on lease liabilities	34(b)	**(189)**	(361)
Net cash generated from financing activities		**9,726**	1,656
Net increase/(decrease) in cash and cash equivalents		**35,838**	(20,091)
Cash and cash equivalents at beginning of the year		**1,230**	20,574
Effect of foreign exchange rate changes		**(297)**	747
Cash and cash equivalents at end of the year	19	**36,771**	1,230

1. GENERAL

China Hongbao Holdings Limited (the "Company", together with its subsidiaries, the "Group") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands. The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company's head office and principal place of business is located at Unit Nos. 1–3 on Level 9 of Tower A of Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong. The Company is an investment holding company and its subsidiaries are principally engaged in the foundation and other constructions business and internet services (including O2O commerce and supply chain management) in Hong Kong and Mainland China of the People's Republic of China (the "PRC").

In the opinion of the directors of the Company, the Company's ultimate controlling party is Mr. Cheng Jun, who is also the chairman of the board of directors and an executive director of the Company.

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

(a) New and 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 Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods 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 Arrangements

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 STANDARD ("HKFRSs") (Continued)

(a) New and Amendments to HKFRSs that are mandatorily effective for the current year (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 STANDARD ("HKFRSs") (Continued)

(b) 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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
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.

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

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 STANDARD ("HKFRSs") (Continued)

(b) 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group 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 of Hong Kong Limited (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(a) Basis of preparation of consolidated financial statements (Continued)

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

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

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

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

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

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

(b) Basis of preparation and going concern assumption

The Group incurred a net loss of approximately HK$9,747,000 for the year ended 31 March 2025 and the Group had net current liabilities and net liabilities of approximately HK$16,659,000 and HK$15,332,000, respectively, as at 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(b) Basis of preparation and going concern assumption (Continued)

The consolidated financial statements have been prepared on a going concern basis as the directors of the Company, based on a cash flow forecast of the Group that is prepared by them covering a period from 1 April 2025 to 30 September 2026 (the "Cash Flow Forecast"), and assuming that Mr. Cheng Jun ("Mr. Cheng"), Mr. Fu Yik Lung ("Mr. Fu"), Mr. Ng Yeuk Cheung ("Mr. Ng") and Mr. Xing Yuan ("Mr. Xing") would fulfill their undertakings as detailed below, are satisfied that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future. In preparing the Cash Flow Forecast, the directors of the Company have taken account of the following:

Subsequent to the end of the reporting period, the parties listed below have undertaken not to demand repayment of the amounts due from the Company as at 31 March 2025, within eighteen months from 31 March 2025.

Name of party	Capacity	Nature of amount due	Note	As at 31 March 2025 HK$'000
Mr. Cheng	Chairman of the Board, an executive Director and the ultimate controlling party of the Company	Amount due to a director	23	**1,184**
Mr. Fu	A former director of the ultimate holding company	Loan from a related party	23	**14,375**
Mr. Ng	A director of a wholly owned subsidiary of the Company	Included in other payables	21	**3,104**
Mr. Xing	A former executive director of the Company	Liabilities directly associated with assets classified as held for sale	32	**4,138**
				22,801

Should the adoption of the going concern basis in preparation of the consolidated financial statements be inappropriate, adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to re-classify non-current assets and non-current liabilities to current assets and current liabilities respectively. The effect of these adjustments have not been reflected in these consolidated financial statements.

(c) Functional and presentation currencies

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

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

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(c) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leased building where the Group is not the registered owner of the property interest (see Note 4(e)), are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

Leased building	Over shorter of asset's useful life and the lease terms
Machineries	Over shorter of 20% per annum and the lease terms
Furniture and equipment	20% per annum
Motor vehicles	30% per annum

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Leases

The Group as a lessee

All leases are required to be capitalised in the consolidated statement of financial position as right-of- use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months and low-value assets. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. The Group presents leased building which is held for own use under property, plant and equipment and are amortised over the shorter of assets' useful life and lease term on a straight-line basis.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed lease payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Leases (Continued)

Lease liability (Continued)

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

The Group as a lessor

The Group has leased out its machineries to a tenant. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

(f) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Financial instruments (Continued)

(i) Financial assets (Continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets at amortised cost as explain below:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade and other receivables, contract assets and other financial assets measured at amortised cost. The ECLs are updated at each reporting period and are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The Group always recognise lifetime ECL for trade receivables and contract assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measured loss allowances for trade receivables, and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The ECL on trade receivables and contract assets are assessed individually.

The Group has estimated lifetime ECLs on an individual customer basis that is based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECL except for trade receivables and contract assets which apply the simplified approach as detailed above.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL.

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL.

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECL.

Significant increase in credit risk

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

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;
- 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 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.

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. Irrespective of the above, the Group considers that default has occurred when a financial asset is more than one year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. All trade receivables with more than one year past due are considered an event of default and fully credit-impaired.

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; or

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments where the corresponding adjustment is recognised through loss allowance account.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred, including financial liabilities at amortised cost. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, other borrowings, amount due to a shareholder and loan from a related party are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plans

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

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

For the defined contribution schemes of the Group, the forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) would not be used by the employer to reduce the existing level of contribution.

(iii) Termination benefits

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

(h) Cash and cash equivalents

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the combined statements of cash flows, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

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

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liabilities under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

As the delayed payment terms in respect of retention receivables are for reasons other than to provide financing to the customers, which is security given to the customer in case that the Group fails to adequately complete some or all of its obligations under the contract, there are no significant financing component identified.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Revenue recognition (Continued)

(a) Provision of foundation and other construction services

The Group provides foundation and other construction services based on contracts entered into with customers. Such contracts are entered into before the services begin. Based on the terms of the contracts and the specific facts and circumstances, the Group recognises revenue from provision of foundation and other construction service over time as the Group believes that, the foundation and other construction work performed by the Group creates or enhances the assets that the customers control as the assets is created or enhanced. Revenue from provision of foundation construction work is therefore recognised over time using output method, i.e. based on the progress towards completion of the contracts by reference to the relevant payment certificate issued by customers. The Directors consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under HKFRS 15 "Revenue from Contracts with Customers".

For other construction services, the construction work is recognised over time using an input method based on the progress towards satisfaction of the services, measured based on proportion of contract cost incurred for work performed to date relative to the estimated total contract cost.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

For the loss making contracts, when it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the change in circumstance during the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Revenue recognition (Continued)

(b) Provision of internet services (including O2O commerce and supply chain management)

The Group provide an integrated online-and-offline sales of food, daily necessities and other commodities, and providing related electronic platforms of supply chain management in the PRC ("O2O commerce").

For O2O commerce, the Group also opens the online platforms to merchants party under certain agreements, under which the merchants party pays the fees to the Group and the merchants party has the exclusive right to recruit business agents in designated regions and industries for its online platforms. The Group recognises the related revenue when the relevant services are provided by the Group. The Group has changed the terms of these agreements to charge an annual payment for the exclusive right instead of a one-off payment, resulting in the recognition of related revenue over time rather than at point in time since February 2025.

For supply chain management, revenue is recognised when the control of the goods is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods is transferred at a point in time.

(c) Other income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

(d) Contract assets and liabilities, retention receivables

Contract assets represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. 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.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Revenue recognition (Continued)

(d) Contract assets and liabilities, retention receivables (Continued)

Contract assets are recognised when (i) the Group performs the other construction works under such services contracts but yet to issue billing certified through the contract terms agreed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as contract assets are reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date then the Group recognises contract liabilities for the difference.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

(e) Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty, related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income tax.

Deferred tax liabilities are recognised for taxable temporary differences arising on property, plant and equipment, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

(k) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment and investment in subsidiaries, to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as profit or loss immediately.

(m) Related parties

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Related parties (Continued)

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

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

(n) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets.

Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The measurement policies the Group uses for reporting segment results under HKFRS 8 "Operating Segment" are the same as those used in its consolidated financial statements prepared under HKFRS 8.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(p) Foreign currencies

Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary financial assets are recognised in profit or loss. Exchange gains and losses on non-monetary OCI financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into HK$ at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the exchange reserve.

Exchange differences recognised in profit or loss in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements of the Group requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Critical judgements regarding going concern basis

As disclosed in Note 3(b), the consolidated financial statements have been prepared on a going concern basis. The appropriateness of the going concern basis is assessed after taking into account of all relevant available information about the future of the Group, including cash flow forecast of the Group covering a period up to 30 September 2026. Such forecast about the future inherently involves various assumptions and uncertainties. In the preparation of the cash flow forecast of the Group, the directors assumed that further extension of the amount due to a director, loan from a shareholder, other payable and liabilities directly associated with assets classified as held for sale would be granted until the Group is able to meet its obligations. Actual results could differ significantly and hence render the adoption of the going concern basis not appropriate.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Provision of foundation construction services

The determination of the progress of the foundation construction services involves judgements and the Group recognises revenue on over-time basis, which is by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the output method in accordance with HKFRS 15 “Revenue from contracts with customers”. For those contracts that contain variable consideration, the Group estimates the amount of variable consideration to which it will be entitled and includes it in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulated revenue recognised will not occur.

Significant judgement is required in revenue recognition of construction contracts. Further the uncertainty and subjectivity involved in determining the estimation of contract revenue may have a significant impact on the results of the Group.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Estimates and assumptions (Continued)

(ii) Impairment of non-financial assets

The Group assesses at the end of each of the reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the cash-generating unit ("CGU") to which the asset is allocated or fair value less costs of disposal which is based on management estimates having regard to estimated fair value provided by independent external valuer, which is a level 3 fair value measurement. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

(iii) Expected credit loss allowance of trade and other receivables and contract assets

Management of the Group has determined the provision for the trade and other receivables and contract assets by estimating a lifetime/12-month expected loss allowance for all trade and other receivables and contract assets. The loss allowance for financial assets and contract assets is determined based on a number of key assumptions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on information including the Group's historical credit loss experience, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment.

(iv) Income taxes

Determining income tax provisions requires the Group to make judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

6. REVENUE AND SEGMENT INFORMATION

Operating segments

The Group was principally engaged in the provision of foundation and other construction works and internet services (including of supply chain management) in Hong Kong and Mainland China of the PRC for the year ended 31 March 2025. The executive directors have been identified as the chief operating decision-maker, responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

The reportable operating segments and their results are as below:

Year ended 31 March 2025

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Revenue	46,168	34,686	–	80,854
Cost of sales	(42,201)	(15,634)	–	(57,835)
Impairment loss recognised on financial assets and contract assets	(2,147)	(69)	–	(2,216)
Impairment loss recognised on property, plant and equipment	(1,694)	–	–	(1,694)
Finance costs	(42)	(12)	–	(54)
Segment profit	84	18,971	–	19,055
Unallocated other income and gains				145
Unallocated corporate expenses				(27,421)
Finance costs				(1,168)
Loss before income tax				(9,389)
Income tax expense				(358)
Loss for the year				(9,747)

6. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Year ended 31 March 2024

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Revenue	59,550	38,007	–	97,557
Cost of sales	(54,600)	(21,959)	–	(76,559)
Impairment loss (recognised)/ reversed on financial assets and contract assets	(8,286)	68	(399)	(8,617)
Impairment loss recognised on property, plant and equipment	(2,782)	–	–	(2,782)
Finance costs	(87)	(36)	–	(123)
Segment (loss)/profit	(6,205)	16,080	(399)	9,476
Unallocated other income and gains				17,153
Unallocated corporate expenses				(32,227)
Finance costs				(1,879)
Loss before income tax				(7,477)
Income tax expense				(1)
Loss for the year				(7,478)

Revenue reported above represents revenue generated from external customers. These were no inter-segment sales for both of the years ended 31 March 2025 and 31 March 2024.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

The following other segment information is included in the measure of segment profit or loss:

Year ended 31 March 2025

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Depreciation of property, plant and equipment	**1,088**	**283**	**–**	**1,371**
Gain on early termination of lease contract	**–**	**(11)**	**–**	**(11)**
Impairment loss recognised/(reversed) on:				
Trade receivables, net	**1,617**	**8**	**–**	**1,625**
Other receivables, net	**(1)**	**8**	**–**	**7**
Deposits	**–**	**53**	**–**	**53**
Contract assets	**531**	**–**	**–**	**531**
Property, plant and equipment	**1,694**	**–**	**–**	**1,694**

Year ended 31 March 2024

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Depreciation of property, plant and equipment	2,498	705	–	3,203
Gain on early termination of lease contract	–	(12)	–	(12)
Impairment loss recognised/(reversed) on:				
Trade receivables, net	3,574	(68)	–	3,506
Other receivables, net	3	–	–	3
Deposits	1	–	-	1
Contract assets, net	4,708	–	399	5,107
Property, plant and equipment	2,782	–	–	2,782

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

Year ended 31 March 2025

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Assets				
Segment assets	7,071	3,078	5	10,154
Property, plant and equipment				1,327
Other receivables				10,602
Cash and cash equivalents				36,771
Consolidated total assets				58,854
Liabilities				
Segment liabilities	1,000	36,803	7,027	44,830
Other payables				10,158
Other borrowing				2,200
Amount due to a director				1,184
Loan from a related party				14,375
Lease liabilities				1,439
Consolidated total liabilities				74,186
Other segment information:				
Additions to non-current assets	–	–	–	–

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

Year ended 31 March 2024

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Assets				
Segment assets	10,535	1,405	–	11,940
Property, plant and equipment				2,759
Other receivables				7,445
Cash and cash equivalents				1,230
Consolidated total assets				23,374
Liabilities				
Segment liabilities	8,580	1,450	6,087	16,117
Other payables				4,256
Other borrowings				16,446
Loan from a related party				14,375
Lease liabilities				3,330
Consolidated total liabilities				54,524
Other segment information:				
Additions to non-current asset	1,006	952	–	1,958

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

— all assets are allocated to operating and reportable segments, other than certain unallocated property, plant and equipment, other receivables and cash and cash equivalents.

— all liabilities are allocated to operating and reportable segments, other than certain unallocated other payables, other borrowings, amount due to a director, amount due to a shareholder, loan from a related party and lease liabilities.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Disaggregation of revenue from contract with customers

The following analysis of revenue under HKFRS 15 is disaggregated by timing of revenue recognition.

Year ended 31 March 2025

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Revenue recognised				
At point in time	–	6,867	–	6,867
Over time	46,168	27,819	–	73,987
	46,168	34,686	–	80,854

Year ended 31 March 2024

	Foundation and other construction works HK$'000	Internet services HK$'000	Supply and installation of new energy charging piles HK$'000	Total HK$'000
Revenue recognised				
At point in time	–	38,007	–	38,007
Over time	59,550	–	–	59,550
	59,550	38,007	–	97,557

Geographical information

The Group's revenue was principally derived from Hong Kong and Mainland China of the PRC, based on the location of the customers.

	2025 HK$'000	2024 HK$'000
Hong Kong	46,168	59,550
Mainland China	34,686	38,007
	80,854	97,557

6. REVENUE AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	Attributable to reportable segments	2025 HK$'000	2024 HK$'000
Customer A	Foundation and other construction works	**34,785**	30,976
Customer B	Internet services	**9,225**	21,858
Customer C	Foundation and other construction works	**N/A#**	18,236

The revenue from customer C for the year ended 31 March 2025 did not exceed 10% of the Group's revenue for the year.

The Group has applied the practical expedient to its contracts for foundation and other construction services and therefore, the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for construction production, all of which had an original expected duration of one year or less.

The above amount also does not include any amounts of completion bonuses that the Group may earn in the future by meeting conditions set out in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses. During the years ended 31 March 2025 and 2024, the Group did not have any contracts with completion bonuses.

7. OTHER INCOME AND GAINS

	Note	2025 HK$'000	2024 HK$'000
Bank interest income		**9**	5
Gain on disposal of subsidiaries	31	**91**	17,059
Gain on early termination of lease contract		**11**	12
Others		**34**	77
		145	17,153

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived after charging:

	2025 HK$'000	2024 HK$'000
Depreciation charge of property, plant and equipment:		
— Owned property, plant and equipment	**644**	1,298
— Right-of-use assets	**2,167**	3,465
	2,811	4,763
Auditor's remuneration	**900**	900
Employee benefit expenses (Note 9)	**14,739**	27,844

9. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	2025 HK$'000	2024 HK$'000
Wages, salaries and other benefits	**12,400**	24,528
Post-employment benefits — defined contribution retirement plan contributions	**2,339**	3,316
	14,739	27,844

10. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on loan from other borrowings	**3**	607
Interest on lease liabilities	**189**	361
Imputed interest for shareholder loans (Note 23(b))	**1,030**	1,034
	1,222	2,002

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

	Fees HK$'000	Salaries and benefits HK$'000	Discretionary bonus HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2025					
Executive directors:					
Mr. Cheng Jun	**–**	**960**	**80**	**18**	**1,058**
Mr. Yu Hua	**–**	**793**	**–**	**72**	**865**
	–	**1,753**	**80**	**90**	**1,923**
Independent non-executive directors:					
Ms. Wong Chi Yan	**120**	**–**	**–**	**–**	**120**
Mr. Chow Chun To	**120**	**–**	**–**	**–**	**120**
Professor Cheung Ka Yue (ii)	**120**	**–**	**–**	**–**	**120**
	360	**–**	**–**	**–**	**360**
Total	**360**	**1,753**	**80**	**90**	**2,283**
Year ended 31 March 2024					
Executive directors:					
Mr. Cheng Jun	–	960	–	13	973
Mr. Yu Hua	–	766	–	421	1,187
Mr. Ji Zhendong (i)	–	–	–	–	–
	–	1,726	–	434	2,160
Independent non-executive directors:					
Dr. Kung Wai Chiu Marco (iii)	40	–	–	–	40
Ms. Wong Chi Yan	83	–	–	–	83
Mr. Chow Chun To	120	–	–	–	120
Professor Cheung Ka Yue (ii)	120	–	–	–	120
	363	–	–	–	363
Total	363	1,726	–	434	2,523

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

Notes:

(i) Mr. Ji Zhendong resigned on 17 May 2023.

(ii) Professor Cheung Ka Yue was appointed on 11 December 2023.

(iii) Dr. Kung Wai Chiu Marco resigned on 11 December 2023.

During the current and prior years, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as the directors.

(b) Five highest paid individuals

Two of the five highest paid individuals are directors for the year ended 31 March 2025 (2024: Two). The emoluments of the five highest paid individuals for the years ended 31 March 2025 and 2024 were as follows:

	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits in kind	**3,778**	3,372
Pension scheme contributions — defined contribution plans	**140**	488
	3,918	3,860

11. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals (Continued)

The remuneration of the five highest paid individuals fell within the following bands:

	2025 Number of employees	2024 Number of employees
Nil to HK$500,000	–	–
HK$500,001 to HK$1,000,000	4	4
HK$1,000,001 to HK$1,500,000	1	1

During the current and prior years, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(c) Senior management's emoluments

The emoluments paid or payable to a member of senior management, other than the five highest paid employees, were within the following bands:

	2025 Number of employees	2024 Number of employees
Nil to HK$1,000,000	1	–
More than HK$1,000,000	–	–

12. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 HK$'000	2024 HK$'000
Current tax		
PRC Enterprise Income Tax	**358**	–
Underprovision in prior years		
PRC Enterprise Income Tax	**–**	1
Income tax expense	**358**	1

Under the two-tiered Hong Kong profits tax regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25% and profits above HK$2 million will continue to be subject to the tax rate of 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

No provision for Hong Kong profits tax was made for the year ended 31 March 2025 (2024: nil) as the group entities which are subject to Hong Kong profits tax either incurred losses for the year or had tax losses brought forward to set off with the assessable profits for the year.

The basic tax rate of the Group's PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law. For the current year, certain subsidiaries of the Group qualified as small and micro enterprises and enjoy the reduction of the applicable tax rate to 10%.

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

	2025 HK$'000	2024 HK$'000
Loss before income tax	**(9,389)**	(7,477)
Tax calculated at domestic income tax rates of 16.5% (2024: 16.5%)	**(1,549)**	(1,234)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(823)**	–
Tax effect of non-deductible expenses	**1,599**	–
Tax effect of non-taxable income	**(177)**	(2,818)
Tax effect of tax loss not recognised	**1,308**	3,700
Income tax expense	**358**	1

13. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

14. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2025 **HK$'000**	2024 HK$'000
Loss for the purpose of calculating basic loss per share		
Loss for the year attributable to owners of the Company	**(9,747)**	(7,478)

	Number of shares **'000**	Number of shares '000
Number of shares for the purpose of calculating basic loss per share		
Weighted average number of ordinary shares	**897,729**	866,400

There were no potential ordinary shares in issue for the years ended 31 March 2025 and 2024. Accordingly, the basic loss per share presented is the same as the diluted loss per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK$'000	Machineries HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Computer HK$'000	Total HK$'000
Cost						
At 1 April 2023	8,281	4,530	2,531	735	–	16,077
Additions	1,958	–	284	16	–	2,258
Eliminated on early termination	(2,356)	–	–	–	–	(2,356)
Disposals	(99)	–	–	–	–	(99)
At 31 March 2024 and 1 April 2024	7,784	4,530	2,815	751	–	15,880
Additions	–	–	–	–	7	7
Eliminated on early termination	(1,943)	–	–	–	–	(1,943)
Exchange alignment	(4)	–	–	–	–	(4)
At 31 March 2025	**5,837**	**4,530**	**2,815**	**751**	**7**	**13,940**
Accumulated depreciation and impairment						
At 1 April 2023	1,460	679	1,558	121	–	3,818
Charge for the year	3,465	816	258	224	–	4,763
Eliminated on early termination	(1,614)	–	–	–	–	(1,614)
Impairment loss recognised for the year	565	1,517	497	203	–	2,782
Exchange alignment	(51)	–	(1)	–	–	(52)
At 31 March 2024 and 1 April 2024	3,825	3,012	2,312	548	–	9,697
Charge for the year	2,167	399	136	108	1	2,811
Eliminated on early termination	(1,588)	–	–	–	–	(1,588)
Impairment loss recognised for the year	113	1,119	367	95	–	1,694
Exchange alignment	(1)	–	–	–	–	(1)
At 31 March 2025	**4,516**	**4,530**	**2,815**	**751**	**1**	**12,613**
Net book value						
At 31 March 2025	**1,321**	**–**	**–**	**–**	**6**	**1,327**
At 31 March 2024	3,959	1,518	503	203	–	6,183

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets	**Leased properties** HK$'000	**Total** HK$'000
At 1 April 2023	6,821	6,821
Additions	1,958	1,958
Early termination	(742)	(742)
Impairment	(565)	(565)
Exchange alignment	(48)	(48)
Depreciation for the year	(3,465)	(3,465)
At 31 March 2024 and 1 April 2024	3,959	3,959
Early termination	(355)	(355)
Impairment	(113)	(113)
Exchange alignment	(3)	(3)
Depreciation for the year	(2,167)	(2,167)
At 31 March 2025	**1,321**	1,321

Details regarding the leases of properties are set out in note 24.

Total cash outflow for leases for the year ended 31 March 2025 was HK$2,856,000 (2024: HK$3,344,000), which included short-term lease payment and repayment of lease liabilities of approximately HK$ Nil (2024: Nil) and HK$2,856,000 (2024: HK$3,344,000) respectively.

Due to the continuing operating losses sustained by the Group, management has conducted impairment assessment for the Group's assets.

The recoverable amount of the Group's CGUs has been determined from value in use calculations, based on the valuation carried out by an independent valuer and the cash flow projections. The Group prepares cash flow projections derived from a five-year financial budget plan approved by the management. The discount rate of 11.75% used for value in use calculations is pre-tax and reflect specific risks relating to the CGU. Growth rate used to extrapolate the cash flows beyond the five-year budget plan is 2.50% which does not exceed the long-term growth rate of the industry as forecasted by the management. Other key assumptions for the value in use calculations relate to the estimation of cash inflows or outflows which include budgeted sales and gross margin. Such estimation is based on the CGU's past performance and management's expectations for the market developments. As a result, impairment losses on right-of-use assets and other property, plant and equipment amounted to approximately HK$113,000 (2024: HK$565,000) and HK$1,581,000 (2024: HK$2,217,000) respectively were recognised in profit or loss of the Group in respect of the year ended 31 March 2025.

16. CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Contract assets arising from:		
— Supply and installation of new energy charging piles (Note)	–	6,246
— Retention receivables from contracts with customers	4	5,372
Less: provision of impairment loss (Note 33(a)(i))	(2)	(11,089)
	2	529

Note: The contract assets related to supply and installation of new energy charging piles segment was fully impaired.

Foundation construction services

The expected timing of recovery or settlement for contract assets as at 31 March 2025 and 2024 are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	2	529

The contract assets primarily relates to the Group's right to consideration for construction works completed but not yet billed to customers, and the retention receivables at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional, that is when the Group issue progress billings to customer based on the progress certificate agreed with customer or when the retention receivable become unconditional.

Included within contract assets is an amount of approximately HK$4,000 (2024: approximately HK$5,372,000) which relate to amounts withheld up to 5%–10% (2024: 5%–10%) of the contract sum under contractual terms from trade receivables from customers as the construction work progresses. The monies are generally released from the customers upon the certification of completion of work and/or finalisation of contract accounts, which is typically 12 months after the physical completion of the project. As these amounts are expected to be realised in the normal operating cycle, they are classified as current assets.

An impairment analysis is performed at each reporting date using simplified approach to provide for lifetime ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL for contract assets and assesses the expected losses on contract assets individually. The estimated loss rates are estimated based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

17. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables, gross (Note (a))	**16,317**	13,766
Less: provision of impairment (Note 33(a)(i))	**(6,170)**	(5,779)
Trade receivables, net	**10,147**	7,987
Other receivables, gross (Note (b))	**1,071**	124
Less: provision of impairment loss (Note 33(a)(ii))	**(7)**	–
Other receivables, net	**1,064**	124
	11,211	8,111

(a) Trade receivables

Trade receivables were mainly derived from the provision of foundation works and non-interest bearing. Except for the assignment of trade receivable mentioned below, the Group does not hold any collateral or other credit enhancements over these balances. The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis.

On 18 March 2025, a wholly-owned subsidiary of the Company, Ambitious Achievement New Materials Holding Limited ("**Ambitious Achievement**"), has entered into an agreement with an independent third party, pursuant to which Ambitious Achievement agreed to assign and that independent third party agreed to acquire and be assigned, the rights, titles and benefits of a trade receivable at the consideration of HK$2,200,000 in which HK$2,200,000 was assigned to the lender of the other borrowing during the year.

The following is an analysis of trade receivables by age, net of loss allowance, presented based on the invoice dates:

	2025 HK$'000	2024 HK$'000
Current or less than one month	**4,477**	1,837
One to three months	**3,452**	1,963
More than three months but less than one year	**2,218**	4,187
	10,147	7,987

The Group periodically measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss individually. The estimated loss rates are estimated based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

17. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables

As at 31 March 2025, other receivables mainly comprised amount due from an independent third party of approximately HK$1,018,000, which was unsecured, interest-free, and repayable on demand, as well as staff advances of approximately HK$53,000 (2024: rental receivables of approximately HK$124,000).

The 12-month ECLs was determined based on historical settlement records and past experience with these debtors as well as credit risk and other market factors. Details of impairment assessment of other assets as at 31 March 2025 and 31 March 2024 are set out in Note 32(a).

18. PREPAYMENTS & DEPOSITS

	2025 HK$'000	2024 HK$'000
Prepayments	**8,753**	6,856
Less: provision of impairment loss	**(51)**	–
	8,702	6,856
Deposits (Note)	**841**	469
Less: provision of impairment loss (Note 32(a)(ii))	**(5)**	(4)
	836	465
	9,538	7,321

Note: As at 31 March 2025 and 2024, deposits mainly comprised rental deposits of office, warehouse, carpark and machinery.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group represent cash at banks and in hand.

20. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligations as at 31 March that are expected to be recognised within one year:

	2025 **HK$'000**	2024 HK$'000
Foundation and other construction works	**752**	4,680
Internet services	**29,650**	–
	30,402	4,680

The amount of approximately HK$3,928,000 and HK$34,126,000 included in contract liabilities at 31 March 2024 and 31 March 2023, respectively, has been recognised as revenue for the year ended 31 March 2025 and 31 March 2024 respectively.

An ageing analysis of contract liabilities as at the end of reporting period, based on invoice dates, is as follows:

	2025 **HK$'000**	2024 HK$'000
Less than one year	**29,650**	–
One to two year	**–**	4,680
Two to three year	**752**	–
	30,402	4,680

The unsatisfied performance is expected to be performed by the Group within one year from the end of the reporting period.

21. TRADE AND OTHER PAYABLES

	2025 **HK$'000**	2024 HK$'000
Trade payables (Note (a))	**6,950**	6,485
Accrued charges (Note (b))	**1,146**	2,797
Deposit received	**–**	1,084
Other payables (Note (d))	**9,012**	779
	17,108	11,145

21. TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) An ageing analysis of trade payables as at the end of the reporting period, based on invoice dates, is as follows:

	2025 HK$'000	2024 HK$'000
Current or less than one month	**6,437**	1,008
One to three months	**29**	–
More than three months but less than one year	**23**	2,950
More than one year	**461**	2,527
	6,950	6,485

The Group's trade payables are non-interest bearing and generally have payment terms of 0 to 45 days.

(b) As at 31 March 2025, accrued charges mainly comprised (i) accrued salaries and wages of approximately HK$338,000 (2024: HK$562,000); and (ii) accrued audit fee of approximately HK$450,000 (2024: HK$900,000). The balances of accruals are non-interest bearing and have average payment terms of one to three months.

(c) An amount of approximately HK$2,889,000, which comprised trade payables of approximately HK$2,496,000, accrued charges of approximately HK$286,000, and other payables of approximately HK$107,000, was reclassified to liabilities directly associated with asset classified as held for sale. Please refer to note 32 for details.

(d) Included in other payables is an amount due to a director of a wholly owned subsidiary of the Company, Mr. Ng Yeuk Cheung, amounted approximately to HK$3,104,000 (2024: Nil). The amount due is unsecured, interest free and repayable on demand. Subsequent to the end of the reporting period, Mr. Ng has agreed not to demand for repayment of the amount due to him within eighteen months from the end of reporting period.

22. OTHER BORROWINGS

	2025 HK$'000	2024 HK$'000
Amounts due to:		
Mr. Zhang Weijie (Note (a))	**–**	11,446
Ms. Zhang Xiaoping (Note (b))	**–**	5,000
An independent third party (Note (c))	**2,200**	–
	2,200	16,446

22. OTHER BORROWINGS (Continued)

At the end of the reporting date, total current and non-current other borrowings were scheduled to repay as follows:

	2025 HK$'000	2024 HK$'000
Within one year and on demand	**2,200**	16,446

Notes:

(a) Mr. Zhang Weijie, a former director of the Company, granted two loans to the Company at principal amounts of HK$3,477,000 and HK$3,787,000, respectively, on 31 March 2018. The loans, which are unsecured, with interest rate at 5% per annum and repayable on demand, remained outstanding of 31 March 2024. As at 31 March 2024, the accumulated loan interest payable is approximately HK$1,488,000. The remaining balance of other borrowings represent cash advances from Mr. Zhang Weijie of HK$2,694,000 and are unsecured, interest-free and repayable on demand.

	2025 HK$'000	2024 HK$'000
Loan borrowings	–	7,264
Interest payable	–	1,488
Cash advances	–	2,694
	–	11,446

Settlement of the loan borrowings, accumulated interest payable on the loans, and cash advances have not been pursued by Mr. Zhang Weijie for more than six years. The directors of the Company believe that Mr. Zhang Weijie will not be permitted to file a lawsuit against the Company under the Limitation Ordinance, Chapter 347 of the Laws of Hong Kong, accordingly, it is considered appropriate to derecognize these loan borrowings, accumulated interest payable, and cash advances amounted to HK$11,446,000 directly to accumulated losses. The difference between the loan proceeds and the fair value of the loan, amounted to HK$2,136,000 was accounted as capital contribution on initial recognition which was directly to accumulated losses following the loan derecognition.

(b) As at 31 March 2024, the loan from Ms. Zhang Xiaoping is unsecured, interest free and repayable on demand. The loan was settled during the year by way of capitalization of the debt by share subscription, details of which are set out in note 26(a). The loan was unsecured, interest free and repayable on demand.

	2025 HK$'000	2024 HK$'000
Loan borrowings	–	5,000

(c) As at 31 March 2025, the loan from an independent third party is secured by an assignment of trade receivable (Note 17(a)), with interest rate at 12% per annum and repayable 30 days from the first drawdown.

	2025 HK$'000	2024 HK$'000
Loan borrowings	**2,200**	–

(d) On 20 May 2024, a loan was granted to the Company amounted to HK$10,000,000 from an independent individual and was settled during the year by way of capitalization of the debt by share subscription, details of which are set out in note 26(b). The amount due was unsecured, interest free and repayable on demand.

23. AMOUNT DUE TO A DIRECTOR/SHAREHOLDER AND LOAN FROM A RELATED PARTY

	2025 HK$'000	2024 HK$'000
Current:		
Amount due to a shareholder		
Mr. Xing (Note (a) & (b))	**–**	3,156
Loan from a related party		
Mr. Fu (Note (c))	**14,375**	14,375
Amount due to a director		
Mr. Cheng Jun (Note (d))	**1,184**	–

Notes:

(a) Mr. Xing is a shareholder of the Company, and granted cash advances and shareholder loans to the Group.

	2025 HK$'000	2024 HK$'000
Cash advances (i)	**–**	2,122
Shareholder loans	**–**	1,034
	–	3,156

The movements of the amount due to a shareholder are as follows:

	2025 HK$'000	2024 HK$'000
Carrying amount at beginning of the year	**3,156**	21,168
Imputed interest for the year (Note 10) (iii)	**1,030**	1,034
Repaid during the year (ii)	**–**	(19,046)
Reclassified to liabilities directly associated with asset classified as held for sale (Note 32)	**(4,138)**	–
Exchange alignment	**(48)**	–
Carrying amount at end of the year	**–**	3,156

(i) As at 31 March 2024, the cash advances with carrying amount of approximately HK$2,122,000 is unsecured, interest free and the maturity dates are within one year after the end of the reporting period.

(ii) During the year ended 31 March 2024, the amount due to a shareholder of approximately HK$19,046,000 was repaid by settlement of Group's trade receivables directly to the shareholder.

(iii) The imputed interest was calculated based on the interest rate of 8% per annum as estimated by the Company's directors.

23. AMOUNT DUE TO A DIRECTOR/SHAREHOLDER AND LOAN FROM A RELATED PARTY (Continued)

Notes: (Continued)

(b) Mr. Fu is a former director of the ultimate holding company of the Company. As at 31 March 2025 and 31 March 2024, the loan with the carrying amount of approximately HK$14,375,000 are unsecured, interest free and repayable on demand. Mr. Fu has agreed not demand for repayment of the amount due to him within eighteen months from the end of the reporting period.

(c) The amount due to director, Mr. Cheng, is unsecured, interest free and repayable on demand. Mr. Cheng has agreed not to demand for repayment of the amount due to him within eighteen months from the end of the reporting period.

24. LEASES

As at 31 March 2025, the Group leased 3 properties in Hong Kong (2024: 6) and one property in the PRC (2024: 1).

The carrying amounts of the Group's lease liabilities, and the movements during the year are as follows:

	Lease liabilities attributable to leased properties HK$'000
As at 1 April 2023	6,544
New lease entered	1,958
Early termination of lease	(754)
Lease payments	(3,344)
Interest expenses (Note 10)	361
Exchange alignment	(43)
As at 31 March 2024 and 1 April 2024	4,722
Early termination of lease	(367)
Lease payments	(2,856)
Interest expenses (Note 10)	189
Exchange alignment	(2)
As at 31 March 2025	**1,686**
Current portion	**1,686**
Non-current portion	**–**
As at 31 March 2025	**1,686**
Current portion	2,875
Non-current portion	1,847
As at 31 March 2024	4,722

24. LEASES (Continued)

Lease liabilities

Future lease payments are due as follows:

	Minimum lease payments as at 31 March 2025 HK$'000	Interest as at 31 March 2025 HK$'000	Present value as at 31 March 2025 HK$'000
Not later than one year	**1,734**	**(48)**	**1,686**
Later than one year and not later than two years	**–**	**–**	**–**
	1,734	**(48)**	**1,686**

	Minimum lease payments as at 31 March 2024 HK$'000	Interest as at 31 March 2024 HK$'000	Present value as at 31 March 2024 HK$'000
Not later than one year	3,105	(230)	2,875
Later than one year and not later than two years	1,899	(52)	1,847
	5,004	(282)	4,722

25. DEFERRED TAX

At the end of the reporting period, the Group has not recognised deferred tax assets in respect of certain unused tax losses amounting to approximately HK$77,840,000 (2024: HK$69,001,000) due to the unpredictability of future profit streams in the relevant entities. The tax losses arising from the operation do not expire under current tax legislation in the relevant tax jurisdiction.

26. SHARE CAPITAL

	Number of ordinary shares	Amount
	'000	HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025 (Note 38)	1,000,000	10,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 1 April 2023, 31 March 2024 and 1 April 2024	866,400	8,664
Loan capitalisation through subscription of new shares (Note (a))	41,666	417
Loan capitalisation through subscription of new shares (Note (b))	45,310	453
As at 31 March 2025	953,376	9,534

Notes:

(a) On 31 July 2024, the number of issued share capital of the Company increased to 908,066,000 shares of the Company (the "Shares") as a result of the completion of the loan capitalisation through subscription of new shares under general mandate (the "Subscription of New Shares A"). For details of the Subscription of New Shares A, please refer to the announcements of the Company dated 24 April 2024 and 31 July 2024 (the "Subscription Announcements A").

Pursuant to the Subscription Agreement dated 24 April 2024, entered into between the Company and Ms. Zhang Xiaoping (the "Subscriber A"), a shareholder of the Company, the Company has conditionally agreed to allot and issue, and the Subscriber A has conditionally agreed to subscribe for, a total of 41,666,000 subscription shares at the subscription price of HK$0.12 per subscription share. The total subscription amount payable by the Subscriber A amounted to HK$4,999,920 under the Subscription Agreement shall be satisfied by way of capitalisation of part of the debt already due from the Company to the Subscriber A amounted to HK$5,000,000 and the remaining balance amounted to HK$80 is already settled as at year end date. Completion of the issue of 41,666,000 subscription shares took place on 31 July 2024.

(b) On 4 March 2025, the number of issued share capital of the Company increased to 953,376,000 Shares as a result of the completion of the loan capitalisation through subscription of new shares under general mandate (the "Subscription of New Shares B"). For details of the Subscription of New Shares B, please refer to the announcements of the Company dated 15 January 2025 and 4 March 2025 (the "Subscription Announcements B").

Pursuant to the Subscription Agreement dated 15 January 2025 entered into between the Company and Ms. Lau Wai Man (the "Subscriber B"), a shareholder of the Company, the Company has conditionally agreed to allot and issue, and the Subscriber B has conditionally agreed to subscribe for, a total of 45,310,000 subscription shares at the subscription price of HK$0.203 per subscription share. The total subscription amounts payable by the Subscriber B approximately amounted to HK$9,198,000 under the Subscription Agreement shall be satisfied by way of capitalisation of part of the debt already due from the Company to the Subscriber B amounted to HK$10,000,000 and the remaining balance approximately amounted to HK$802,000 is already settled as at year end date. Completion of the issue of 45,310,000 subscription shares took place on 4 March 2025.

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		**1,326**	2,759
Investments in subsidiaries		**–**	–
		1,326	2,759
Current assets			
Prepayments and deposits		**164**	195
Amount due from a subsidiary		**–**	–
Cash and cash equivalents		**376**	288
		540	483
Total Assets		**1,866**	3,242
Current liabilities			
Accruals and other payables		**537**	1,686
Lease liabilities		**1,439**	1,483
Loan from a related party	23	**14,375**	14,375
Other borrowings		**–**	16,446
Amount due to a director		**1,164**	–
Amounts due to subsidiaries		**16,572**	16,764
		34,087	50,754
Net Current Liabilities		**(33,547)**	(50,271)
Total Assets less Current Liabilities		**(32,221)**	(47,512)
Non-current liabilities			
Lease liabilities		**–**	1,439
		–	1,439
NET LIABILITIES		**(32,221)**	(48,951)
DEFICITS			
Share capital	26	**9,534**	8,664
Reserves	28	**(41,755)**	(57,615)
TOTAL DEFICITS		**(32,221)**	(48,951)

The statement of financial position of the Company was approved by the board of directors on 25 June 2025 and are signed on its behalf by:

Cheng Jun
Director

Yu Hua
Director

28. RESERVES

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements. Movements in the Company's reserves during the current and prior years are as follows:

	Share premium (Note (a)) HK$'000	Capital reserve (Note (c)) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	129,601	2,136	(141,373)	(9,636)
Loss for the year	–	–	(47,979)	(47,979)
At 31 March 2024 and 1 April 2024	129,601	2,136	(189,352)	(57,615)
Loss for the year	**–**	**–**	**(8,913)**	**(8,913)**
Loan capitalisation through subscription of new shares	**13,327**	**–**	**–**	**13,327**
Derecognition of other borrowing	**–**	**(2,136)**	**13,582**	**11,446**
At 31 March 2025	**142,928**	**–**	**(184,683)**	**(41,755)**

Notes:

The reserves within the Group's and/or the Company's equity include:

(a) Share premium

Under the Companies Law (as revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

(b) Merger reserve

The merger reserve of the Group represents the difference between the total equity of those subsidiaries and the aggregated share capital of the relevant subsidiaries pursuant to the group reorganisation where the transfer of the relevant subsidiaries to the Company are satisfied by issue of new shares from the Company.

(c) Capital reserve

The amount represents in substance capital contribution from shareholders of the Company, being the difference between the fair value of the loans from them on initial recognition and the loan proceeds received by the Group. For details of the loans, please refer to Note 23.

(d) Statutory reserve

The amount represents the amount set aside from the retained profits by certain subsidiaries incorporated in the PRC and it is not distributable as dividend. In accordance with the relevant regulations and their articles of association, the Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to loans, advances, cash dividends.

(e) Exchange reserve

Gains/losses arising on retranslating the net assets of foreign operations into presentation currency.

29. PARTICULARS OF SUBSIDIARIES

The details of the Company's principal subsidiaries as at 31 March 2025 are set out as follows:

Name of entity	Place and date of incorporation and form of business structure	Percentage of equity attributable to the Company		Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
		Direct	Indirect		
Ambitious Achievement New Materials Holding Limited	Hong Kong, 20 December 2019, limited liability company	–	100%	10,000 ordinary shares of HK$1 each	Foundation subcontractor, Hong Kong
海南紅包聯動科技有限公司	PRC, 6 July 2022, limited liability company*	–	100%	RMB1,000,000 registered capital	O2O commerce and Supply chain management, the PRC

Note: The above summary lists only the subsidiaries which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* Registered as wholly-foreign owned enterprises under the PRC Law.

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group has not entered into any significant related party transactions during the year ended 31 March 2025 and 2024.

Key management personnel compensation

The key management personnel of the Group are the Directors of the Company. Details of the remuneration paid to them during the current and prior years are set out in Note 11 to the consolidated financial statements.

31. DISPOSAL OF SUBSIDIARIES

(a) Fortune Elite Investments Limited ("Fortune Elite") and Quantong Globe Limited (collectively "Fortune Elite Group")

On 23 September 2024, the Group disposed of the entire issued share capital in Fortune Elite, a wholly-owned subsidiary of the Company, at a cash consideration of US$10,000. Fortune Elite and its wholly-owned subsidiary, Quantong Globe Limited, were inactive during the year ended 31 March 2025. The aggregate net liabilities of Fortune Elite Group at the date of disposal were as follows:

	HK$'000
Trade and other payables	(13)
Net liabilities disposed of	(13)
Gain on disposal	
Consideration for disposal	78
Net liabilities disposed of	13
Gain on disposal of subsidiaries	91
Net cash inflow arising on disposal of subsidiaries:	
Cash consideration, received	78

31. DISPOSAL OF SUBSIDIARIES (Continued)

(b) Pak Wing Group Limited and Pak Wing Construction (collectively "Pak Wing Group")

On 28 March 2024, the Group disposed of the entire issued share capital in Pak Wing Group Limited at a cash consideration of US$100.

Pak Wing Group Limited was an investment holding company and its wholly-owned subsidiary, Pak Wing Construction, was principally engaged as foundation construction subcontractor in Hong Kong.

The aggregate net liabilities of Pak Wing Group at the date of disposal were as follows:

	HK$'000
Trade and other payables	(6,881)
Other borrowings	(10,177)
Net liabilities disposed of	(17,058)
Gain on disposal	
Consideration for disposal	1
Net liabilities disposed of	17,058
Gain on disposal of subsidiaries	17,059

In addition, the net debit balance of the reserves in relation to Pak Wing Group amounted to a total of HK$50,723,000 at 31 March 2023 was transferred to the Group's accumulated losses during the year on disposal of the subsidiaries.

	HK$'000
Net cash inflow arising on disposal of subsidiaries:	
Cash consideration received	1

31. DISPOSAL OF SUBSIDIARIES (Continued)

(c) Unicorn World Holdings Limited and Pak Wing Machinery Company Limited (collectively "Unicorn Group")

On 28 March 2024, the Group disposed of the entire issued share capital in Unicorn World Holdings Limited at a cash consideration of US$100.

Unicorn World Holdings Limited and its wholly-owned subsidiary, Pak Wing Machinery Company Limited, were inactive during the year.

The aggregate net assets of Unicorn Group at the date of disposal were as follows:

	HK$'000
Prepayment, deposits and other receivables	1
Net assets disposed of	1
Gain on disposal	
Consideration for disposal	1
Net assets disposed of	(1)
Gain on disposal of subsidiaries	–
Net cash inflow arising on disposal of subsidiaries:	
Cash consideration,received	1

32. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 10 March 2025, the directors of the Company resolved to dispose of Shaanxi Gaochuang Yuanwei Energy Limited* (陝西高創遠為能源有限公司) ("**Gaochuang Yuanwei**"), a wholly owned subsidiary of the Company. The assets and liabilities attributable to Gaochuang Yuanwei, which are expected to be sold within twelve months from 10 March 2025 and not disposed of up to the date of approval of financial statements, have been classified as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively (see below). Gaochuang Yuanwei is included in the Group's supply and installation of new energy charging piles for segment reporting purposes (see note 6).

The major classes of assets and liabilities of Gaochuang Yuanwei classified as held for sale are as follows:

	As at 31 March 2025 HK$'000
Trade receivables	1,159
Less: provision of impairment	(1,159)
Contract assets	6,246
Less: provision of impairment	(6,246)
Cash and cash equivalents	5
Total assets classified as held for sale	5
Trade and other payables *(Note 21)*	2,889
Amount due to a shareholder *(Note 23(b))*	4,138
Total liabilities directly associated with assets classified as held for sale	7,027

33. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are trade and other receivables and cash and bank balances that derive directly from its operations. Principal financial liabilities of the Group include trade and other payables, other borrowings, amount due to a shareholder and loan from a related party. The main purpose of these financial liabilities are to finance the Group's operations.

The Group's maximum exposure to credit risk is the carrying amounts of cash and bank balances, contract assets, and trade and other receivables.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of the reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders.

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and contract assets) and bank deposits.

The Group's exposure to credit risk is influenced mainly by the individual customer. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

The credit risk of Group's trade receivables and contract assets is concentrated, since approximately 90% of which was derived from five largest customers as at 31 March 2025 (2024: 81%).

The Group had a concentration of credit risk as certain of the Group's trade receivables and contract assets were due from the Group's largest customer and the five largest customers as detailed below.

	2025 HK$'000	2024 HK$'000
Largest customer	**5,926**	4,654
Five largest customers	**9,140**	6,928

(i) Contract assets and trade receivables

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 17(a).

Management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment loss allowance are made for irrecoverable amounts on trade receivables and contract assets.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is on an individual customer basis that is based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

Management assessed the expected credit losses on trade receivables individually.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information 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.

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Contract assets and trade receivables (Continued)

Movements in the loss allowance account in respect of trade receivables and contract assets during the year are as follows:

	Trade receivables		Contract assets		Total	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Balance at beginning of the year	**5,779**	2,495	**11,089**	5,982	**16,868**	8,477
Impairment losses recognised during the year	**1,625**	3,574	**531**	5,107	**2,156**	8,681
Impairment losses reversed during the year	**–**	(68)	**–**	–	**–**	(68)
Impairment loss written off	**–**	–	**(5,372)**	–	**(5,372)**	–
Disposal of subsidiaries	**–**	(222)	**–**	–	**–**	(222)
Reclassified to asset classified as held for sale	**(1,159)**	–	**(6,246)**	–	**(7,405)**	–
Exchange alignment	**(75)**	–	**–**	–	**(75)**	–
Balance at end of the year	**6,170**	5,779	**2**	11,089	**6,172**	16,868
Expected loss rate	**37.8%**	41.9%	**50%**	95%	**37.8%**	66.5%

(ii) Other receivables

The ECLs of other receivables are based on the 12-month ECLs that results from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since its initial recognition, the loss allowance will be based on life-time ECLs. When determining whether the credit risk has been increased significantly since its initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis with reference to the Group's historical experience and informed credit assessment with forward-looking information. Applying the ECL model result in the recognition of ECL of HK$7,000 (2024: Nil) as at 31 March 2025.

To manage the credit risk associated with other receivables, the Group adopts risk control to assess the credit quality of the debtors, taking into account their financial positions and past experience. The Group has monitoring procedures to ensure that follow-up action is taken to due with overdue debts and considered the credit risk of those debtors in default to be medium/high. The management reviews the recoverable amount of the receivables individually at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group during the reporting period and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level. None of the Group's financial assets are secured by collateral or other credit enhancements.

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Other receivables (Continued)

Movements in the loss allowance account in respect of other receivables, prepayments and deposits during the year are as follows:

	Other receivables		Prepayments and deposits	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Balance at 1 April	**–**	6,996	**4**	1
Impairment losses recognised during the year	**7**	–	**54**	3
Impairment losses reversed during the year	**–**	–	**(1)**	–
Disposal of subsidiaries	**–**	(6,996)	**–**	–
Exchange alignment	**–**	–	**(1)**	–
Balance at 31 March	**7**	–	**56**	4

(iii) Cash and bank balances

The Group's major bank balances are deposited with banks with good reputation and with high credit-ratings assigned by international credit-rating agencies and hence management does not expect any losses from non-performance by these banks.

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements in order to maintain sufficient reserves of cash in the short and long term. The liquidity policies have been followed by the Group during the reporting period and are considered to have been effective in managing liquidity risk including the forecast plan described in Note 3(b).

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

	Carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	Less than one year or repayable on demand HK$'000	More than one year HK$'000
As at 31 March 2025				
Trade and other payables	**15,962**	**15,962**	**15,962**	**–**
Amount due to a director	**1,184**	**1,184**	**1,184**	**–**
Other borrowings	**2,200**	**2,200**	**2,200**	**–**
Loan from a related party	**14,375**	**14,375**	**14,375**	**–**
Lease liabilities	**1,686**	**1,734**	**1,734**	**–**
	35,407	**35,455**	**35,455**	**–**

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Less than one year or repayable on demand HK$'000	More than one year HK$'000
As at 31 March 2024				
Trade and other payables	7,264	7,264	7,264	–
Amount due to a shareholder	3,156	3,156	3,156	–
Other borrowings	16,446	16,446	16,446	–
Loan from a related party	14,375	14,375	14,375	–
Lease liabilities	4,722	5,004	3,105	1,899
	45,963	46,245	44,346	1,899

(c) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the short-term bank deposits and other borrowings. However, management considers the fair value interest rate risk is insignificant as (i) bank deposits is relatively short-term and (ii) the interest rate of other borrowings are fixed. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

Management of the Group considers the interest rate risk for variable-rate bank balances are insignificant for the years ended 31 March 2025 and 2024. Hence, no sensitivity analysis is presented.

(d) Currency risk

The Group's companies operated in different locations with most of the transactions settled in functional currency and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

The Group did not enter into any leases agreement in respect of purchase of property, plant and equipment with a capital value at the inception of the lease (2024: HK$1,958,000) during the year ended 31 March 2025.

Company issued new shares for the settlements of certain borrowings, details of which are set out in Note 26.

During the year ended 31 March 2024, amount due to a shareholder of approximately HK$19,046,000 was repaid by the settlements of the Group's trade receivables directly to the shareholder.

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Other borrowings (Note 22) HK$'000	Amount due to a director (Note 23) HK$'000	Amount due to a shareholder (Note 23) HK$'000	Loan from a related party (Note 23) HK$'000	Lease liabilities (Note 24) HK$'000	Total HK$'000
As at 1 April 2023	21,014	–	21,168	14,375	6,544	63,101
Changes from cash flows:						
New other borrowings	5,000	–	–	–	–	5,000
Repayment of amount due to a shareholder	–	–	(19,046)	–	–	(19,046)
Repayment of lease liabilities and interest thereon	–	–	–	–	(3,344)	(3,344)
Total changes from financing cash flows	5,000	–	(19,046)	–	(3,344)	(17,390)
Other changes:						
Addition of lease liabilities	–	–	–	–	1,958	1,958
Interest expense	607	–	1,034	–	361	2,002
Early termination of lease	–	–	–	–	(754)	(754)
Exchange alignment	–	–	–	–	(43)	(43)
Disposal of subsidiaries	(10,175)	–	–	–	–	(10,175)
Total changes from other changes	(9,568)	–	1,034	–	1,522	(7,012)
As at 31 March 2024 and 1 April 2024	16,446	–	3,156	14,375	4,722	38,699
Changes from cash flows:						
New other borrowings	12,200	–	–	–	–	12,200
Addition of amount due to a director	–	1,184	–	–	–	1,184
Repayment of other borrowings	(802)	–	–	–	–	(802)
Repayment of lease liabilities and interest thereon	–	–	–	–	(2,856)	(2,856)
Total changes from financing cash flows	11,398	1,184	–	–	(2,856)	9,726
Other changes:						
Loan capitalisation through subscription of new shares	(14,198)	–	–	–	–	(14,198)
Derecognition of an other borrowing	(11,446)	–	–	–	–	(11,446)
Interest expense	–	–	1,030	–	189	1,219
Early termination of lease	–	–	–	–	(367)	(367)
Exchange alignment	–	–	(48)	–	(2)	(50)
Reclassified to liabilities directly associated with assets classified as held for sale	–	–	(4,138)	–	–	(4,138)
Total changes from other changes	(25,644)	–	(3,156)	–	(180)	(28,980)
As at 31 March 2025	2,200	1,184	–	14,375	1,686	19,445

35. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes in the objectives, policies or processes were made during the year.

The Group monitors capital using a gearing ratio, which is net debt divided by total deficit. Net debts are calculated as the total of lease liabilities, amount due to a director, amount due to a shareholder, loan from a related party and other borrowings and less cash and cash equivalents.

	2025 HK$'000	2024 HK$'000
Total debts	**19,445**	38,699
Less: Cash and cash equivalents	**(36,771)**	(1,230)
(Net cash)/net debt	**(17,326)**	37,469
Total deficit	**(15,332)**	(31,150)
Gearing ratio	**N/A**	(120%)

Gearing ratio at 31 March 2025 is not shown as the Group had net cash amounted to HK$17,326,000 as at that date.

36. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

	2025 Carrying amount HK$'000	2024 Carrying amount HK$'000
Financial assets at amortised cost		
Trade and other receivables	**11,211**	8,111
Deposits	**836**	465
Cash and cash equivalents	**36,771**	1,230
Financial assets at amortised cost	**48,818**	9,806
Financial liabilities at amortised cost		
Trade and other payables	**15,962**	7,264
Other borrowings	**2,200**	16,446
Amount due to a director	**1,184**	–
Amount due to a shareholder	**–**	3,156
Loan from a related party	**14,375**	14,375
Lease liabilities	**1,686**	4,722
Financial liabilities at amortised cost	**35,407**	45,963

Management considers that the carrying amounts of financial assets and financial liabilities as at 31 March 2025 and 31 March 2024 recognised in the consolidated financial statements approximate their fair values as at those respective dates.

37. COMMITMENTS

As at 31 March 2025, the Group did not have any capital commitments (2024: Nil).

38. SHARE OPTION SCHEME

Shareholders of the Company have approved and adopted a share option scheme (the "Scheme") on 6 July 2015.

A summary of the Scheme is set out as below:

The Scheme became effective for a period of 10 years commencing on 6 July 2015. Under the Scheme, the Directors shall, in its absolute discretion select, make an offer to any eligible participants to subscribe for shares of the Company at a subscription price being not less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheet on the offer date; or (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date. The offer of a grant of options may be accepted within seven days from the date of the offer grant.

38. SHARE OPTION SCHEME (Continued)

The maximum number of shares to be issued upon the exercise of all outstanding options granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the issued share capital of the Company at the date of the approval of the Scheme.

No options have been granted since the adoption of the share option scheme.

39. 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 employees of the Group’s subsidiaries which operate in the Mainland China are members of a state-managed retirement benefit scheme and are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

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$2,339,000 (2024: HK$3,316,000).

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.

40. EVENT AFTER THE END OF THE REPORTING PERIOD

An ordinary resolution will be proposed at the forthcoming annual general meeting of the Company to be convened and held on Wednesday, 30 July 2025 to approve, among others, increase in authorised share capital of the Company from HK$10,000,000 divided into 1,000,000,000 shares of HK$0.01 each to HK$30,000,000 divided into 3,000,000,000 shares of HK$0.01 each by the creation of an additional 2,000,000,000 new shares.

SUMMARY OF FINANCIAL INFORMATION

RESULTS

	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Total revenue	**80,854**	97,557	101,386	76,887	104,601
Loss before income tax	**(9,389)**	(7,477)	(19,008)	(10,183)	(29,361)
Income tax expense	**(358)**	(1)	(33)	(236)	(89)
Loss for the year	**(9,747)**	(7,478)	(19,041)	(10,419)	(29,450)
Total comprehensive expenses for the year	**(9,825)**	(6,736)	(20,315)	(10,326)	(29,450)

ASSETS AND LIABILITIES

	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Total assets	**58,854**	23,374	105,717	64,191	24,112
Total liabilities	**(74,186)**	(54,524)	(130,131)	(116,030)	(68,248)
Net liabilities	**(15,332)**	(31,150)	(24,414)	(51,839)	(44,136)

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions have the following meaning:

"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Articles of Association"	the second amended and restated articles of association of the Company adopted on 10 August 2022 and as amended, supplemented or otherwise modified from time to time and "Article(s)" shall mean (an) article(s) of the Articles of Association
"Audit Committee"	the audit committee of the Board
"Authorised Representative(s)"	the authorised representative(s) of the Company (under Rule 5.24 of the GEM Listing Rules)
"Board"	the board of Directors
"CG Code"	Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules
"Chairman"	the chairman of the Board, as appointed and designated from time to time
"Chief Executive Officer"	the chief executive officer of the Company, as appointed and designated from time to time
"Chief Financial Officer"	the chief financial officer of the Company, as appointed and designated from time to time
"close associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	China Hongbao Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
"Company Secretary"	the company secretary of the Company, as appointed and designated from time to time
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Debt A"	the amount owed by the Company to Subscriber A of HK$5.0 million as at the date of the Subscription Agreement A dated 24 April 2024 entered into between the Company and Subscriber A

"Debt B"	the amount owed by the Company to Subscriber B of HK$10.0 million as at the date of the Subscription Agreement B dated 15 January 2025 entered into between the Company and Subscriber B
"Director(s)"	the director(s) of the Company
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Issued Share Capital"	issued share capital of the Company
"Listing"	the listing of the Shares on GEM on 10 August 2015
"Listing Date"	10 August 2015, the date on which the Shares were listed on GEM
"NASDAQ"	National Association of Securities Dealers Automated Quotations, a US-based stock market exchange
"Nomination Committee"	the nomination committee of the Board
"O2O Commerce"	the Group's provision of integrated online-and-offline sales of food, daily necessities and other commodities in the PRC
"Option(s)"	the share option(s) granted/to be granted by the Company pursuant to the Scheme
"PRC"	the People's Republic of China, which for the purpose of this report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC

"Scheme"	the share option scheme of the Company adopted by the Shareholders on 6 July 2015
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber A"	Ms. Zhang Xiaoping (張小萍女士)
"Subscriber B"	Ms. Lau Wai Man (劉惠敏女士)
"Subscription Agreement A"	the conditional subscription and loan capitalisation agreement dated 24 April 2024 entered into between the Company and Subscriber A
"Subscription Agreement B"	the conditional subscription and loan capitalisation agreement dated 15 January 2025 entered into between the Company and Subscriber B
"Subscription Announcements A"	the announcements of the Company dated 24 April 2024 and 31 July 2024
"Subscription Announcements B"	the announcements of the Company dated 15 January 2025 and 4 March 2025
"Subscription of New Shares A"	the subscription of 41,666,000 new Shares at the subscription price of HK$0.12 per subscription Share by Subscriber A on and subject to the terms and condition set out in the Subscription Agreement A
"Subscription of New Shares B"	the subscription of 45,310,000 new Shares at the subscription price of HK$0.203 per subscription Share by Subscriber B on and subject to the terms and condition set out in the Subscription Agreement B
"US"	United State of America
"US$"	United States dollars, the lawful currency of the US
"%"	per cent