IMS GROUP HOLDINGS LIMITED
英馬斯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8136

IMS GROUP

2024/25
ANNUAL REPORT

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

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

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

*This report, for which the directors (the "**Directors**") of IMS Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Group. 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

EXECUTIVE DIRECTORS

Mr. Tam Yat Ming Andrew
(Chairman and Chief Executive Officer)
Mr. Lo King Shun (Retired on 19 July 2024)
Ms. Fok Yee Man (Appointed on 15 November 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Chun Hung
Mr. Ha Yiu Wing
Dr. Wilson Lee

COMPANY SECRETARY

Mr. Lee Pui Chung

COMPLIANCE OFFICER

Mr. Tam Yat Ming Andrew

AUTHORISED REPRESENTATIVES

Mr. Tam Yat Ming Andrew
Mr. Lee Pui Chung

AUDIT COMMITTEE

Mr. Li Chun Hung *(Chairman)*
Mr. Ha Yiu Wing
Dr. Wilson Lee

REMUNERATION COMMITTEE

Dr. Wilson Lee *(Chairman)*
Mr. Ha Yiu Wing
Mr. Tam Yat Ming Andrew

NOMINATION COMMITTEE

Mr. Ha Yiu Wing *(Chairman)*
Mr. Li Chun Hung
Dr. Wilson Lee

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants of Registered Public Interest Entity Auditor
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Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
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26 Harbour Road,
Wan Chai, Hong Kong

PRINCIPAL BANKERS

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Grand Cayman KY1-1111,
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square,
Hutchins Drive,
P.O.Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road,
North Point,
Hong Kong

STOCK CODE

8136

COMPANY'S WEBSITE

www.ims512.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I am pleased to present the annual report of IMS Group Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2025.

2024/25 RESULTS

During the year ended 2024/25, the Group's performance has been impacted by the economic uncertainty. We recorded a decrease in revenue by approximately 19.9% for the year ended 31 March 2025 compared to the revenue for the year ended 31 March 2024. Detailed analysis in respect of the performance of the Group for the year is covered in the section headed "Management Discussion and Analysis" of this annual report.

At the same time, our Group had always sought opportunity to diversify our business and enlarge our business network. During the year ended 2024/25, our 3D printing workshop named "dot 3D Factory" had strive for a stable market shares in the 3D printing market.

OUTLOOK

Looking ahead, we believe that the recovery brought about by the resumption of cross-border travel will certainly drive the economy growth again, however, there are full of uncertainty and presented new challenges. We will continue to focus on strengthening our core businesses, and at the same time explore for new business opportunities.

APPRECIATION

Last but not the least, on behalf of the Board, I would like to express my gratitude to all shareholders, business partners and customers for their staunch support. In addition, I would like to take this opportunity to extend my deepest appreciation to all our staff members for their continuous and valuable contribution to the Group. We will continue to work hard to bring fruitful returns to our stakeholders.

Tam Yat Ming Andrew
Chairman and Chief Executive Officer

Hong Kong, 20 June 2025

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Tam Yat Ming Andrew ("Mr. Tam") (談一鳴), aged 59, was appointed as a Director of our Company on 15 February 2017 and redesignated as our executive Director on the same day. Mr. Tam is the chairman of the Board (the "**Chairman**"), chief executive officer (the "**CEO**") and a member of the Remuneration Committee of our Group. He has been responsible for formulating corporate strategies, overseeing the overall management and the day-to-day business operations of our Group. He has been serving as a director in our Group since April 1998 and was responsible for managing the day-to-day business operations and business development. Mr. Tam has over 19 years of experience in the LED lighting solutions industry and over 25 years of experience in the visual-audio business. Mr. Tam obtained a bachelor's degree in science from the University of Guelph, Canada, in February 1991.

Mr. Lo King Shun ("Mr. Lo") (盧景純), aged 62, was appointed as an executive Director of our Company on 29 January 2020. Before Mr. Lo's appointment as an executive Director, he was the senior manager of engineering and quality assurance of our Group. He joined our Group in February 2004 and is primarily responsible for engineering and quality assurance of lighting and audio visual products for projects of the Group. In May 2011, Mr. Lo was promoted as senior manager of the Technical Department of MIS Technology Project Limited, responsible for overseeing the quality control of products and services provided by the Group. In February 2015, Mr. Lo was further employed as the senior manager of Bluelite Illumination Limited (Currently known as Dot 3D Dental Limited). Mr. Lo has over 17 years of experience in project management. Mr. Lo had been retired on 19 July 2024.

Ms. Fok Yee Man ("Ms. Fok") (霍以雯), aged 53, was appointed as an executive Director of our Company on 15 November 2024. She has been serving in our Group since April 1998 and has been the general manager since 1 January 2019. She is responsible for the overall management, cost controlling, overseeing the day-to-day operation of the Group's business and executing corporate strategies. Ms. Fok has more than 28 years of experience in administrative & operation management and accounting work. Prior to joining our Group, she worked in South China House of Technology Consultants Ltd. from January 1996 to March 1998 and served as the project administrative executive. Ms. Fok obtained a bachelor's degree in hospitality management from The Hong Kong Polytechnic University in November 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Chun Hung ("Mr. Li") (李振鴻), aged 63, was appointed as an independent non-executive Director of our Company on 25 January 2021. Mr. Li is the chairman of the Audit Committee and a member of the Nomination Committee. He is responsible for supervising and providing independent judgment to our Board, which includes views on financial matters. He was an independent non-executive director of Smart Globe Holdings Limited (Stock code: 1481) from December 2017 to July 2023. He is also a certified public accountant in Hong Kong and has over 24 years of experience in professional accounting. Mr. Li is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of International Accountants, a fellow member of the Institute of Certified Management Accountants, a fellow member of the Taxation Institute of Hong Kong, a member of the Society of Chinese Accountants and Auditors as well as a member of the Chartered Institute of Arbitrators. Mr. Li holds a master degree in business administration from Clayton University in the United States.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Ha Yiu Wing ("Mr. Ha") (夏耀榮), aged 62, was appointed as an independent non-executive Director of our Company on 22 December 2017. Mr. Ha is the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. He is responsible for supervising and providing independent judgement to our Board. Mr. Ha has over 32 years of experience in the lighting industry. He has held various management positions in the lighting division of Philips Lumileds and Philips Electronics Hong Kong Limited. Mr. Ha obtained a bachelor's degree in business administration from The Chinese University of Hong Kong in May 1986. He has obtained certificates for completing courses on ISO 9001 and auditing of quality management systems issued by McCrae Consultants Limited in September 1998, ISO 14001 in respect of environmental management system issued by the Hong Kong Productivity Council in July 1999, ISO 9000:2000 in respect of quality system documentation issued by the Hong Kong Productivity Council in March 2002 and ISO 9001:2000 in respect of internal auditor training issued by TQC Development Centre Limited in March 2002.

Dr. Wilson Lee ("Dr. Lee") (李惠信), aged 58, was appointed as an independent non-executive Director of our Company on 22 December 2017. Dr. Lee is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He is responsible for supervising and providing independent judgement to our Board. Since December 2007, he has been a specialist in orthodontics at Central Orthodontics Limited in Hong Kong, responsible for the overall management of such specialist practice and providing professional orthodontics services. Dr. Lee has been appointed as an executive committee member of The Hong Kong Anti-cancer Society since November 2014. Dr. Lee obtained a master of business administration degree from Rochester Institute of Technology in New York, U.S. in May 1993. He also obtained a bachelor's degree in science from the University of Toronto, Canada in November 1991 and a bachelor's degree in dental surgery from The University of Hong Kong in November 2001. He furthered his studies at The University of Hong Kong and obtained a master degree and advanced diploma in orthodontics in November 2007 and September 2009, respectively. Dr. Lee has been a registered dentist in Hong Kong since July 2001 and a specialist in orthodontics with the College of Dental Surgeons in Hong Kong since November 2010.

SENIOR MANAGEMENT

Mr. Lee Pui Chung ("Mr. Lee") (李沛聰), aged 38, is the financial controller of the Group and company secretary of the Company. He joined our Group in March 2019 and he was appointed as the financial controller and company secretary of the Company with effect from 22 March 2019. Mr. Lee is primarily responsible for the financial matters of our Group. Mr. Lee has over 16 years of experience in accounting, finance and auditing. Prior to joining our Group, he worked in Zioncom Holdings Limited (Stock code: 8287) and served as the financial controller and company secretary. Mr. Lee was an independent non-executive director of KNK Holdings Limited (currently known as China Come Ride New Energy Group Limited) (Stock code: 8039) from July 2019 to August 2021. Mr. Lee is a fellow member of the Hong Kong Institute of Certified Public Accountants, a full member of CPA Australia and a member of the Institute of Chartered Accountants in England and Wales. Mr. Lee obtained a bachelor of business administration degree in accountancy from City University of Hong Kong in November 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in provision of LED lighting fixtures and integrated LED lighting solution services for retail stores of world-renowned luxury brands with focus in the Asia market.

For the year ended 31 March 2025, the Group recorded revenue of approximately HK$68.6 million and profit attributable to owners of the Company of approximately HK$9.4 million, as compared to revenue of approximately HK$85.6 million and profit attributable to owners of the Company of approximately HK$15.5 million for the year ended 31 March 2024. The Group considers the decrease in revenue was mainly caused by the decrease in revenue generated from integrated LED lighting solution services. As for the decrease in profit attributable to owners of the Company, it was mainly due to the decrease in gross profit for the year ended 31 March 2025.

The following table sets forth the details of the Group's revenue sources:

	For the year ended 31 March			
	2025		2024	
Revenue sources	**HK$ million**	**%**	HK$ million	%
Sales of LED lighting fixtures	**53.2**	**77.6**	49.5	57.8
Integrated LED lighting solution services	**8.5**	**12.4**	28.8	33.6
LED lighting system consultation and maintenance services	**5.3**	**7.7**	4.6	5.4
Sales of visual-audio systems	**0.4**	**0.6**	0.6	0.7
Sales of 3D printing materials and provision for 3D printing services	**1.2**	**1.7**	2.1	2.5
	68.6	**100.0**	85.6	100.0

Sales of LED lighting fixtures

Our revenue generated from sales of LED lighting fixtures has increased from approximately HK$49.5 million for the year ended 31 March 2024 to approximately HK$53.2 million for the year ended 31 March 2025, representing an increase of approximately 7.5% in this segment. The increase was mainly due to the customers increasing the budget in their projects for new retail stores in the People's Republic of China (the "**PRC**").

Integrated LED lighting solution services

Our revenue generated from integrated LED lighting solution services has decreased from approximately HK$28.8 million for the year ended 31 March 2024 to approximately HK$8.5 million for the year ended 31 March 2025, representing a decrease of approximately 70.5%. The decrease was mainly due to the decrease in the contract sum of projects involved during the year.

LED lighting system consultation and maintenance services

Our revenue generated from LED lighting system consultation and maintenance services has increased from approximately HK$4.6 million for the year ended 31 March 2024 to approximately HK$5.3 million for the year ended 31 March 2025, representing an increase of approximately 15.2%. The increase was mainly due to the increase in maintenance services requested by the customers during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Sales of visual-audio systems

Our sales of visual-audio systems has decreased from approximately HK$0.6 million for the year ended 31 March 2024 to approximately HK$0.4 million for the year ended 31 March 2025. The amount has remained stable during the year.

Sales of 3D printing materials and provision for 3D printing services

Our sales of 3D printing materials and provision for 3D printing services has decreased from approximately HK$2.1 million for the year ended 31 March 2024 to approximately HK$1.2 million for the year ended 31 March 2025. The decrease was mainly due to the decrease in the demand of 3D printing materials and 3D printing services during the year.

FINANCIAL REVIEW

Revenue

Our revenue decreased from approximately HK$85.6 million for the year ended 31 March 2024 by approximately HK$17.0 million or 19.9%, to approximately HK$68.6 million for the year ended 31 March 2025. The decrease was mainly due to the decrease in revenue generated from integrated LED lighting solution services.

Cost of Sales

Our cost of sales decreased from approximately HK$37.1 million for the year ended 31 March 2024 by approximately HK$7.0 million or 18.9%, to approximately HK$30.1 million for the year ended 31 March 2025. The decrease was in line with the decrease in revenue.

Gross Profit

With the impact from the above factors, the gross profit decreased from approximately HK$48.5 million for the year ended 31 March 2024 by approximately HK$10.0 million or 20.6%, to approximately HK$38.5 million for the year ended 31 March 2025. Besides, the gross profit margin decreased from approximately 56.7% for the year ended 31 March 2024 by approximately 0.6%, to approximately 56.1% for the year ended 31 March 2025.

Other Income and Other Gains and Losses, net

Our other income and other gains and losses decreased from approximately HK$2.0 million for the year ended 31 March 2024 by approximately HK$0.8 million or 40.0% to approximately HK$1.2 million for the year ended 31 March 2025. The decrease was mainly due to the combined effects of the decrease in interest income of approximately HK$0.2 million and the increase in exchange loss of approximately HK$0.5 million.

Administrative Expenses

Administrative expenses increased from approximately HK$30.7 million for the year ended 31 March 2024 by approximately HK$0.4 million or 1.3%, to approximately HK$31.1 million for the year ended 31 March 2025. The amount has remained stable during the year.

Reversal of Loss Allowance (Loss Allowance) on Trade Receivables

The reversal of loss allowance of approximately HK$2.3 million (2024: loss allowance of approximately HK$1.7 million) was recognised for the year ended 31 March 2025. Details are set out in note 18(a) to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

Finance costs representing the interest on lease liabilities in relation to various office premises, manufacturing centre, staff accommodation and a shop were approximately HK$0.2 million (2024: approximately HK$0.1 million) for the year ended 31 March 2025. The amount has remained stable during the year.

Income Tax Expense

Profit before income tax expenses has decreased from approximately HK$17.9 million for the year ended 31 March 2024 by approximately HK$7.2 million or 40.2%, to approximately HK$10.7 million for the year ended 31 March 2025 due to the decrease in gross profit for the year ended 31 March 2025. The income tax expenses decreased from approximately HK$2.5 million for the year ended 31 March 2024 by approximately HK$1.2 million or 48.0%, to approximately HK$1.3 million for the year ended 31 March 2025. The decrease in income tax expense was mainly due to the decrease in the assessable profits during the year.

Profit for the year

The Group recorded a profit of approximately HK$9.4 million attributable to owners of the Company for the year ended 31 March 2025 compared to the profit of approximately HK$15.5 million attributable to owners of the Company for the year ended 31 March 2024. The decrease in profit was mainly due to the decrease in revenue and gross profit during the year.

DIVIDEND

The Board did not recommend the payment of a final dividend (2024: HK$Nil) for the year ended 31 March 2025. There is no arrangement that a shareholder has waived or agreed to waive any dividend.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations primarily through cash generated from operating activities. As at 31 March 2025, the Group did not have any bank borrowings.

Liquidity ratios

	2025	2024
Current ratio	7.3	4.4
Quick ratio	7.0	4.2

Current ratio: The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective year.

Quick ratio: The quick ratio is calculated by dividing current assets minus inventories with current liabilities as at the end of the respective year.

The increase in both current ratio and quick ratio were mainly due to the decrease in current liabilities being larger than the decrease in current assets during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash and bank balances

As at 31 March 2025, the currency denomination of the Group's cash and bank balances are as follows:

Currency denomination	2025 HK$ million	2024 HK$ million
Denominated in:		
HKD	22.2	61.8
RMB	23.4	26.7
EUR	–[1]	–[1]
USD	33.9	3.3
JPY	8.8	–
	88.3	91.8

(1) Represents amount less than HK$26,000 (2024: HK$3,000).

Net current assets

As at 31 March 2025, the Group had net current assets of approximately HK$84.8 million (2024: approximately HK$82.1 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. The Group's total equity attributable to owners of the Company amounted to approximately HK$100.4 million (2024: approximately HK$91.2 million).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year ended 31 March 2025 and up to the date of this annual report.

GEARING RATIO

As at 31 March 2025, the gearing ratio of the Group, which is calculated as the ratio of total borrowings to total equity, was Nil (2024: Nil).

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

Majority of the Group's business operations were conducted in Hong Kong and the PRC. The sales of the Group are denominated in Hong Kong dollars and Renminbi, which are the functional currencies. The purchases of the Group are denominated in Renminbi, Hong Kong dollars and United States dollars. During the year ended 31 March 2025, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates. As a result, the Group does not currently engage in hedging activities to manage potential exchange rate risk. However, the management will continue to monitor the potential exposure to exchange rate risk and will take appropriate measures as it deems prudent.

The Group did not enter in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year.

PLEDGE OF ASSETS

As at 31 March 2025, the Group did not pledge nor charge on any of its assets (2024: HK$Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group did not have any plans for material investment and acquisition of material capital assets as at 31 March 2025.

CONTINGENT LIABILITIES

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

CAPITAL EXPENDITURE

During the year, the Group acquired items of property, plant and equipment of approximately HK$7.7 million (2024: approximately HK$4.0 million) and did not acquire any intangible assets (2024: HK$Nil).

CAPITAL COMMITMENT

As at 31 March 2025, the Group had capital commitment of approximately HK$53,000 (2024: approximately HK$79,000).

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, including our executive Directors, the Group had a total of 66 (as at 31 March 2024: 66) employees, of which 33 employees were in Hong Kong and 33 employees were in the PRC. The total employee benefit expenses for the year ended 31 March 2025, including Directors' remuneration, allowances and payment to the defined contribution retirement plan, were approximately HK$26.6 million (2024: approximately HK$25.2 million).

Human resources are vital to our business. The remuneration package for the Group's employees includes salaries, commission, bonus and allowances which is determined with reference to the market term, qualification and experience of individual employee. Taking into account external competitiveness and internal fairness within the Group, the Group regularly reviews its remuneration plan in accordance with the employees' experience, responsibilities and performance, etc. to ensure that remuneration is in line with market competitiveness. The Group is committed to providing fair market remuneration in form and value, and provides on-site trainings to existing employees to update their knowledge and skills to attract, retain and motivate high quality employees. The Group operates the following retirement schemes for its employees:

(1) a defined scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for those employees in Hong Kong who are eligible to participate; and

(2) a "five social insurance and one housing fund" retirement pension scheme in accordance with the Retirement Policy of the Chinese Government for those employees in the PRC.

Furthermore, the Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 22 December 2017 so as to motivate, attract and retain the right employees.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 17 January 2025, Project Across Company Limited, a wholly-owned subsidiary of the Company (as the purchaser) and ジヨイライフ株式会社, a company established in Japan (as the vendor) entered into two sale and purchase agreements, pursuant to which Project Across Company Limited agreed to purchase, and ジヨイライフ株式会社 agreed to sell, two properties which located at 3-Chome-62, Nakahama, Joto District, Osaka, Japan* (日本大阪市城東区中浜三丁目62番) and at 2-Chome-16-4, Oimazatominami, Higashinari District, Osaka, Japan* (日本大阪市東城区大今里南二丁目16番4) (the "**Properties**") at a total consideration of JPY139,500,000 (equivalent to approximately HK$6,835,500). The Properties are held under freehold. The acquisition of the Properties was completed on 28 February 2025 and constituted discloseable transaction of the Company. Please refer to the announcement of the Company dated 17 January 2025 for further details.

Save as disclosed above, the Group did not have any significant investment as at 31 March 2025 (2024: HK$Nil). The Group did not have any material acquisition and disposal of subsidiary or affiliated company during the year ended 31 March 2025 (2024: HK$Nil).

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (THE "IPO") AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

As of 31 March 2025, the net proceeds raised from the IPO had been fully utilized in accordance with the designated uses set out in the prospectus issued by the Company on 11 January 2018 (the "**Prospectus**"), the supplemental announcement of the Company issued on 24 August 2020, the change in use of proceeds announcement of the Company issued on 3 December 2021 (the "**Change in Use of Proceeds Announcement**") and the interim report for the six month ended 30 September 2022 dated 9 November 2022 (the "**Interim Report**") as follows:

Description	Amount designated in the Prospectus (as adjusted based on the actual net proceeds raised) HK$ million	Reallocation as stated in the Change in Use of Proceeds Announcement and the Interim Report HK$ million	Utilised amount as at 31 March 2025 HK$ million	Unutilised amount as at 31 March 2025 HK$ million
Setting up a factory				
– Rental of factory and staff quarters	2.0	Nil	2.0	Nil
– Operating expense including staff costs	3.9	Nil	3.9	Nil
– Purchasing computer numeric control machines, 3D printer and testing equipment	3.7	Nil	3.7	Nil
– Capital expenditure including renovation and purchasing furniture and equipment	1.0	Nil	1.0	Nil
Subtotal	10.6	Nil	10.6	Nil
Recruiting high calibre staff	4.3	Nil	4.3	Nil
Pursuing suitable acquisitions	13.0	(13.0)	Nil	Nil
Enhancing our ERP system	3.7	Nil	3.7	Nil
Purchasing Industrial PolyJet 3D Printer	N/A	3.0	3.0	Nil
Expanding 3D printing facilities and operating a 3D printing solution workshop	N/A	10.0	10.0	Nil
Expanding and upgrading the infrastructure of our workshop and office	1.9	Nil	1.9	Nil
Working capital and general corporate purpose	1.2	Nil	1.2	Nil
Total	34.7	Nil	34.7	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

EVENTS AFTER REPORTING PERIOD

The Group does not have any significant events after the reporting period and up to the date of this annual report.

FUTURE DEVELOPMENT AND OUTLOOK

The Group will continue its efforts to be one of the leading LED lighting solutions providers in Asia. During the year 2024/25, approximately 62.8% of our sales originates from the PRC and we believe that the domestic demand from luxury renowned brands will remain active in the PRC market which will therefore require more renovation of retail stores in the PRC's shopping malls. The Group will continue to look for new customers and opportunities, and to expand our customer base through our existing network.

Looking ahead, we believe that the recovery brought about by the resumption of cross-border travel will certainly drive the economy growth again, however, the market is still full of uncertainty and with new challenges. We will continue to focus on strengthening our core businesses, and at the same time explore for new business opportunities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Group is pleased to present this Environmental, Social and Governance Report (the "**ESG Report**") to provide an overview of the Group's policies, measures, performance and sustainable development of the Group in terms of environmental and social aspects. This report is available in Chinese and English and can be viewed and downloaded from the websites of the Company (www.imsgroupholdings.com) and the Stock Exchange of Hong Kong Limited ("**SEHK**"). Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Reporting Scope

This ESG Report summarizes the performance of the Group in respect of corporate social responsibility, covering its operating activities in the main office in Hong Kong and its production facilities in the People's Republic of China (the "**PRC**") in between 1 April 2024 and 31 March 2025 ("**the reporting year**"). The Group's operating activities in Hong Kong involve selling LED lighting fixtures, provision of integrated LED lighting solution services, LED lighting system consultation and maintenance services, and selling visual-audio system. The production facilities in the PRC support the supply of LED lighting products.

In order to provide a comparison of the Group's annual sustainability performance and progress, the reporting methodologies are aligned throughout the three consecutive ESG reports. While the core operations of the Group are covered in this ESG Report, some operations of the Group in Asia (excluding Hong Kong and the PRC) and Europe are not included in the reporting scope. It is on the Group's agenda to review the reporting scope based on the reporting principle of materiality and refine the data collection system in paving the way for the provision of more comprehensive information and a wider reporting scope covering the entire operations.

Reporting Principles

This ESG Report is prepared in accordance with the "comply or explain" provisions of Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") contained in Appendix C2 of the Rules Governing the Listing of Securities on GEM of the SEHK. To make sure that the environmental key performance indicators ("**KPIs**") are accurate, the Group has appointed a professional consultant to conduct a carbon assessment based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong. Selected KPIs that are categorized by the ESG Reporting Guide as "recommended disclosures" are also included in this ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In preparing this ESG Report, the Group adheres to the four fundamental reporting principles set out in the ESG Guide:

Reporting principles	The Group's application
Materiality	Material environmental and social issues were identified through survey with members of the IMS Group's Board of Directors (the "**Board**"). Relevant contents have been prioritized and disclosed in this ESG Report.
Quantitative	The Group records and discloses key performance indicators in quantitative terms as appropriate for evaluation and validation.
Balance	The ESG Report discloses information in an objective manner, providing stakeholders with an unbiased picture of the Group's overall ESG performance.
Consistency	As far as practicable and unless stated otherwise, the Group employs consistent measurement methodology to allow for meaningful comparison of ESG performance over time. Any changes in methods or KPIs used will be disclosed.

Confirmation and Approval

All the information cited in this ESG Report was derived from the Group's official documents, statistical data as well as management and operational information collected in accordance with the Group's policies. The Group's internal control and formal review process are in place to ensure that any information presented in this ESG Report is as accurate and reliable as possible. The ESG Report has been reviewed and approved by the Board of Directors (the "**Board**") on 20 June 2025.

Opinion and Feedback

Stakeholder opinions are instrumental to the continuous improvement of the Group's ESG performance. If you have any questions or suggestions regarding the content or format of the report, please contact the Group by:

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SUSTAINABILITY GOVERNANCE

IMS Group is committed to maintaining good governance to capitalize opportunities and minimize risks arising from ESG issues. The Board is principally responsible for directing the overall strategy and development of the Group's operations and business, and monitoring and reviewing of the corporate governance practices across the Group. ESG-related risks are taken into account in decision making and maintaining appropriate and effective risk management and internal control systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is aware that a strong governance framework is the key to ensure that sustainability issues are incorporated into core businesses. It is crucial to set sustainability goals and targets for evaluating sustainability performance in a more systemic approach. An ESG Committee ("**Committee**") has been established with management from different business units, aiming to ensure that the Group's operations comply with the principle of sustainability and to look after the Group's daily operations and risk management matters in relation to our ESG-related risks. The Committee deals with sustainability issues by regular communication with senior management from key business divisions, reviewing the Group's daily operations and feedback from stakeholders, and updating internal policies whenever necessary. The material issues involving the ESG-related risks of the Group are reviewed by the Committee and the Board regularly.

Risk Management

The Group emphasizes sound risk management as the core competitiveness and foundation of its business development. It has set up appropriate and effective risk management and internal control system to manage risks, where the Audit Committee and external professional firm conduct regular assessment, which will then be reviewed by the Board. While the Board performs annual review on the effectiveness and adequacy of the systems, the senior management is responsible for the design and implementation of the systems. Management holds regular meetings to discuss and evaluate the possible ESG risks. Below are the ESG risks identified this reporting year and are discussed by management and reported to the Board.

Risks	Impact	Response
Use of resources	Exploitation of unnecessary resources can lead to increase in cost of operations.	The Group always focuses on resource conservation. The Group monitors the use of resources in order to raise employees' awareness on resource saving. Sustainability and reduction targets are set to monitor and reduce the use of resources. Consumption of paper and electricity is always controlled to the minimum.
Labour standards	The Group operates in a fair and responsible manner. Child labour and forced labour can adversely affect the Group's reputation.	The Group has put in place an internal guideline for child and forced labour to govern the employment process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

IMS Group has incorporated ESG material issues into its enterprise risk management and assessment so as to ensure timely responses and effective policies for ESG issues.

Compliance Management

Aspect	Relevant laws and regulations	Compliance performance during the year 2024/2025
Emissions	Air Pollution Control Ordinance; Waste Disposal Ordinance	The Group did not identify any non-compliance cases concerning air and greenhouse gas ("**GHG**") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
Employment	Employment Ordinance; Employees' Compensation Ordinance	There was not any non-compliance case within the Group in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and benefits and welfare-related matters.
Health and safety	Occupational Safety and Health Ordinance	There was not any non-compliance case within the Group in relation to providing a safe working environment and protecting employees from occupational hazards.
Labour standards	Employment Ordinance	There was no non-compliance case within the Group regarding child and forced labour.
Product responsibility	Personal Data (Privacy) Ordinance	The Group did not identify any non-compliance cases concerning health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.
Anti-corruption	Prevention of Bribery Ordinance	The Group did not identify any cases of non-compliance, nor was there any reported cases, litigations or concluded legal case regarding corruption practices brought against the Group or its employees concerning bribery, extortion, fraud and money laundering.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

IMS Group takes on the responsibility for incorporating sustainable practices into its daily operations to create values for its stakeholders. Stakeholder engagement provides the Group with the views of its stakeholders in issues relevant to them. Therefore, understanding and meeting the needs of the stakeholders allow the Group to respond proactively to opportunities and challenges, and to build long-term trust. This contributes to the positive development of the community as well as supporting the sustainable growth of the business.

The Group recognizes the benefits of continuous communication with stakeholders regarding their concerns for sustainability. Stakeholders are internal and external individuals, groups and organizations who have considerable influence on the Group's business, and whom the business has a significant impact on. Stakeholder engagement is essential for the Group to examine potential risks and opportunities, and to identify areas for improvement.

The Group understands that stakeholders' expectation varies over time. Therefore, stakeholders are engaged to update on the issues that are important to them every year. During the reporting year, the Group engaged its key stakeholders through multiple channels to gather feedback and strived for continuous improvement.

The significant stakeholders identified below were engaged through the following channels:

Customers	Employees	Community
• Daily operations and interactions • Customer service email	• Employee performance appraisal • Training and workshops • Meetings • Staff intranet • Volunteer activities	• Volunteer activities • Community investments and donations

Government and regulators	Stakeholders and Investors	Suppliers
• Ad hoc enquiries • Circulars and guidelines	• Annual General Meeting • Corporate communications • Interim and annual reports • Results announcements	• Supplier management processes • Meetings

Alongside the feedback received from regular channels, the Group performs materiality assessment annually to identify and prioritize ESG issues which have significant impacts on its business, investors and other stakeholders. Therefore, the Group is keen to identify key issues that will have significant impact on its stakeholders and businesses. A board survey is conducted annually to review the 11 aspects listed in the ESG Reporting Guide and identify material ESG issues related to the business operations. 4 issues prioritized to be the material focus of this ESG Report are set out below:

Anti-corruption	Labour standards	Use of resources	Environment and natural resources

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The Group will continue to improve its stakeholder engagement in order to gauge more detailed feedback from its stakeholders. The Group will explore different means of engagement (such as surveys or focus group) in the future.

OPERATING PRACTICES

The Group endeavors to operate its businesses in a responsible and fair manner. A set of corporate policies governs the Group's objectives and requirements regarding anti-corruption, supply chain management and product responsibility.

Anti-Corruption

The Group does not tolerate any forms of corruption, including bribery, money laundering, extortion or fraud. It is stipulated clearly in the Employee Handbook that all employees are prohibited from soliciting or accepting any interests, benefits, except gifts without notifying its Manager and/or Legal and Compliance Department. Employees are also required to declare any potential conflicts of interest to the Group. Additionally, it is under the Group's Supply Chain Management Policy to prevent fraud and corruption throughout its supply chain, ensuring suppliers and contractors uphold the highest standards of ethics. During the reporting year, a governance body member and senior management received anti-corruption training.

The Group has a Whistle-blowing Policy in place where it ensures a fair reporting and investigation mechanism for employees to report on any misconduct or malpractice within the Group. As part of the Group's commitments to protecting whistle-blowers from detriment, harassment and reprisal, the identity of whistle-blowers will be kept confidential without their prior consent unless it is a legal obligation to reveal their identities to the authorities.

During the reporting year, there was no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Supply Chain Management

The Group is committed to developing long-term relationships with its suppliers. By creating a partnership with its suppliers, the Group can continuously optimize its operation process and quality. The Group has a Supply Chain Management Policy in place, where a set of criteria guides the selection process of suppliers. The supplier selection criteria include the timeliness, quality, product certification, purchase price as well as social and environmental responsibility. Since the Group cares about the ESG performance of its supply chain, suppliers are requested to integrate socially and environmentally responsible practices into their business operations, including maintaining high safety standards and reducing GHG emissions.

To strengthen the ESG risk management on its procurement process, the Group also has a Green Office Policy in place for the procurement of equipment and supplies. The Group also communicates with suppliers on the Group's environmental protection and energy saving goals and requires its suppliers to reduce packaging material.

To make sure that the suppliers adhere to the Group's policy, it conducts regular review and monitors the supplier performance, suppliers' business related matters and also ESG matters such as health and safety standard, and reduction on emissions and wastes.

During the reporting year, all suppliers were engaged in the same set of engagement practice to ensure the fairness of the system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Product Responsibility

IMS Group takes on product responsibility for the benefit of customers. The Group has a Product Responsibility Policy in place with regards to customer satisfaction, health and safety, and data privacy.

Quality and Safety Management

The Group positions its brand as quality products and services. Rigorous quality assessments are regularly conducted to select the finest products. The health and safety items of products, such as concentrations of the Substances of Very High Concern, are also considered, monitored and reviewed. All products of the Group meet the security requirements of different countries, such as several certifications from China Compulsory Certification, Korea Certification Mark, Regulatory Compliance Mark, Product Safety Electrical Appliance & Material Mark and the CE Mark.

The Group has a faulty product returns policy and procedure in place. To further guarantee the quality of the product, the Group offers a one-year warranty on products. Within the warranty period, customers are able to return products for free provided that they have valid reasons for return. For products outside the warranty period, free exchange is subject to director's approval. Faulty products will then be sent to Quality Assurance or Research and Development department for further investigation in order to improve its products and minimise such defects in the future.

During the reporting year, the Group did not receive any claims of or handle any cases of product recalls for safety and health reasons.

Customer Satisfaction

Customer satisfaction is one of the key indicators on the Group's performance. The Group places great emphasis on establishing a smooth communication channel with its customers to meet their needs and to build long-term relationships. Customers' opinions are collected through several communication channels, such as email or through sales personnel. Any feedback from customers will be further examined by customer service team to refine for better products and services.

During the reporting year, the Group did not receive any products or services related complaints.

Intellectual Property Rights

IMS Group respects intellectual property rights. The Group protects its intellectual property rights by prolonged use and registration of domain names and trademarks. The Group's domain names are constantly monitored and renewed before their expiration. The Employee Handbook provides guidelines on the intellectual property protection on the Group's assets, including logos, patents, trademarks, copyrights and etc. Employee shall also ensure that all copyrights documents and materials produced by them will be original and will not infringe the rights of any other third parties.

Data Privacy

It is stated in the Employee Handbook that employees are responsible to maintain confidentiality of customer information and sensitive information. It is also stated in the Employee Handbook the rules on the use of the Company's communication and information systems, such as computers, computer system, databases, stored information and data intranet, etc. This prevents the misuse or misappropriation of the system and ensures personal data is managed in a proper and secure manner. At the moment, the Group's business does not involve direct advertising and marketing activities. In the future, if advertising and marketing promotion are required, the Group will formulate an advertising policy to improve the dissemination of accurate and unbiased information to the customers on advertising and labelling materials to enable informed decisions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

LABOUR PRACTICE

The Group strives to foster a supportive and quality working environment by treating all employees fairly and equally, safeguarding their rights and interests, providing them with opportunities for career development, and creating a healthy and safe workspace. The Employee Handbook has a set of guidelines on labour standards, employment system, health and safety as well as training and development.

Labour Standards

The Group strictly upholds best practices in labour and human rights standards. It prohibits the employment of child labour and eliminates all forms of forced and compulsory labour in any of its operations. Policies and guidelines regarding overtime work, allowances and compensation leave are communicated to employees through the Employee Handbook. The Group also respects employees' freedom and rights. Employees will be compensated for overtime work by taking work days off or receiving overtime compensation based on the nature of their work.

As stated in its Internal Guideline for Child and Forced Labour, the Group does not tolerate the employment of person aged under 18, with the exception of cases of special approval obtained from the management who shall ensure compliance with certain laws and requirements. Human Resources Department performs background check on identity documents of applicants before employment to prevent child labour.

Employment

The Group strives to ensure a fair, respectful, inclusive and diverse culture. The Group's employment policy is stated in the Employee Handbook covering aspects such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare.

The Group endeavours to provide equal opportunity to all employees and applicants for employment without regard to race, religion, colour, sex, sexual orientation, national origin, age, marital status. All employees are treated with fairness and equality. Candidates are recruited and promoted based on meritocracy. Any forms of discrimination are strictly prohibited.

To attract and retain talents, a competitive remuneration policy is in place. The Group also offers attractive welfare and benefits including but not limited to annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, medical insurance, travelling allowance and education reimbursement.

The Group believes that a harmonious working environment will deliver the best results. In order to encourage employees to share their views, the Group has various feedback channels to solicit employees' opinions on the employment system and working environment.

1 The Employment of Young Persons (Industry) Regulations and the Employment of Children Regulations, made under the Employment Ordinance.

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Health and Safety

The Group is committed to providing a healthy and safe workplace for its employees. In the Employee Handbook, all safety regulations and emergency measures are listed in order to enhance employees' understanding on safety management in day-to-day operations. The Group also provides medical benefits scheme for all employees after the successful completion of the 3-month probation period.

The Group cares not only about the physical health of our employees, but also their mental health and wellbeing. The Group has monitored and reviewed the absentee days during this reporting year in order to track performance and mitigate risks over time. In each of the past three years and including the reporting year, there were no cases of work-related injury or fatality. There were 497 absentee days[2] recorded.

Training and Development

Employee investment contributes to the long-term success of the Group. The Group is devoted to providing learning and development opportunities for employees to acquire up-to-date knowledge and skills to enhance their competencies in terms of future career growth and development. Employees with six months of service to the Company are eligible to apply for staff education sponsorship for external job-related studies.

Performance review is essential to employees' career development. Therefore, a periodic performance evaluation is conducted for every employee annually, allowing employees to have information interchange with the management such that aligns with the goals and needs of the Company. The performance appraisal also allows employees to track its career performance and to develop their career during their time at the Company. In order to help employees to properly hone the appropriate skills, trainings such as ethics, accounting, quality management, corporate finance, pandemic impacts on businesses and leadership, protection on intellectual property rights, consumer data protection and privacy policies, were provided to 33 employees with a total of 68 training hours.

	Percentage of employees trained	Average training hours completed per employee
By Gender		
Male	100%	2.0
Female	100%	2.2
By Employment Level		
General staff	100%	0.8
Middle management	100%	1.5
Senior management	100%	12.0

2 Absentee days refer to the absent from work because of incapacity of any kind, not just as the result of work-related injury or disease, excluding permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PROTECTING THE ENVIRONMENT

IMS Group recognises its responsibility to minimise the environmental impacts caused by its operations and products. Through the formulation of the Green Office Policy, the Group strives to implement various environmental-friendly office measures, such as energy management, paper reduction, water conservation, green procurement and emissions reduction, and instills a green culture within the headquarters.

Use of Resources

IMS Group is conservative in resources consumption. It uses a wide range of resources including electricity for daily operations, fuel consumption for vehicle use, paper consumption and water consumption.

Resource consumption in Hong Kong headquarters

Petrol and Diesel Consumption in Total	Electricity Consumption in Total	Amount of Office Paper Purchased
7.1 MWh	125.6 MWh	429.1 kg

Resource consumption in PRC production site and dormitory

Petrol and Diesel Consumption in Total	Electricity Consumption in Total	Amount of Office Paper Purchased
0 MWh	91.3 MWh	332.5 kg

Energy

Under the Green Office Policy, several energy-saving and energy efficiency measures are implemented in its headquarters in order to manage its energy use. This includes the instalment of high-performance electrical equipment, instalment of sun control window films to reduce energy consumption by air conditioner, purchase of high energy efficiency products, switching off light and unnecessary energy device and deployment of natural light whenever possible. The Group will continue to monitor and track its energy usage.

For energy use, purchased electricity is the largest type of energy end-use. While comparing with last year, the energy intensity in Hong Kong in the reporting year (3.69 MWh/employee) is only 9.5% higher than previous reporting year (3.37 MWh/employee).

The energy intensity in PRC in the reporting year (2.85 MWh/employee) is 10.5% higher than previous reporting year (2.58 MWh/employee).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Paper

Several paper reduction measures are specified in the Green Office Policy in order to provide guidelines for employees to follow. Recycle bins are placed next to printer in the office to encourage recycling of paper, poster, letter and envelope. The Group encourages employees to write and print on both sides of the paper, and to bring their own cup to avoid using single-use paper cup.

Paper waste disposal is the largest contributor to the Group's GHG emissions, followed by energy indirect emissions from purchased electricity. To further improve the Group's performance, it shall continuously monitor, assess and report its carbon emission every year. The GHG emission intensity for HK headquarters is 15.6 tonnes CO_2-e per employee, which is slightly lower than that of the previous reporting year (15.9 tonnes CO_2-e/employee). The intensity for PRC site is 7.22 tonnes CO_2-e per employee, representing only a 1% increment compared to 2024 (7.14 tonnes CO_2-e/employee).

Water

The Group's operations do not involve a significant amount of water. Although water is not involved in main operations, the Group emphasized on water conservation. Water conservation guidelines are specified in the Green Office Policy to further conserve water resources. The Group adopts effective water-saving production methods and instruments, including minimizing water pressure. Water consumption is also checked regularly to identify any abnormal consumption. Dripping faucet or hose is repaired in a timely manner once reported.

The Group sources water from the municipal supplies through pipelines maintained by the property manager and also distilled water for drinking from suppliers. However, the water consumption record from municipal supplies in the Hong Kong headquarters was not available since no individual water meter was installed and the property manager and owner of the office premise was unable to provide water consumption data. The data is however available for the PRC production site and dormitory. During the reporting year, 1,862 tons of water was consumed in production, as compared to 1,351 tons for 2023/2024.

Drinking water consumption in the Hong Kong headquarters slightly increased from 0.19 tonnes per employee to 0.21 tonnes per employee. For PRC site, it increased slightly from 0.20 tonnes per employee to 0.28 tonnes per employee.

In the future, the Group shall continue to work closely with the property manager to obtain the water consumption data and introduce more water saving practices in the office.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environment and Natural Resources

The Group strives to further reduce the environmental impacts associated with its activities and business. As stipulated in its Green Office Policy, it minimizes the impact on the environment through emission reduction and resource conservation in its operations. Additionally, environmentally friendly measures are listed in the policy as guidance to employees in enhancing its sustainability performance.

Emissions

Air Emissions

The Group encourages employees to use public transport and adopt environmentally friendly travelling practices whenever possible to minimize air emissions. The major source of IMS Group's air pollutants is vehicle use in its Hong Kong's headquarters office, including Nitrogen Oxides ("**NOx**"), Sulphur Oxides ("**SOx**") and Respirable Suspended Particulates ("**RSP**").

Air Pollutants (Air Emissions – in KG)	2024/2025	2023/2024
Nitrogen oxides	2.21	1.78
Sulphur oxides	0.02	0.02
Respirable suspended particles	0.20	0.16

There is no vehicle use for PRC production site and dormitory.

GHG Emissions

GHG emissions pose a critical challenge to the environment. The Group pledges to combat climate change by reducing its carbon footprint of its operations through emission and resource reduction initiatives. The Group will continuously monitor its carbon footprint and to control the environmental impacts of its daily operations. As mentioned above, the Green Office Policy sets out guidelines in several energy-saving and energy efficiency measures that are implemented in its headquarters in order to reduce GHG emissions, including the instalment of high-performance electrical equipment and sun control window films, purchase of high energy efficiency products, switching off light and unnecessary energy device, deployment of natural light whenever possible and cleaning the dust filter of air conditioner regularly. IMS Group has employed a professional consultancy firm to conduct a carbon assessment to quantify the greenhouse gas emissions (or "**carbon emissions**") of its operations. The quantification process is based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong as well as other international standards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hong Kong Headquarters

Total GHG Emissions
531.4 tonnes CO_2-e

Emissions from Paper Waste Disposal (% of total)
454.3 tonnes CO_2-e

Carbon Intensity
(by no. of staff)
15.63 tonnes CO_2-e
per employee

GHG Emissions	
Scopes	Emissions (in tonnes CO_2-e)
Scope 1 – Direct emissions from sources	1.73
Scope 2 – Energy indirect emissions	75.4
Scope 3 – Other indirect emissions	454.3
Total GHG Emissions	**531.4**

PRC Production Site & Dormitory

Total GHG Emissions
231.0 tonnes CO_2-e

Emissions from Paper Waste Disposal (% of total)
176.2 tonnes CO_2-e

Carbon Intensity
(by no. of staff)
7.2 tonnes CO_2-e
per employee

GHG Emissions	
Scopes	Emissions (in tonnes CO_2-e)
Scope 1 – Direct emissions from sources	0
Scope 2 – Energy indirect emissions	54.8
Scope 3 – Other indirect emissions	176.2
Total GHG Emissions	**231.0**

3 Scope 1 include GHG emissions from mobile combustion sources.
4 Scope 2 include GHG emissions from the consumption of purchased electricity.
5 Scope 3 emissions include methane gas generation at landfill in Hong Kong due to disposal of paper waste and business travel by employees.

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Waste

In the reporting year, 0.86 tonnes of non-hazardous wastes including general waste and paper were produced, slightly below that in previous reporting year. All of the non-hazardous waste was collected and disposed of at the landfills.

On the other hand, as the operations within the reporting scope were office-based, no hazardous waste was generated from IMS Group's operations. If hazardous waste is generated, it shall be handled by qualified service contractors.

In the future, the Group will continue to monitor the use of resources, and will review and set sustainability targets or reduction targets with action plan to achieve these targets. For instance, the Group actively promotes waste reduction through disseminating useful tips to employees on material recycling.

Climate Change

With the increasing occurrence of climate change-induced extreme weather events, such as typhoons, torrential rain, and flooding, the international society attaches more importance to climate change issues. The Group is not significantly affected by climate change-related physical risks. However, the Group provide flexible work arrangements according to the Code of Practice in Times of Typhoons and Rainstorms to ensure the safety of employees.

OUR COMMUNITY

Supporting the communities where the Group operates is one of the essential ingredients in order to create a cohesive society. Guided by its Community Investment policy, the Group contributes to the needs of communities through cash contributions, cash-in-kind contributions or volunteering activities. The policy also highlights the monitoring of the chosen charitable programs to ensure accountability and transparency in order to bring the most to the society.

As a company involving in the LED lighting fixtures and visual-audio system, the Group hopes to contribute to the society where its business relates to, by helping people who are visually impaired. The Group is formulating a community investment policy in order to establish a common and coherent approach among its operations and facilitate the strategic and efficient deployment of its resources to contribute to the communities in where it operates.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KEY PERFORMANCE INDICATORS SUMMARY

Social Performance

Hong Kong Headquarters

	Category	Total
Number of employees	**By age group**	
	Below 30	3
	30-40	9
	41-50	11
	Above 50	10
	By gender	
	Male	22
	Female	11
	By employee category	
	C-level executives	2
	Senior management	1
	Middle management	11
	General employees	19
	Total number of employees	33
	Ratio of male employees to female employees	2:1

	Category	Total	Rate
New employees	**By age group**		
	Below 30	1	33.3%
	30-40	0	N/A
	41-50	0	N/A
	Above 50	0	N/A
	By gender		
	Male	1	4.5%
	Female	0	N/A
	Total number of new employees	1	
	New employees as a percentage of total employees	3.0%	

All employees are full-time and hired in Hong Kong.

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	Category	Total	Rate
Employees turnover	**By age group**		
	Below 30	1	33.3%
	30-40	0	N/A
	41-50	0	N/A
	Above 50	1	10%
	By gender		
	Male	1	4.5%
	Female	1	9.1%
	Total employees turnover	2	
	Employee turnover rate	6.1%	

PRC Production Site & Dormitory

	Category	Total
Number of employees	**By age group**	
	Below 30	2
	30-40	15
	41-50	12
	Above 50	4
	By gender	
	Male	21
	Female	12
	By employee category	
	C-level executives	0
	Senior management	1
	Middle management	0
	General employees	32
	Total number of employees	33
	Ratio of male employees to female employees	1.75:1

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	Category	Total	Rate
New employees	**By age group**		
	Below 30	0	0
	30-40	0	0
	41-50	1	8.3%
	Above 50	1	25%
	By gender		
	Male	2	9.5%
	Female	0	0
	Total number of new employees	2	
	New employees as a percentage of total employees	6.1%	

All employees are full-time and hired in PRC.

	Category	Total	Rate
Employees turnover	**By age group**		
	Below 30	0	0
	30-40	3	20%
	41-50	0	0
	Above 50	0	0
	By gender		
	Male	2	9.5%
	Female	1	8.3%
	Total employees turnover	3	
	Employee turnover rate	9.1%	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hong Kong & PRC

Health and Safety	Number of work injury cases	Lost days due to work injury	Number and rate of work related injuries
	0	0	0

Suppliers	Location of suppliers	Number of suppliers
	Hong Kong	16
	PRC	83
	Taiwan	2
	United States	2
	Malaysia	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL PERFORMANCE

Hong Kong Headquarters

	Environmental KPIs	Quantity		Unit
		2024/2025	2023/2024	
A1.1	**Types of emissions and respective emissions data**			
	Nitrogen Oxides (NOx)	2.21	1.78	Kg
	Sulphur Oxides (SOx)	0.02	0.02	Kg
	Respirable suspended particles	0.20	0.16	Kg
A1.2	**Greenhouse gas emissions in total**			
	Scope 1	1.7	1.4	tonnes CO_2-e
	Scope 2	75.4	75.6	tonnes CO_2-e
	Scope 3	454.3	464.8	tonnes CO_2-e
	Greenhouse gas emissions in total	531.4	541.8	tonnes CO_2-e
	Greenhouse gas intensity (by no. of staff)	15.63	15.9	tonnes CO_2-e/ employee
A1.3	**Total hazardous waste produced**			
	Total hazardous waste	0.000	0.000	N/A
	Hazardous waste intensity (by no. of staff)	0.000	0.000	N/A
A1.4	**Total non-hazardous waste produced**			
	Total non-hazardous waste	0.86	0.88	Tonnes
	Non-hazardous waste intensity (by no. of staff)	0.025	0.026	Tonnes/employee
A2.1	**Direct and/or indirect energy consumption by type**			
	Direct energy consumption	7.1	5.7	MWh
	Petrol	4.3	3.4	MWh
	Diesel	2.7	2.3	MWh
	Indirect energy consumption	125.62	114.57	MWh
	Electricity	125.62	114.57	MWh
	Energy intensity (by no. of staff)	3.69	3.37	MWh

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	Environmental KPIs	Quantity		Unit
		2024/2025	2023/2024	
A2.2	**Water consumption in total and intensity**			
	Total water consumption	7.07	6.74	tonnes
	Water intensity (by no. of staff)	0.21	0.20	tonnes/staff
A2.5	**Total packaging material used for finished products**			
	Total packaging material used	Not applicable	Not applicable	N/A
	Packaging material used per unit produced	Not applicable	Not applicable	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRC Production Site & Dormitory

	Environmental KPIs	Quantity		Unit
		2024/2025	2023/2024	
A1.1	**Types of emissions and respective emissions data**			
	Nitrogen Oxides (NOx)	0	0	Kg
	Sulphur Oxides (SOx)	0	0	Kg
	Respirable suspended particles	0	0	Kg
A1.2	**Greenhouse gas emissions in total**			
	Scope 1	0	0	tonnes CO_2-e
	Scope 2	54.8	54.5	tonnes CO_2-e
	Scope 3	176.2	173.9	tonnes CO_2-e
	Greenhouse gas emissions in total	231.0	228.4	tonnes CO_2-e
	Greenhouse gas intensity (by no. of staff)	7.22	7.14	tonnes CO_2-e/ employee
A1.3	**Total hazardous waste produced**			
	Total hazardous waste	0	0	N/A
	Hazardous waste intensity (by no. of staff)	0	0	N/A
A1.4	**Total non-hazardous waste produced**			
	Total non-hazardous waste	0.33	0.33	Tonnes
	Non-hazardous waste intensity (by no. of staff)	0.01	0.01	Tonnes/employee
A2.1	**Direct and/or indirect energy consumption by type**			
	Direct energy consumption	0	0	MWh
	Petrol	0	0	MWh
	Diesel	0	0	MWh
	Indirect energy consumption	91.32	82.6	MWh
	Electricity	91.32	82.6	MWh
	Energy intensity (by no. of staff)	2.85	2.58	MWh

	Environmental KPIs	Quantity		Unit
		2024/2025	2023/2024	
A2.2	**Water consumption in total and intensity**			
	Total water consumption	1,862.1	1,351.6	tonnes
	Water intensity (by no. of staff)	58.19	42.2	tonnes/staff
A2.5	**Total packaging material used for finished products**			
	Total packaging material used	Not applicable	Not applicable	N/A
	Packaging material used per unit produced	Not applicable	Not applicable	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG REPORTING GUIDE CONTENT INDEX

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A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	27
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A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	29
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B2 Health and safety		
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B2.2	Lost days due to work injury.	33
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	24

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company places high value on the corporate governance practice and the Board firmly believes that good corporate governance practice can improve accountability and transparency for the benefit of the shareholders of the Company (the "**Shareholders**").

The Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the GEM Listing Rules throughout the year ended 31 March 2025 and up to the date of this annual report. During the year ended 31 March 2025, the Directors considered that the Company has complied with the CG Code except for the deviations from code provision C.2.1 of the CG code, the details of which are set out below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is responsible for the Group's strategic planning, to lead and manage the operations of the Board, while the Chief Executive Officer (the "**CEO**") takes the lead in the Group's operations and business development. There is a clear division of responsibilities between the Chairman and CEO of the Company which provides a balance of power and authority. And therefore, pursuant to code provision C.2.1 of the CG Code, the responsibilities between the Chairman and the CEO should be segregated and should not be performed by the same individual. However, in view of Mr. Tam Yat Ming Andrew, being the founder of the Group, with his experience and roles performed in the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Mr. Tam Yat Ming Andrew acts as the Chairman and continues to act as the CEO.

The Directors consider that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of power by the Board and the effective functions of the independent non-executive Directors. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of Chairman and CEO is necessary.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and, with the Chairman's support, to review and monitor its corporate governance practices from time to time to ensure compliance with the legal and regulatory requirements, the CG Code and alignment with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding Directors' securities transactions adopted by the Company during the year ended 31 March 2025.

BOARD OF DIRECTORS

Functions of the Board

The Board is primarily responsible for overseeing the management of business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives.

CORPORATE GOVERNANCE REPORT

Delegation by the Board

The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of The Stock Exchange of Hong Kong Limited (the "**SEHK**") and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate.

The management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board have been delegated to the senior management of the Group. The senior management would report back to the Board where appropriate, and the delegated functions and work tasks are reviewed from time to time to ensure that they remain appropriate to the needs of the Group. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

Composition

The Board is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors), and that non-executive Directors should be of sufficient calibre and number for their views to carry weight, which helps bring in sufficient balance of skills, experience and diversity of perspectives in contributing to the Company in its development of strategies and policies and to achieve its goal. The Board has established mechanism and has reviewed the same annually to ensure independent views and input are available to the Board, and with such strong independent element on the Board, independent judgment can be exercised in the Board's overall decision making process. The Board has reviewed the implementation and effectiveness of the Board independence mechanism for the year ended 31 March 2025 and considered it to be effective.

As at the date of this Corporate Governance Report, the Board comprises the following five Directors:

Executive Directors

Mr. Tam Yat Ming Andrew *(Chairman and Chief Executive Officer)*
Mr. Lo King Shun (Retired on 19 July 2024)
Ms. Fok Yee Man ("**Ms. Fok**") (Appointed on 15 November 2024)

Independent Non-executive Directors ("INEDs")

Mr. Li Chun Hung
Mr. Ha Yiu Wing
Dr. Wilson Lee

Following the resignation of Mr. Lo King Shun on 19 July 2024, Ms. Fok was appointed as the Executive Director of the Company on 15 November 2024. For the appointment, the Company provided Ms. Fok with materials on the operations and businesses of the Group, together with information relating to duties and responsibilities of directors under statutory regulations and the GEM Listing Rules. Ms. Fok has obtained legal advice on 8 November 2024 from a law firm qualified to advise on Hong Kong law as referred to in Rule 5.02D of the GEM Listing Rules, and Ms. Fok confirmed that she understood her obligations as a Director of the Company.

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. There is no financial, business, family or other material/relevant relationship among the Directors.

CORPORATE GOVERNANCE REPORT

In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three INEDs representing more than one-third of the board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The INEDs have brought in a wide range of skills, business and financial expertise, experiences and independent judgment to the Board. Through active participation in the Board meetings, general meetings, and serving on various Board committees, all INEDs have contributed to the Company, as well as gaining and developing a balanced understanding of the views of Shareholders.

The Company has received an annual confirmation from each INED of his independence, and the Company considers such Directors to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the director's responsibilities under the statutes and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company will from time to time provide briefings and suitable trainings to all Directors to develop and refresh their knowledge and skills relating to their duties and responsibilities.

All Directors are also encouraged to attend relevant professional development courses at the Company's expense and, in order for the Board to review and monitor the training and continuous professional development of the Directors and senior management, they have been requested to provide the Company with their training records. According to the training records maintained by the Company, all Directors, namely Mr. Tam Yat Ming Andrew, Mr. Lo King Shun, Ms. Fok, Mr, Li Chun Hung, Mr. Ha Yiu Wing and Dr. Wilson Lee had attended training sessions on obligations, duties and responsibilities of directors conducted by the Company's Hong Kong legal advisers.

BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity (the "**Board Diversity Policy**") and discussed all measurable objectives set for implementing the Board Diversity Policy. The Board reviews the implementation and effectiveness of the Board Diversity Policy on an annual basis.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. For the year ended 31 March 2025, the Board considered that the Company had achieved gender diversity at Board level and it targets to maintain, and where suitable candidates are identified, to further improve, gender diversity at the Board and its senior management levels.

CORPORATE GOVERNANCE REPORT

As at 31 March 2025, the Group/the Company maintained a 1:2 ratio of female to male in the workplace of the Hong Kong headquarter (including senior management). The Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

NOMINATION POLICY

The Board has approved and adopted a nomination policy of the Company ("**Nomination Policy**") setting out the guidelines for the administration of the nomination procedure and process, evaluation and termination of each Board member. The Nomination Policy shall be administered by the Board, and the Board shall commission the Nomination Committee to revise, replace, or abolish any term in the Nomination Policy, and delegate the Nomination Committee to execute the functions of appointment and termination under the Nomination Policy.

The Board shall consist of the number and ratio of Directors as required by the Articles of Association and the GEM Listing Rules, and shall be composed of members with a balance of skills, experience and diversity of perspectives. All Board appointments will be based on meritocracy, and with respect to the selection and recommendation of candidates, the Board will consider the board diversity from a number of aspects including but not limited to gender, skill and length of service etc as well as the contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

ANTI-CORRUPTION

During the year ended 31 March 2025, there was no concluded legal cases regarding corrupt practices brought against the Group or its employees.

The Group believes that ensuring trust and integrity and building sound reputation are crucial in our business. All staff members are expected to fully adhere to the Group's value, which is in compliance with the laws and regulations of the jurisdictions where the Group operates, including:

- Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法);
- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong);
- Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong); and
- Prevention of Corruption Act (Chapter 241 of Singapore).

CORPORATE GOVERNANCE REPORT

We have an established procedure for dealing with stakeholders and business partners. The Group emphasizes integrity and the importance in compliance with relevant laws and regulations. To ensure there will not be any form of corruption and to prevent unethical pursuit from occurring, we implemented whistle-blowing channels and provide anti-corruption training to our employees.

Whistle-Blowing Channels

The Group has established a whistle-blowing mechanism to maintain integrity and transparency of the Group. The Group also encourages employees and all business-related parties, to proactively report any suspected misconduct issues (such as negligence, corruption and bribery, etc.) anonymously to the management of the Group by telephone or email. Management will handle the report promptly, fairly and confidentially. On the other hand, the whistle-blowing mechanism also ensures that whistle-blowers will not be treated unfairly and will not be dismissed or disciplined without a proper reason.

Anti-corruption Training

In our employee on-boarding process, training regarding anti-corruption is provided. The content of the training includes but not limited to definition of corruption, types of corruption, details about whistle-blowing mechanism and the consequence of conducting corruption. During the year ended 31 March 2025, the Group did not provide any anti-corruption training to its Directors, management or staff.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs has entered into a letter of appointment with the Company for a term of three years and such letter of appointment may be terminated by either party by giving at least three months' notice in writing. Also, the INEDs are subject to re-election on retirement by rotation at the annual general meeting (the "**AGM**") in accordance with the Articles of Association of the Company.

The Company had received written annual confirmation from each INED of his independence pursuant to the requirements of the Rule 5.09 of the GEM Listing Rules. The Company considers all INEDs, namely Mr. Li Chun Hung, Mr. Ha Yiu Wing and Dr. Wilson Lee to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

With the Company's streamlined board structure, the delegation of certain functions to the three Board Committees and the senior management by the Board had allowed the Company's affairs to be handled efficiently and timely, and accordingly, there were only two physical board meetings held during the year ended 31 March 2025. The Company considered that the Directors have given sufficient time and attention to the Group's affairs. The attendance records of each Director at the Board and Board committee meetings of the Company held during the year ended 31 March 2025 are set out in the table below:

	Number of meetings held during the year ended 31 March 2025 Attended/Eligible to attend				
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting held on 23 August 2024
Number of meetings held	2	3	1	1	1
Executive Directors					
Mr. Tam Yat Ming Andrew *(Chairman and Chief Executive Officer)*	2/2	N/A	N/A	1/1	1/1
Mr. Lo King Shun (Retired on 19 July 2024)	2/2	N/A	N/A	N/A	N/A
Ms. Fok Yee Man (Appointed on 15 November 2024)	1/1	N/A	N/A	N/A	N/A
Independent non-executive Directors					
Mr. Li Chun Hung	2/2	3/3	1/1	N/A	1/1
Mr. Ha Yiu Wing	2/2	3/3	1/1	1/1	1/1
Dr. Wilson Lee	2/2	3/3	1/1	1/1	1/1
Average attendance rate	100%	100%	100%	100%	100%

Notice of at least 14 days are given for all regular Board meetings so that all Directors are provided with an opportunity to attend and to include all key and appropriate matters in the agenda for such regular meeting. An agenda and accompanying board papers are sent to all Directors in a timely manner (at least 3 business days) before the date of the proposed Board and Board committee meetings to ensure that they receive accurate, complete and clear information to make informed decisions in the meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or matters to be discussed will not be counted in the quorum of meeting and will abstain from voting. All Directors are entitled to have access to board papers and related materials in the form and quality sufficient to enable the board to make informed decision on matters placed before it. The Board and individual Directors will have separate and independent access to the Company's senior management where they can make further enquiries for information where necessary. Directors shall be enable to seek independent professional advice at the Company's expenses upon reasonable request and in appropriate circumstance.

CORPORATE GOVERNANCE REPORT

Minutes of Board and Board committee meetings shall be recorded with sufficient details on matters considered and decisions made during the meetings, including any concerns raised or dissenting views expressed by any Director. Drafts and final versions of such minutes shall be sent to all Directors for their comment and records within a reasonable time after the meetings are held, which shall then be kept by the Company Secretary and be available for inspection at any reasonable time on reasonable notice by any Director.

BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties and have access to independent professional advice where necessary. The written terms of reference for Board Committees are posted on the respective websites of the SEHK and the Company.

Audit Committee

Our Company established an Audit Committee pursuant to a resolution of our Directors passed on 22 December 2017 in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3 of the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting system, the risk management and internal control systems, the effectiveness of the internal audit function, scope of audit and relationship with external independent auditor, and arrangements that enable employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Company and performing the Company's corporate governance functions. As at the date of this annual report, the Audit Committee of our Company consists of three members who are Mr. Li Chun Hung, Mr. Ha Yiu Wing and Dr. Wilson Lee. Mr. Li Chun Hung is the chairman of the Audit Committee.

During the year ended 31 March 2025, the Audit Committee held three meetings, at which it reviewed and discussed the Company's audited consolidated financial results for the financial year, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in this Corporate Governance Report, and the effectiveness of the Group's risk management and internal control systems. The Audit Committee has also recommended to the Board to consider the re-appointment of Forvis Mazars CPA Limited as the Company's external independent auditor at the forthcoming AGM.

Remuneration Committee

Our Company established a Remuneration Committee on 22 December 2017 with written terms of reference, which have been updated in January 2023, in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and code provision E.1 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the Remuneration Committee are to make recommendation to our Board on the overall remuneration policy and structure of all Directors and senior management of our Group; to review performance-based remuneration; to ensure none of our Directors or any of their associates determine their own remuneration and to review and approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules. As at the date of this annual report, the Remuneration Committee consists of three members, namely Mr. Tam Yat Ming Andrew, Mr. Ha Yiu Wing and Dr. Wilson Lee. Dr. Wilson Lee is the chairman of the Remuneration Committee.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Remuneration Committee held one meeting, at which it reviewed the remuneration policy and structure as well as the remuneration packages of all Directors and the senior management. No Director was involved in deciding his/her own remuneration.

The annual remuneration of the member of the current senior management (except Directors) of the Group by band as at the reporting date is set out below:

Emoluments Band	Number of individuals
HK$0 to HK$1,000,000	2

Note: The remuneration paid or payable to Ms. Fok Yee Man is included as Ms. Fok Yee Man is one of the senior management before being appointed as an executive Director on 15 November 2024.

Nomination Committee

Our Company established a Nomination Committee on 22 December 2017 with written terms of reference in compliance with code provision B.3 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the Nomination Committee are to review the structure, size and composition of our Board on an annual basis; identify individuals suitably qualified to become Board members; assess the independence of INEDs; make recommendations to our Board on the appointment or re-appointment of Directors and review the policy on the board diversity. As at the date of this annual report, the Nomination Committee consists of three members, namely Mr. Li Chun Hung, Mr. Ha Yiu Wing and Dr. Wilson Lee. Mr. Ha Yiu Wing is the chairman of the Nomination Committee.

During the year ended 31 March 2025, the Nomination Committee held one meeting, at which it (i) reviewed the structure, size, composition and diversity of the Board; (ii) identified individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) assessed the independence of the INEDs; (iv) considered and recommended the appointment of Ms. Fok Yee Man as an executive Director to fill the vacancy following the resignation of Mr. Lo King Shun as an executive Director; and (v) recommended to the Board to consider the re-appointment of all the retiring Directors at the forthcoming AGM.

INDEPENDENT AUDITOR'S REMUNERATION

During the years ended 31 March 2025 and 2024, Forvis Mazars CPA Limited has been appointed as the Group's independent auditor.

No non-audit services were provided by Forvis Mazars CPA Limited. The remuneration paid/payable to Forvis Mazars CPA Limited for the years ended 31 March 2025 and 2024 are set out below:

Category of services	2025 HK$	2024 HK$
Forvis Mazars CPA Limited		
Audit services – Annual audit	600,000	610,000

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility to ensure that sound and effective risk management and internal controls are maintained, while the senior management is charged with the responsibility to design and implement an internal controls system to manage risks. A sound system of risk management and internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. Nevertheless the Company engaged an external professional firm to carry out internal audit functions where the risk management and internal control systems are reviewed annually. It was decided that the Board would be directly responsible for internal control of the Group by reviewing its effectiveness and identifying, evaluating and managing any significant risks upon review of the operational and financial reports, budgets and business plans.

During the year ended 31 March 2025, the Board, through the Audit Committee, conducted an annual review on the effectiveness of both the design and implementation of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view of ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions as well as those relating to the Group's ESG-related performance are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

During the year ended 31 March 2025, the Group appointed Zhonghui Anda Risk Services Limited ("**Zhonghui**") 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 internal control systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. No significant control failings or weaknesses have been identified during the year ended 31 March 2025, and improvements in internal control and risk management measures as recommended by Zhonghui 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 Zhonghui as well as the comments of the Audit Committee, the Board considered that the Group has complied with the risk management and internal code provisions and that its internal control and risk management systems are effective and adequate.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or inside information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute as inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of SEHK and the Company in due course.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

As the management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board have been delegated to the senior management of the Group, the management has been providing the Board regular updates of the Group's performance, position and prospects in sufficient details to enable the Board to make informed assessment of financial and other information before giving any approval.

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements are prepared in accordance with statutory requirements and applicable accounting standards. In preparing the consolidated financial statements, the HKFRS Accounting Standards have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimations have been made. Having made appropriate enquiries, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the consolidated financial statements.

The statement of external auditor of the Company, Forvis Mazars CPA Limited, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report in this annual report.

COMPANY SECRETARY

Mr. Lee Pui Chung ("**Mr. Lee**") was appointed as the Company Secretary on 22 March 2019. He is responsible for facilitating the Board meeting process, as well as communications among Board members, Shareholders and management and to report to the Chairman and CEO. All Directors shall have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed. His biographical details are set out in section headed "Biographical Details of Directors and Senior Management" in this annual report. For the year ended 31 March 2025, Mr. Lee has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of GEM Listing Rules.

DIVIDEND POLICY

The Company adopted a dividend policy on 30 January 2019 (the "**Dividend Policy**"). According to the Dividend Policy, it is the policy of the Board, in considering the payment of dividends, to allow Shareholders to share/enjoy the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors before declaring or recommending dividends:

(a) the Company's actual and expected financial performance;

(b) retained earnings and distributable reserves of the Company and each of the members of the Group;

(c) the Group's working capital requirements, capital expenditure requirements and future expansion plans;

(d) the Group's liquidity position;

CORPORATE GOVERNANCE REPORT

(e) 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 Group; and

(f) other factors that the Board may consider relevant.

The payment of dividend by the Company is also subject to any restrictions under the Cayman Island laws and the Company's Articles of Association.

The Board will continuously review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earning, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting (the "EGM")

Pursuant to the Article 58 of the Articles of Association, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary at the principal place of business of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting forward Proposals at a General Meeting

A Shareholder shall make a written requisition to the Board or the Company Secretary at the principal place of business of the Company, specifying the shareholding information of the Shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedures for directing Shareholders' enquires to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the principal place of business of the Company in Hong Kong. Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted Shareholders communication policy with an objective of ensuring Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

CORPORATE GOVERNANCE REPORT

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

(i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of SEHK at "www.hkexnews.hk" and the Company's website at "www.ims512.com";

(ii) periodic announcements are made through the SEHK and published on the respective websites of the SEHK 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 Hong Kong share registrar of the Company 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. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong. During the year ended 31 March 2025, the Company has reviewed the implementation of Shareholders' communication policy and considered it to be effective.

CONSTITUTIONAL DOCUMENTS

The Company has adopted the third amended and restated memorandum and articles of association ("**Third Amended and Restated M&A**") by way of a special resolution passed on 23 August 2024 in order to align with the latest changes in the GEM Listing Rules, including the amendments made in the core standards for shareholder protection as set out in Appendix A1 of the GEM Listing Rules; and to incorporate certain house-keeping changes to the Company's then existing articles of association.

The Third Amended and Restated M&A was effective on 23 August 2024. For details of the Third Amended and Restated M&A, please refer to the announcement of the Company dated 19 July 2024 and the circular of the Company dated 22 July 2024.

The Third Amended and Restated M&A is available on the respective websites of the SEHK and the Company.

Save as disclosed above, there was no change in the Company's constitutional documents during the year ended 31 March 2025.

REPORT OF THE DIRECTORS

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 business activity of the Company is investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

Business review of the Group for the year ended 31 March 2025 as required by Schedule 5 to the Companies Ordinance (Cap 622 of the Laws of Hong Kong), including a fair review of the Group's business and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 8 to 15 of this annual report which forms part of the report of the directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The management considers that the following are the principal risks and uncertainties faced by the Group:

(a) the key businesses of the Group are project based and we may be unable to compete effectively or secure new contracts upon the completion of our contracts on hand;

(b) failure to accurately estimate the time and costs required for projects by the Group may lead to cost overruns or even losses in our projects;

(c) the Group's performance is dependent on global economic conditions and the retail performance of luxury goods; and

(d) the Group may not remain on its customers' list of approved supplier, which may lead to a decrease in sales to certain end-user luxury brands.

For other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" in the Prospectus.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group fully understands that shareholders, customers, suppliers, subcontractors and staff are the key to our stable development. We are committed to establishing a close relationship with our shareholders and staff, enhancing cooperation with our suppliers and subcontractors and providing value-added services to our customers so as to ensure the Group's sustainable growth and success.

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been putting unremitting efforts in environmental protection by introducing energy-saving LED lighting fixtures.

Further discussions on the environmental policies are set out in the Environmental, Social and Governance Report on pages 16 to 41 of this annual report which forms part of the report of the directors.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with the applicable laws and regulations and the risks of non-compliance with such regulatory requirements. During the year ended 31 March 2025 and up to the date of this annual report, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the year ended 31 March 2025 and up to the date of this annual report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2025 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 70 to 131 of this annual report. The Board did not recommend the payment of a final dividend (2024: HK$Nil) for the year ended 31 March 2025.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 132 of this annual report. This summary does not form part of the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 24 to the consolidated financial statements.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENT

Save as the conditionally adopted Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

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

The Directors confirm that during the year ended 31 March 2025 and up to the date of this annual report, neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 March 2025 are set out in consolidated statement of changes in equity on pages 72 to 73 of this annual report and note 30(b) to these consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2025, the Company has distributable reserves of approximately HK$60,534,000 available for distribution to shareholders of the Company (2024: approximately HK$61,611,000).

CHARITABLE DONATION

During the year ended 31 March 2025, the Group did not make any donations (2024: Nil).

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year ended 31 March 2025, the Group did not have any transactions with its related parties or transactions which constituted connected (including continuing connected transaction) transactions pursuant to Chapter 20 of the GEM Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS AND SUBCONTRACTORS

During the year ended 31 March 2025, sales to the Group's five largest customers accounted for 38.4% of the total sales for the year and sales to the largest customer included therein amounted to 9.3%. The Group's five largest suppliers and subcontractors amounted to 79.5% of the total purchases for the year and purchase from the largest supplier and subcontractor included therein amounted to 38.5%.

REPORT OF THE DIRECTORS

As far as the Directors are aware, none of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers and subcontractors.

DIRECTORS

The Directors of the Company during the year ended 31 March 2025 and up to the date of this annual report are:

EXECUTIVE DIRECTORS

Mr. Tam Yat Ming Andrew *(Chairman and Chief Executive Officer)*
Mr. Lo King Shun (Retired on 19 July 2024)
Ms. Fok Yee Man (Appointed on 15 November 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Chun Hung
Mr. Ha Yiu Wing
Dr. Wilson Lee

In accordance with Article 84 of the Company's Article of Association, Ms. Fok Yee Man and Mr. Ha Yiu Wing will also retire from the Board by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

The biographical details of the Directors of the Company and the senior management of the Company are set out on pages 6 to 7 of this annual report.

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

A directors' liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors entered into a service contract with the Company for a term of three years commencing from the Listing Date, which may be terminated by either party giving not less than three months' written notice on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from the Listing Date, which may be terminated by either party giving not less than three months' written notice on the other.

Saved as disclosed above, none of the Directors who proposed to be re-elected at the forthcoming AGM has entered into a service contract that are not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. The emoluments of other Directors are determined by the board of Directors and the Remuneration Committee of the Company with reference to directors' duties, responsibilities and performance and the results of the Group. Details of remuneration of the Directors are set out in note 10 to the consolidated financial statements.

EMOLUMENT POLICY

The Company has established the Remuneration Committee in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the remuneration policy and other remuneration related matters, including benefits in kind and other compensation payable to the Directors and senior management, after consultation with the Chairman and the CEO.

Under the remuneration policy of the Company, the Remuneration Committee will consider factors such as corporate and individual performance, salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

Details of the Directors' remuneration and the five highest paid individuals are set out in note 10 to the consolidated financial statements.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended 31 March 2025, no Director or any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company (as defined under GEM Listing Rules) (the "**Controlling Shareholders**") or any of their subsidiaries nor has been entered into for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries during the year ended 31 March 2025.

There were no loans, quasi-loans and other dealings in favour of any Director, controlled bodies corporate by and connected entities with such Director during the year ended 31 March 2025. No consideration was provided to or receivable by third parties for making available Directors' services.

DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executive in the shares (the "Share(s)"), underlying Shares and debentures of the Company and our associated corporations

As at the date of this annual report, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("**SFO**")), which were 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 any interests or short positions which they are 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 the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares of the Company

Name of Directors	Nature of interest	Number of Shares	Approximate percentage of shareholding in our Company
Mr. Tam Yat Ming Andrew	Interest in controlled corporation(1)	510,000,000	51.00%

Note:

(1) 510,000,000 Shares are held by Mr. Tam Yat Ming Andrew ("**Mr. Tam**") indirectly through The Garage Investment Limited ("**Garage Investment**"), which is wholly-owned by Mr. Tam.

REPORT OF THE DIRECTORS

Long position in the Shares of associated corporations

Name of Directors	Name of associated corporation	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Tam	Garage Investment	Beneficial owner	1	100.00%

Save as disclosed above and so far as is known to the Directors, as at the date of this annual report, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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 any interests or short positions which they are 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 the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests and short positions of substantial shareholders in the Shares, Underlying Shares and debentures of the Company

As at the date of this annual report, so far as is known to the Directors, the following entities and individuals (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long position in the Shares

Name	Nature of interest	Number of Shares	Percentage of shareholding
Garage Investment	Beneficial owner	510,000,000	51.00%
Ms. Ng Wing Sze	Interest of spouse (Note)	510,000,000	51.00%

Note:

Ms. Ng Wing Sze is the spouse of Mr. Tam. By virtue of the SFO, Ms. Ng Wing Sze is deemed to be interested in the Shares in which Mr. Tam is interested.

Save as disclosed above and so far as is known to the Directors, as at the date of this annual report, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “Disclosure of interests – Interests and short positions of Directors and chief executive in Shares, underlying Shares and debentures of the Company and our associated corporations” above, had any interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2025.

SHARE OPTION SCHEME

On 22 December 2017, the Share Option Scheme was approved and conditionally adopted by the then shareholders of the Company by way of written resolutions.

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

(a) Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) have had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view of achieving the following objectives:

(i) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of our Group; and

(ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Eligible Participants

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board decides to the following persons ("**Eligible Participants**"):

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; and

(ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options has been duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration.

REPORT OF THE DIRECTORS

(d) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Listing Date, being 100,000,000 Shares (the "**Scheme Limit**"), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may renew this limit at any time to 10% of the Shares in issue (the "**New Scheme Limit**") as at the date of the approval by the Shareholders in general meeting.

(e) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised, outstanding options and Shares which were the subject of options) which have been granted and accepted under the Share Option Scheme or any other scheme of the Company but subsequently cancelled to each Eligible Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the Shares in issue as at the date of grant.

(f) Price of Shares

The subscription price of a Share in respect of any option granted under the Share Option Scheme shall be at the absolute discretion of the Board, provided that it shall not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of the Shares.

(g) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme by the Shareholders of the Company. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which an offer of option is made to an Eligible Participant.

No share options have been granted by the Company under the Share Option Scheme since its adoption.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2025 was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTEREST IN COMPETING BUSINESSES

The controlling shareholders (as defined under GEM Listing Rules) of the Company have entered into the deed of non-competition dated 5 January 2018 (the "**Deed of Non-competition**") in favour of the Company, details of which were set out in the Prospectus. Pursuant to the Deed of Non-competition, the controlling shareholders have undertaken to the Company (for itself and as trustee for each of its subsidiaries from time to time) that with effect from the Listing Date, they would not and would procure that none of their close associates (except for any members of the Group) shall, except through their interests in our Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with the business of the Group in Hong Kong or such other places as the Group may conduct or carry on business from time to time.

During the year ended 31 March 2025 and up to the date of this annual report, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group. The controlling shareholders of the Company have confirmed to the Company that from the Listing Date to the date of this annual report, they and their respective close associates (as defined under GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

Save as disclosed above, during the year and up to the date of this annual report, none of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, there is a sufficient public float of at least 25% of the issued Shares as required under the GEM Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 42 to 53 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting period and up to the date of this annual report.

REPORT OF THE DIRECTORS

INDEPENDENT AUDITOR

A resolution will be submitted to the 2025 AGM to re-appoint Forvis Mazars CPA Limited, as the auditor of the Company. There has been no change of auditor for the preceding 3 years.

On behalf of the Board of
IMS Group Holdings Limited
Tam Yat Ming Andrew
Chairman and Chief Executive Officer

Hong Kong, 20 June 2025

INDEPENDENT AUDITOR'S REPORT

Forvis Mazars CPA Limited
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To the members of
IMS Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of IMS Group Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 70 to 131, 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.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as 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.

INDEPENDENT AUDITOR'S REPORT

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 year. 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 matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
*Assessment of expected credit losses ("**ECLs**") on trade receivables* *Refer to Notes 4(e), 5(a), 18 and 27(a) to these consolidated financial statements*	
As at 31 March 2025, the Group's trade receivables amounted to approximately HK$6,792,000 before loss allowance on trade receivables of approximately HK$3,548,000. The Group determines ECLs on trade receivables by making debtor-specific assessment for credit-impaired debtors and using provision matrix method for the remaining group of debtors. In determining the estimated credit loss allowance for the Group's trade receivables as at year end, management has considered various factors such as the ageing of the outstanding balances, historical payment and credit loss patterns as well as the forecast of future macro-economic conditions over the expected life of the Group's trade receivables, which require significant management judgement. Accordingly, we determined that this is a key audit matter.	Our procedures, among others, included: – assessing the Group's processes and key controls relating to the monitoring of trade receivables, including the process in determining whether a specific debtor is credit-impaired; – considering, on a sample basis, whether items in the ageing report of the receivables were classified within the appropriate ageing category by comparing individual items in the report with the relevant sales invoices and delivery documents to identify collection risks; – evaluating management's assumptions and inputs used in the computation of historical credit loss rates and reviewing data and information that management has used to make forward-looking adjustments; – reviewing collectability by obtaining evidence of subsequent receipts from the selected trade receivables; and – discussing with management on their assessment of the recoverability of long outstanding trade receivables, analysing trend of collections and assessing management's assumptions used to determine ECLs for such trade receivables notably through consideration of their specific profiles and risks.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the 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 of the Company 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.

INDEPENDENT AUDITOR'S REPORT

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 20 June 2025

The engagement director on the audit resulting in this independent auditor's report is:

Chan Hiu Fun
Practising Certificate number: P05709

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	7	**68,616**	85,617
Cost of sales		**(30,130)**	(37,084)
Gross profit		**38,486**	48,533
Other income	7	**1,975**	2,201
Other gains and losses, net	7	**(737)**	(226)
Administrative expenses		**(31,084)**	(30,714)
Reversal of loss allowance (Loss allowance) on trade receivables	18(a)	**2,282**	(1,712)
Profit from operation		**10,922**	18,082
Finance costs	8(a)	**(200)**	(134)
Profit before income tax expenses	8	**10,722**	17,948
Income tax expenses	11	**(1,289)**	(2,493)
Profit attributable to owners of the Company		**9,433**	15,455
Other comprehensive loss:			
Item that is or may be reclassified to profit or loss:			
Exchange difference on translating foreign operations		**(251)**	(693)
Other comprehensive loss for the year		**(251)**	(693)
Total comprehensive income for the year attributable to owners of the Company		**9,182**	14,762
		HK cent	HK cent
Earnings per share			
Basic and diluted	12	**0.94**	1.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	14	13,653	8,446
Intangible assets	15	34	125
Right-of-use assets	16	3,205	1,483
		16,892	10,054
Current assets			
Inventories	17	4,354	6,810
Trade and other receivables	18	5,603	7,347
Cash and bank balances	19	88,340	91,756
		98,297	105,913
Current liabilities			
Trade and other payables	21	7,961	11,110
Contract liabilities	22	2,481	10,186
Lease liabilities	16	2,379	1,222
Tax payables		704	1,334
		13,525	23,852
Net current assets		84,772	82,061
Total assets less current liabilities		101,664	92,115
Non-current liabilities			
Other payables	21	47	179
Contract liabilities	22	46	67
Deferred tax liabilities	23	304	367
Lease liabilities	16	906	323
		1,303	936
NET ASSETS		100,361	91,179
Capital and reserves			
Share capital	24	1,000	1,000
Reserves		99,361	90,179
TOTAL EQUITY		100,361	91,179

These consolidated financial statements on pages 70 to 131 were approved and authorised for issue by the Board of Directors on 20 June 2025 and signed on its behalf by

Mr. Tam Yat Ming Andrew
Director

Ms. Fok Yee Man
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

	Attributable to owners of the Company						
	Share capital HK$'000	Share premium HK$'000 (Note (a))	Merger reserve HK$'000 (Note (b))	Exchange reserve HK$'000 (Note (c))	Statutory surplus reserve HK$'000 (Note (d))	Retained profits HK$'000 (Note (e))	Total HK$'000
At 1 April 2023	1,000	50,946	8	(1,210)	1,324	24,349	76,417
Profit for the year	–	–	–	–	–	15,455	15,455
Other comprehensive loss:							
Item that is or may be reclassified to profit or loss:							
Exchange difference on translating foreign operations	–	–	–	(693)	–	–	(693)
	–	–	–	(693)	–	–	(693)
Total comprehensive income for the year	–	–	–	(693)	–	15,455	14,762
At 31 March 2024 and at 1 April 2024	1,000	50,946	8	(1,903)	1,324	39,804	91,179
Profit for the year	–	–	–	–	–	9,433	9,433
Other comprehensive loss:							
Item that is or may be reclassified to profit or loss:							
Exchange difference on translating foreign operations	–	–	–	(251)	–	–	(251)
	–	–	–	(251)	–	–	(251)
Total comprehensive income for the year	–	–	–	(251)	–	9,433	9,182
At 31 March 2025	1,000	50,946	8	(2,154)	1,324	49,237	100,361

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

Notes:

(a) Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.

(b) Merger reserve represents the difference between the Company's investment costs in subsidiaries and the aggregated share capital of the subsidiaries whose shares were transferred to the Company pursuant to the Group's reorganisation.

(c) Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation.

(d) In accordance with the relevant regulation in the Peoples' Republic of China (the "**PRC**"), a subsidiary operating in the PRC is required to transfer 10% of its profits after tax, as determined under the accounting regulations in the PRC, to the statutory surplus reserve, until the balance of the fund reaches 50% of its usage of its respective registered capital. The accumulated statutory surplus reserve has reached 50% of the registered capital of the PRC subsidiary. The statutory surplus reserve is non-distributable and is subject to certain restrictions set out in the relevant regulations in the PRC. This reserve can be used either to offset against accumulated losses or be capitalised as paid-up capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of paid-up capital after the above usage.

(e) Retained profits represent cumulative net profits recognised in the consolidated statement of profit or loss and other comprehensive income.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES			
Profit before income tax expenses		10,722	17,948
Adjustment for:			
Amortisation of intangible assets	15	90	111
Depreciation of property, plant and equipment	14	2,413	2,106
Depreciation of right-of-use assets	16	2,991	2,747
(Reversal of loss allowance) Loss allowance on trade receivables	18(a)	(2,282)	1,712
Gain on disposal of property, plant and equipment	7	–	(50)
Write off of property, plant and equipment		12	–
Interest income	7	(1,925)	(2,128)
Finance costs	8(a)	200	134
Exchange realignment		61	13
		12,282	22,593
Change in working capital			
Inventories		2,414	3,993
Trade and other receivables		3,739	(740)
Trade and other payables		(3,209)	2,100
Contract liabilities		(7,776)	(8,304)
Cash generated from operations		7,450	19,642
Income tax paid		(1,966)	(2,319)
Net cash generated from operating activities		5,484	17,323
INVESTING ACTIVITIES			
Receipt from maturity (Placement) of deposit with original maturity over three months		33,182	(13,182)
Proceeds from disposal of property, plant and equipment		–	50
Purchases of property, plant and equipment	14	(7,651)	(3,959)
Interest received		2,171	1,882
Net cash generated from (used in) investing activities		27,702	(15,209)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
FINANCING ACTIVITIES			
Interest of lease liabilities	20	(200)	(134)
Repayment of lease liabilities	20	(3,013)	(2,783)
Net cash used in financing activities		(3,213)	(2,917)
Net increase (decrease) in cash and cash equivalents		29,973	(803)
Cash and cash equivalents at beginning of year		58,574	59,967
Effect of foreign exchange rate changes		(207)	(590)
Cash and cash equivalents at end of year, represented by bank balances and cash	19	88,340	58,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

1. GENERAL

IMS Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 15 February 2017, as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is located at Unit 1201, 12th Floor, Block C, Seaview Estate, 8 Watson Road, North Point, Hong Kong.

The Company is an investment holding company, and its subsidiaries (together referred to the "**Group**") are principally engaged in the sale of light-emitting diode ("**LED**") lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project consultancy, LED lighting system maintenance services, sale of 3D printing materials and provision for 3D printing services.

The following list contains the particulars of all subsidiaries of the Group:

Name of entity	Place and date of incorporation and form of business structure	Percentage of equity attributable to the Company Direct %	Indirect %	Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
Pangaea Holdings Limited ("**Pangaea**")	The British Virgin Islands ("**BVI**"), 14 May 2014, limited liability company	100%	–	1,000 shares of United States Dollars ("**USD**") 1 each	Investment holding, Hong Kong
MISG Investment Limited	The BVI, 16 February 2017, limited liability company	100%	–	1 share of USD1	Investment holding, Hong Kong
MIS Technology Consultants Limited	Hong Kong, 29 April 1998, limited liability company	100%	–	Ordinary shares of Hong Kong Dollars ("**HK$**") 100	Provision of management services to group companies, Hong Kong
MIS Technology Project Limited	Hong Kong, 3 September 1999, limited liability company	–	100%	Ordinary shares of HK$100	Sales of visual-audio system and provision of system maintenance services, Hong Kong
IMS 512 Limited	Hong Kong, 2 April 2003, limited liability company	–	100%	Ordinary shares of HK$1,000	Sales of lighting fixtures, provision of integrated LED lighting solution services, project consultancy and LED lighting system maintenance services, Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

1. GENERAL *(Continued)*

Name of entity	Place and date of incorporation and form of business structure	Percentage of equity attributable to the Company Direct %	Indirect %	Issued and fully paid ordinary share capital or registered capital	Principal activities and principal place of business
Number4 3D Printing Services Limited	Hong Kong, 30 May 2014, limited liability company	–	100%	Ordinary shares of HK$10,000	Sales of 3D printing materials and provision for 3D printing services, Hong Kong
Bluelite Concept Limited	Hong Kong, 15 December 2009, limited liability company	–	100%	Ordinary shares of HK$1,000,000	Sales of LED lighting fixtures and provision of integrated LED lighting solution services, Hong Kong
Dot 3D Dental Limited	Hong Kong, 30 May 2014, limited liability company	–	100%	Ordinary shares of HK$10,000	Sales of dental products
CT 2015 Limited	Hong Kong, 20 April 2015, limited liability company	–	100%	Ordinary shares of HK$10,000	Investment holding, Hong Kong
Project Across Company Limited	Hong Kong, 3 June 2019, limited liability company	–	100%	Ordinary share of HK$1	Provision of LED lighting system consultation service, Hong Kong Investment holding, Japan
Shenzhen CH Alliance Trading Co., Limited * 深圳創恒聯盟貿易有限公司	The People's Republic of China (the "**PRC**"), 16 September 2015, limited liability company	–	100%	Registered capital of HK$500,000 and paid-up capital of HK$500,000	Sales of LED lighting fixtures and related services, the PRC
Bluelite Illumination (Zhongshan) Limited * 保麗照明(中山)有限公司	The PRC, 24 July 2019, limited liability company	–	100%	Registered capital of Renminbi ("**RMB**") 4,000,000 and paid-up capital of RMB3,000,000 (note (i))	Sales of LED lighting fixtures and related services, the PRC

Unless stated otherwise, the percentage of equity interests held by the Company for the years ended 31 March 2025 and 2024 are the same.

* The official names are in Chinese and the English names are translated for identification purpose only.

Note:

(i) The remaining registered capital of RMB1,000,000 are committed to be injected by the Group on or before 31 December 2029.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new/revised HKFRS Accounting Standards

The Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") has issued a number of new/revised HKFRS Accounting Standards and amendments to HKFRS Accounting Standards. The Group has applied, for the first time, the following new/revised HKFRS Accounting Standards that are relevant to the Group's consolidated financial statements:

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments on this Interpretation does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS *(Continued)*

(a) Adoption of new/revised HKFRS Accounting Standards *(Continued)*

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

(b) New/revised HKFRS Accounting Standards that have been issued but are not yet effective

The following new/revised HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

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

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards and HKAS in future periods will have any material impact on the results of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

(b) Basis of measurement

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

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollar ("**HK$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated. Each entity in the Group maintains its books and records in its own functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

(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 of 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 into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred, and equity interests issued by the Group, as the acquirer. The identifiable assets acquired, and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRS Accounting Standards. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Business combination and basis of consolidation *(Continued)*

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 profit 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 interests; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner 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. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) 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: (1) power over the investee; (2) exposure, or rights, to variable returns from the investee; and (3) 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 loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except freehold land which is not subject to depreciation.

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 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:

Leasehold improvements	Over the lease terms
Audio equipment	20%
Machineries	10-20%
Motor vehicles and yacht	20-25%
Office equipment	20-33%

Freehold land is stated at cost less accumulated impairment loss, if any. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Intangible assets (other than goodwill)

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is provided on a straight-line basis over their useful lives and recognised in profit or loss and included in administrative expenses as follows:

Computer software	5-10 years

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses.

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts.

If the recoverable amount 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 as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

(e) Financial instruments

Financial assets

Recognition and derecognition

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 measured at fair value through profit or loss ("**FVPL**"), 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 market place.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Financial instruments *(Continued)*

Financial assets (Continued)

Classification and measurement

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

Financial assets measured at 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 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.

The Group's financial assets at amortised cost include trade and other receivables, time deposits and cash and bank balances.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and lease liabilities. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Financial instruments *(Continued)*

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("**ECL**") on trade receivables and financial assets measured at amortised cost. The ECLs 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.

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 has elected to measure loss allowances on trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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.

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

The Group considers a financial asset to be credit-impaired when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Leasing

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

(i) the amount of the initial measurement of the lease liabilities;

(ii) any lease payments made at or before the commencement date, less any lease incentives received;

(iii) any initial direct costs incurred by the Group; and

(iv) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset as follows:

Leased properties	Over the lease terms

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Leasing *(Continued)*

As lessee (Continued)

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(i) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(ii) variable lease payments that depend on an index or a rate;

(iii) amounts expected to be payable under residual value guarantees;

(iv) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(v) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Leasing *(Continued)*

As lessee (Continued)

A lease modification is accounted for as a separate lease if,

(i) the modification increases the scope of the lease by adding the right to use or more underlying assets; and

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

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(i) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(ii) the Group determines the lease term of the modified contract.

(iii) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(iv) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(v) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

(g) Employee benefits

(i) Defined contribution retirement plan

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 in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are recognised as an expense in 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.

The employees of the Group's subsidiary operating in the PRC 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 central pension scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Employee benefits *(Continued)*

(ii) Short-term employee benefits

Short-term employee benefits are recognised when they accrue to employees. In particular, a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(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) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(i) Foreign currencies

Transactions entered into by group entities in currencies 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 end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into presentation currency of the Group at the average exchanges rates for the year, unless exchange rates fluctuate significantly during the period. In which case, the rates approximate to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of the reporting period. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interest as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income accumulated in equity as foreign exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) 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 excludes value added tax or other sales taxes and 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 are transferred by the Group to customers at a point in time or over time as follows:

Point in time

(i) Sale of LED lighting products and visual-audio system

(ii) Sale of 3D printing materials and provision for 3D printing services

Over time

(i) Income from integrated LED lighting solution

(ii) Consultancy service income and maintenance service income

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 liability 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.

(i) Sale of LED lighting products and visual-audio systems (point in time)

Customers obtain control of the sale of LED lighting products and visual-audio systems products when the goods are delivered to and have been accepted. Therefore, revenue is recognised upon when the customers accepted the LED lighting products and visual-audio systems products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Revenue recognition *(Continued)*

(ii) Sale of 3D printing materials and provision for 3D printing services (point in time)

Customers obtain control of the sale of 3D printing materials when the goods are delivered to and have been accepted. Therefore, revenue is recognised upon when the customers accepted the 3D printing materials.

Provision for 3D printing services is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

(iii) Income from integrated LED lighting solution (over time)

The revenue from provision of integrated LED lighting solution is recognised over time because the Group provides installation services of LED projects which create or enhance an asset that the customer controls. The Group applies the input method (i.e. based on the proportion of the actual inputs deployed to date as compared to the estimated total inputs) to measure the progress towards complete satisfaction of the performance obligation because there is a direct relationship between the Group's inputs and the transfer of control of goods or services to the customers and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The principal input applied in the input method is direct and indirect costs relating to the contracts.

(iv) Income from LED lighting consultation and maintenance service income (over time)

The revenue from provision of LED lighting system consultation and maintenance services, which provide a service over a length of time. Thus, customers simultaneously receives and consumes the benefits for general LED lighting advisory and maintenance services over the time and the Group would recognise the revenue over the time accordingly.

(k) 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 the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Income taxes *(Continued)*

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. 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 reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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.

(l) 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.

Provision for warranty costs is made on an accrual basis by reference to the directors' best estimate of the expenditure required to settle the obligations taking account of the Group's recent claim history and is charged to profit or loss in the period in which the related sales are made. Subsequent expenditure on the settlement of such obligations is charged against the provision made, except where the expenditure exceeds the balance of the provision, in which case, it is charged to profit or loss as incurred.

(m) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of assets (other than inventories and financial assets) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Impairment of non-financial assets *(Continued)*

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use ("**VIU**")) 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, but so 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 years. A reversal of an impairment loss is recognised immediately in profit or loss.

VIU is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(n) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

(o) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bring the inventories to their present location and conditions. Cost is calculated using the first in first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(p) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Related parties *(Continued)*

(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.

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.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(q) Research and development costs

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss and included in cost of sales.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

(r) Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES UNCERTAINTY

The preparation of the consolidated financial statement 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.

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.

(a) Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty, which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables. Details of the key assumption and inputs used in estimating ECL are set out in Note 27(a) to these consolidated financial statements. If the ECL rates on the trade receivables between 180 and 365 days past due had been 3% (2024: 3%) higher (lower) at the end of the reporting period, with other assumptions held constant, the loss allowance would have been HK$64,000 (2024: HK$37,000) higher (lower).

(b) Warranty provisions

As disclose in Note 21(b) to these consolidated financial statements, the Group makes provision for warranties for its integrated LED lighting solution services taking into account the Group's recent claim history. It is possible that the recent claim history is not indicative of the extent of future claims the Group will need to settle in respect of past sales. Any increase or decrease in provision would affect the profit or loss of the Group in future years.

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market conditions and the historical experience of distributing and selling products of similar nature. It could change significantly as a result of market conditions. Management reassesses the estimation at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

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

Estimates and assumptions *(Continued)*

(d) Impairment of investments

The Group assesses annually if investment in subsidiaries has suffered any impairment in accordance with HKAS 36 and follows the guidance of HKFRS 9 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

(e) Determination of discount rates for calculating lease liabilities

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgment and adjusts such observable rate to determine the incremental borrowing rate.

(f) Useful lives and impairment of property, plant and equipment

The Group's management reviews the residual value, useful lives and depreciation method of property, plant and equipment at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group's management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined by reference to the higher of VIU and fair value less costs of disposal. VIU is determined using the discounted cash flow method. Owing to inherent risk associated with estimations in the timing and magnitude of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from its actual recoverable amount and profit or loss could be affected by accuracy of the estimations.

(g) Value of freehold land

The Group considers information from a variety of sources, including: (1) current prices in active markets for land of different nature, condition, and location, adjusted to reflect those differences; (2) recent prices of similar land in less active markets, with adjustments to account for any changes in economic conditions since the dates of the transactions at those prices; and (3) independent valuations.

(h) Current and deferred taxation

Significant judgment is required in determining whether or not the Group is subject to income taxes in the jurisdictions it operates. Transactions and calculations may exist for which the ultimate tax determination is uncertain during the ordinary course of business. The Group has recognised income tax and deferred tax liabilities at the end of the reporting period based on its best estimate. Where the final income tax liabilities as determined by the tax authorities are different from the estimate, such differences in income taxes or deferred tax, if any, will need to be recognised in the period in which the determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

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

Estimates and assumptions *(Continued)*

(h) Current and deferred taxation (Continued)

Deferred tax liabilities have not been provided for the withholding tax that would be payable on the undistributed earnings of the subsidiaries in the PRC as those earnings are not expected to be distributable in the foreseeable future. Details of deferred tax liabilities are disclosed in Note 23 to these consolidated financial statements.

6. SEGMENT INFORMATION

Operating segments

During the year, the Group was principally engaged in sale of LED lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project consultancy and LED lighting system maintenance services, sale of 3D printing materials and provision for 3D printing services.

Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole. Therefore, the executive director of the Company considers the Group as one single operating segment during the year.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments ("**Specified non-current assets**").

The Group comprises the following major geographical segments:

	Revenue from external customers by customers' location		Specified non-current assets by assets' location	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Hong Kong (place of domicile)	**8,030**	8,159	**7,455**	7,482
The PRC	**43,101**	61,967	**1,885**	2,572
Japan	**–**	–	**7,552**	–
Asia (excluding Hong Kong, the PRC and Japan)	**16,514**	14,714	**–**	–
Others	**971**	777	**–**	–
	68,616	85,617	**16,892**	10,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

6. SEGMENT INFORMATION *(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:

	2025 HK$'000	2024 HK$'000
Customer A	N/A	16,335
Customer B	N/A	8,647

The revenue from Customer A and B was less than 10% of the revenue of the Group for the year ended 31 March 2025.

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

Disaggregation of revenue from contracts with customers

	Integrated LED lighting solution service		Sales of LED lighting fixtures		Sales of visual-audio systems		LED lighting system consultation and maintenance services		Sales of 3D printing materials and provision for 3D printing services		Total	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
Geographical markets												
– Hong Kong (place of domicile)	–	–	3,106	2,066	378	601	3,384	3,382	1,162	2,110	8,030	8,159
– The PRC	8,552	28,818	33,204	32,275	–	–	1,345	874	–	–	43,101	61,967
– Asia (excluding Hong Kong and the PRC)	–	–	16,043	14,451	–	–	471	263	–	–	16,514	14,714
– Others	–	–	863	709	–	–	108	68	–	–	971	777
	8,552	28,818	53,216	49,501	378	601	5,308	4,587	1,162	2,110	68,616	85,617
Timing of revenue recognition												
– At a point in time	–	–	53,216	49,501	378	601	–	–	1,162	2,110	54,756	52,212
– Over time	8,552	28,818	–	–	–	–	5,308	4,587	–	–	13,860	33,405
	8,552	28,818	53,216	49,501	378	601	5,308	4,587	1,162	2,110	68,616	85,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

7. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES, NET

Revenue includes the net invoiced value of goods sold, project consultancy, maintenance services and printing services rendered and contracts on LED lighting solution projects earned by the Group. The amounts of each significant category of revenue recognised during the year are as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue – at point in time		
Sales of LED lighting fixtures	53,216	49,501
Sales of visual-audio systems	378	601
Sales of 3D printing materials and provision for 3D printing services	1,162	2,110
Revenue – over time		
LED lighting system consultation and maintenance services	5,308	4,587
Integrated LED lighting solution service	8,552	28,818
	68,616	85,617

An analysis of the Group's other income and other gains and losses recognised during the year are as follows:

	2025 HK$'000	2024 HK$'000
Other income		
Gain on disposal of property, plant and equipment	–	50
Interest income from bank deposits	1,925	2,128
Sundry income	50	23
	1,975	2,201
Other gains and losses, net		
Exchange losses, net	(725)	(226)
Write off of property, plant and equipment	(12)	–
	(737)	(226)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

8. PROFIT BEFORE INCOME TAX EXPENSES

The Group's profit before income tax expenses is arrived at after charging:

		2025 HK$'000	2024 HK$'000
(a)	***Finance costs***		
	Interest on lease liabilities	200	134
(b)	***Other items***		
	Costs of inventories recognised as expenses	23,176	29,368
	Amortisation of intangible assets (Note 15)	90	111
	Auditor's remuneration	600	610
	Depreciation of property, plant and equipment (Note 14)	2,413	2,106
	Depreciation of right-of-use assets (Note 16)	2,991	2,747
	Leases expenses of other premises under short term leases	250	139

9. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	2025 HK$'000	2024 HK$'000
Fees, wages, salaries and allowances	25,562	24,287
Post-employment benefits – payment to defined contribution retirement plan	1,008	888
	26,570	25,175

Employee benefit expenses included an amount of HK$6,496,000 (2024: HK$6,611,000) charged to "cost of sales" as labour costs for the year ended 31 March 2025.

No forfeited contributions were available for the years ended 31 March 2025 and 2024 to reduce the employer's contributions. There were no forfeited contributions as at 31 March 2025 (2024: HK$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(i) Directors' remuneration

The emoluments paid or payable to the directors and chief executive of the Company by the Group during the year were as follows:

	Year ended 31 March 2025				
	Fees HK$'000	Basic salaries, allowance and other benefits HK$'000	Discretionary bonus HK$'000	Contribution to defined contribution retirement plan HK$'000	Total HK$'000
Executive directors and chief executive					
Mr. Tam Yat Ming Andrew	–	2,738	2,727	18	5,483
Ms. Fok Yee Man (appointed on 15 November 2024)	–	475	–	8	483
Mr. Lo King Shun (retired on 19 July 2024)	–	118	–	3	121
	–	3,331	2,727	29	6,087
Independent non-executive directors					
Mr. Li Chun Hung	180	–	–	9	189
Mr. Ha Yiu Wing	180	–	–	9	189
Dr. Wilson Lee	180	–	–	9	189
	540	–	–	27	567
	540	3,331	2,727	56	6,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(i) Directors' remuneration *(Continued)*

	Year ended 31 March 2024				
	Fees HK$'000	Basic salaries, allowance and other benefits HK$'000	Discretionary bonus HK$'000	Contribution to defined contribution retirement plan HK$'000	Total HK$'000
Executive directors and chief executive					
Mr. Tam Yat Ming Andrew	–	2,675	376	18	3,069
Mr. Lo King Shun	–	691	97	18	806
	–	3,366	473	36	3,875
Independent non-executive directors					
Mr. Li Chun Hung	180	–	–	9	189
Mr. Ha Yiu Wing	180	–	–	9	189
Dr. Wilson Lee	180	–	–	9	189
	540	–	–	27	567
	540	3,366	473	63	4,442

During the year, 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 (2024: HK$Nil).

(ii) Five highest paid individuals

The five highest paid individuals of the Group for the year ended 31 March 2025 included two (2024: two) directors whose emoluments are set out in the analysis above. The remuneration of the remaining three (2024: three) non-director highest paid individuals is as follows:

	2025 HK$'000	2024 HK$'000
Basic salaries, discretionary bonuses and other allowances (note)	3,190	3,549
Post-employment benefits – Contribution to defined contribution retirement plan	46	54
	3,236	3,603

Note: The remuneration of the remaining three non-director highest paid individuals for the year ended 31 March 2025 included Ms. Fok Yee Man before appointing as an executive director on 15 November 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(ii) Five highest paid individuals *(Continued)*

The emoluments of the three (2024: three) non-director highest paid individuals are within the following bands:

	Number of employees 2025	2024
Nil – HK$1,000,000	2	1
HK$1,000,001 – HK$1,500,000	–	1
HK$1,500,001 – HK$2,000,000	1	1
	3	3

During the year, none of the non-director highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the non-director highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2024: HK$Nil).

(iii) Senior management's emoluments excluding the directors

The emoluments paid or payable to senior management (excluding the directors) are within the following bands:

	Number of employees 2025	2024
Nil – HK$1,000,000	1	1
HK$1,000,001 – HK$1,500,000	–	1
	1	2

The emoluments of one (2024: two) member of senior management is included in the remuneration of the three (2024: three) non-director highest paid individuals set out in Note 10(ii) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

11. INCOME TAX EXPENSE

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

	2025 HK$'000	2024 HK$'000
Current tax		
Hong Kong profits tax		
– Current year	752	1,053
– Over provision in respect of prior years	–	(152)
PRC enterprise income tax ("**EIT**")		
– Current year	600	1,656
– Over provision in respect of prior years	(4)	(4)
	1,348	2,553
Deferred tax		
Origination and reversal of temporary differences (Note 23)	(59)	(60)
Income tax expense	1,289	2,493

Hong Kong profits tax

Under the two-tiered profits tax rates regime introduced in 2018, the first HK$2,000,000 of profits of qualifying group entity are taxed at 8.25% and profits above HK$2,000,000 are taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

PRC EIT

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

For the year ended 31 March 2025, Bluelite Illumination (Zhongshan) Limited, a subsidiary of the Company, meets the criteria of Micro-enterprise. Pursuant to the Announcement of Ministry of Finance and the State Administration of Taxation No.13 of 2022 and the Announcement of Ministry of Finance and the State Administration of Taxation No.6 of 2023, Micro-enterprise could enjoy an EIT at 20% on the assessable profits below RMB3,000,000 after reduction of 75% of assessable profits (2024: the same).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2025

11. INCOME TAX EXPENSE *(Continued)*

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

	2025 HK$'000	2024 HK$'000
Profit before income tax expense	10,722	17,948
Tax calculated at applicable tax rates of 16.5% (2024: 16.5%)	1,769	2,961
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(71)	147
Tax effect of income not subject to tax	(702)	(351)
Tax effect of expenses not deductible for tax purpose	202	50
Tax effect of tax loss not recognised	15	10
Tax effect of utilisation of previously unrecognised tax losses	(1)	(66)
Tax effect of unrecognised temporary differences	256	63
Tax effect on two-tier profits tax rate	(165)	(165)
Tax concession	(3)	(10)
Over provision in respect of prior years	(4)	(156)
Other	(7)	10
Income tax expense	1,289	2,493

12. EARNINGS PER SHARE

(a) Basic

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

	2025 HK$'000	2024 HK$'000
Numerator		
Profit attributable to owners of the Company	9,433	15,455
	'000 shares	'000 shares
Denominator		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,000,000	1,000,000
Basic earnings per share (HK cent)	0.94	1.55

(b) Diluted

Diluted earnings per share is same as basic earnings per share as there were no potential dilutive ordinary shares for the years ended 31 March 2025 and 2024.

13. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2025 (2024: HK$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Leasehold improvements HK$'000	Office equipment HK$'000	Audio equipment HK$'000	Machineries HK$'000	Motor vehicles and yacht HK$'000	Total HK$'000
Cost:							
At 1 April 2023	–	5,644	1,805	1,144	7,105	1,463	17,161
Additions	–	61	867	–	–	3,031	3,959
Disposal	–	–	–	–	–	(71)	(71)
Exchange realignment	–	(131)	(11)	–	(179)	(9)	(330)
At 31 March 2024 and 1 April 2024	–	5,574	2,661	1,144	6,926	4,414	20,719
Additions	7,552	–	99	–	–	–	7,651
Write off	–	–	(32)	–	–	–	(32)
Exchange realignment	–	(25)	(2)	–	(36)	(2)	(65)
At 31 March 2025	7,552	5,549	2,726	1,144	6,890	4,412	28,273
Accumulated depreciation:							
At 1 April 2023	–	5,511	1,384	744	1,895	907	10,441
Charge for the year	–	155	245	229	1,044	433	2,106
Disposal	–	–	–	–	–	(71)	(71)
Exchange realignment	–	(133)	(9)	–	(55)	(6)	(203)
At 31 March 2024 and 1 April 2024	–	5,533	1,620	973	2,884	1,263	12,273
Charge for the year	–	41	302	171	1,042	857	2,413
Write off	–	–	(20)	–	–	–	(20)
Exchange realignment	–	(25)	(2)	–	(17)	(2)	(46)
At 31 March 2025	–	5,549	1,900	1,144	3,909	2,118	14,620
Net book value:							
At 31 March 2025	7,552	–	826	–	2,981	2,294	13,653
At 31 March 2024	–	41	1,041	171	4,042	3,151	8,446

The depreciation charge for the years ended 31 March 2025 and 2024 are included in "cost of sales" and "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

Freehold land situated in Japan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

15. INTANGIBLE ASSETS

	Computer software HK$'000
Cost:	
At 1 April 2023	755
Exchange realignment	(3)
At 31 March 2024 and 1 April 2024	752
Exchange realignment	(1)
At 31 March 2025	751
Accumulated amortisation:	
At 1 April 2023	516
Charge for the year	111
At 31 March 2024 and 1 April 2024	627
Charge for the year	90
At 31 March 2025	717
Net book value:	
At 31 March 2025	34
At 31 March 2024	125

The amortisation charge for the years ended 31 March 2025 and 2024 are included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Leased properties HK$'000
Cost:	
At 1 April 2023	7,172
Additions	142
Write off	(1,453)
Exchange realignment	(74)
At 31 March 2024 and 1 April 2024	5,787
Lease modification	4,717
Write off	(3,958)
Exchange realignment	(14)
At 31 March 2025	6,532
Accumulated depreciation:	
At 1 April 2023	3,031
Charge for the year	2,747
Write off	(1,453)
Exchange realignment	(21)
At 31 March 2024 and 1 April 2024	4,304
Charge for the year	2,991
Write off	(3,958)
Exchange realignment	(10)
At 31 March 2025	3,327
Net book value:	
At 31 March 2025	3,205
At 31 March 2024	1,483

The Group's right-of-use assets represent the leases of various offices premises, manufacturing centre, staff accommodation and a shop (2024: the same). Rental contracts are typically made for fixed periods of 2 to 5 years (2024: 2 to 5 years). Lease terms are negotiated on an individual basis and contain similar terms and conditions. The Group has applied an incremental borrowing rate of 5% (2024: 5%) to the lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2025

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

Right-of-use assets *(Continued)*

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of properties, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Extension options

The lease contracts of office premises and staff accommodation contain an extension option to renew the lease by serving not less than 1 month written notice before the end of the current lease term and the renewed lease term is 1 year. At the end of the reporting period, the potential undiscounted future lease payments relating to periods following the exercise dates of extension option not included in lease liabilities is approximately HK$74,000 (2024: HK$74,000).

Lease liabilities

	2025 HK$'000	2024 HK$'000
Current portion	2,379	1,222
Non-current portion	906	323
	3,285	1,545

The Group has recognised the following amounts for the year:

	2025 HK$'000	2024 HK$'000
Lease payments		
Short-term leases	250	139
Expenses recognised in profit or loss	250	139
Lease payments:		
Interest on lease liabilities	200	134
Repayment of lease liabilities	3,013	2,783
	3,213	2,917
Total cash outflow for leases	3,463	3,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

Lease liabilities *(Continued)*

Commitments under leases

At 31 March 2025, the Group was committed to HK$92,000 (2024: HK$92,000) for short-term lease.

17. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	2025 HK$'000	2024 HK$'000
Raw materials	2,487	2,541
Finished goods	1,812	4,189
Work in progress	55	80
	4,354	6,810

18. TRADE AND OTHER RECEIVABLES

	Notes	2025 HK$'000	2024 HK$'000
Trade receivables			
From third parties		6,792	10,711
Less: Loss allowance		(3,548)	(5,899)
Trade receivables, net	(a)	3,244	4,812
Other receivables			
Prepayment and deposits		1,618	1,740
Interest receivables		–	246
Other tax receivables		616	466
Other receivables		125	83
	(b)	2,359	2,535
Total trade and other receivables		5,603	7,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

18. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) The Group generally allows a credit period within 30 (2024: 30) days to its trade customers. Application for progress payments on projects are made on regular basis. The Group does not hold any collateral over these balances.

The following is an ageing analysis of trade receivables, net of loss allowance, presented based on the earlier of invoice date or revenue recognition date:

	2025 HK$'000	2024 HK$'000
Less than 1 month	552	303
1 month to 3 months	754	839
4 months to 6 months	493	2,846
More than 6 months but less than one year	1,445	824
	3,244	4,812

Movements in loss allowance for impairment of trade receivables are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the reporting period	5,899	4,575
Amount written off	(27)	(199)
(Reversal of loss allowance) Loss allowance on trade receivables	(2,282)	1,712
Exchange realignment	(42)	(189)
At the end of the reporting period	3,548	5,899

Trade receivables of HK$27,000 (2024: HK$199,000) written off during the year are still subject to enforcement activity.

Information about the impairment of trade receivables and the Group's exposure to credit risk is detailed in Note 27(a) to these consolidated financial statements.

(b) The above balances of other receivables, prepayments and deposits as at 31 March 2025 and 31 March 2024 were neither past due nor impaired. Financial assets included in these balances are non-interest bearing and relate to receivables for which there was no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

19. CASH AND BANK BALANCES

	2025 HK$'000	2024 HK$'000
Cash at bank and in hand	88,340	58,574
Time deposits at bank	–	33,182
	88,340	91,756
Less: time deposits with original maturity over three months	–	(33,182)
Total cash and bank balance as stated in the consolidated statement of cash flows	88,340	58,574

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default.

As at 31 March 2024, the time deposits at bank carry interest at market rates which range from 3.95% to 4.3% per annum.

As at 31 March 2025, cash and bank balances of the Group included an amount of approximately HK$18,311,000 (2024: HK$22,710,000) which were denominated in RMB and deposited in banks in the PRC. RMB is not freely convertible currency in the international market. The conversion of RMB into foreign currency and remittance of RMB out of the PRC are subject to the rules and regulations of exchange controls promulgated by the PRC authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

20. OTHER CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities HK$'000 (Note 16)
At 1 April 2023	4,239
Change from financing cash flows:	
Repayment of lease liabilities	(2,783)
Interest on lease liabilities	(134)
Total changes from financing cash flows	(2,917)
Other changes:	
Finance costs	134
New lease liabilities	142
Exchange realignment	(53)
Total other changes	223
At 31 March 2024 and 1 April 2024	1,545
Change from financing cash flows:	
Repayment of lease liabilities	(3,013)
Interest on lease liabilities	(200)
Total changes from financing cash flows	(3,213)
Other changes:	
Finance costs	200
Lease modification	4,717
Exchange realignment	36
Total other charges	4,953
At 31 March 2025	3,285

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

21. TRADE AND OTHER PAYABLES

	Notes	2025 HK$'000	2024 HK$'000
Trade payables	(a)	4,088	7,283
Other payables			
Provision of warranties	(b)	655	954
Staff cost payables	(c)	2,138	1,844
Other tax payables	(c)	185	352
Other payables and accruals	(c)	942	856
		3,920	4,006
Total trade and other payables		8,008	11,289
Less: Non-current portion			
Provision of warranties	(b)	(47)	(179)
Current portion		7,961	11,110

Notes:

(a) The credit period of trade payables is normally within 30 (2024: 30) days. The ageing analysis of the trade payables based on invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Current or less than 1 month	741	2,570
1 month to 3 months	523	971
4 months to 6 months	1,820	1,865
7 months to 12 months	576	1,438
More than one year	428	439
	4,088	7,283

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

21. TRADE AND OTHER PAYABLES *(Continued)*

Notes: *(Continued)*

(b) Movement in provision for warranties for integrated LED lighting solution services provided is as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the reporting period	954	774
Provision for the year	413	555
Less: Reversal of unused amount	(690)	(324)
Amount charged to profit or loss for the year	(277)	231
Less: Amount utilised	(22)	(51)
At the end of the reporting period	655	954
Categories as:		
Non-current portion	47	179
Current portion	608	775
	655	954

The Group gives 36-months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily.

(c) Those payables and accruals are non-interest bearing and have average payment terms of one to three months.

22. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Contract liabilities arising from:		
Sale of goods	2,002	9,771
Deferred income	525	482
	2,527	10,253
Less: Non-current portion		
Deferred income	(46)	(67)
Current portion	2,481	10,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

22. CONTRACT LIABILITIES *(Continued)*

(a) Typical payment terms which impact on the amount of contract liabilities are as follows:

Sale of goods

The deposits received by the Group on sale of LED lighting fixtures and visual-audio system, provision of integrated LED lighting solution services remain as contract liabilities until the work is completed.

Integrated LED lighting solution

Deferred income relates to advance receipts for additional warranty on integrated LED lighting solution for which services have not yet been rendered.

(b) The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities are as follows:

	2025 HK$'000	2024 HK$'000
At beginning of the reporting period	10,253	18,968
Decrease in contract liabilities as a result of recognising revenue during the year	(9,167)	(11,738)
Increase in contract liabilities as a result of receipts in advance of sale of goods	1,510	3,652
Decrease in contract liabilities as a result of recognising deferred income during the year	(53)	(115)
Exchange realignment	(16)	(514)
At end of the reporting period	2,527	10,253

At 31 March 2025, the contract liabilities that are expected to be settled within 12 months are HK$2,481,000 (2024: HK$10,186,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

22. CONTRACT LIABILITIES *(Continued)*

The amount of transaction price allocated to the performance obligation that are unsatisfied (or partially unsatisfied) at 31 March 2025 (including the balance of contract liabilities as disclosed above) is as follows:

	2025 HK$'000	2024 HK$'000
Expected timing of revenue recognition:		
Within 1 year	**2,490**	10,608
More than 1 year	**46**	67
	2,536	10,675

23. DEFERRED TAXATION

(a) Deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Depreciation Allowance HK$'000
At 1 April 2023	449
Credited to profit or loss (Note 11)	(60)
Exchange realignment	(22)
At 31 March 2024 and at 1 April 2024	367
Credited to profit or loss (Note 11)	(59)
Exchange realignment	(4)
At 31 March 2025	304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

23. DEFERRED TAXATION *(Continued)*

(b) Deferred tax assets not recognised

	2025 HK$'000	2024 HK$'000
Before multiplied by the applicable tax rates:		
Deductible temporary differences	6,066	6,852
Tax losses	1,446	1,364
At end of the reporting period	7,512	8,216

No deferred tax asset has been recognised due to the unpredictability of future profit streams. No tax losses nor deductible temporary differences expire under current tax legislation.

(c) Deferred tax liabilities not recognised

No deferred tax liability has been recorded on the temporary differences of HK$23,116,000 (2024: HK$17,681,000) relating to the undistributed earnings of PRC subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

24. SHARE CAPITAL

	2025 Number of shares	2025 HK$'000	2024 Number of shares	2024 HK$'000
Authorised:				
Ordinary shares of HK$0.001 each	10,000,000,000	10,000	10,000,000,000	10,000
Issued and fully paid:				
At 1 April and 31 March	1,000,000,000	1,000	1,000,000,000	1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

25. RETIREMENT BENEFITS

The Group has arranged its Hong Kong employees to join Mandatory Provident Fund ("**MPF**") Scheme. Under the MPF Scheme, each of the Group's companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the MPF Scheme Ordinance. The contributions from each of the employers and employees are subject to a cap of HK$1,500 per month and thereafter contributions are voluntary.

The Group's employees in the PRC are required to participate in a defined contribution retirement scheme administered and operated by local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on fixed percentage of the employees' salaries (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefit of the employees during the year.

The Group has no other material obligation for the payment of retirement benefits associated with this scheme beyond the contributions described above.

26. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the year, the Group does not have any significant transactions with its related parties other than remuneration to key management personnel nor any transactions which constituted connected transactions as defined in Chapter 20 of the GEM Listing Rules.

(b) Remuneration to key management personnel

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the year are set out in Note 10 to these consolidated financial statements.

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks which comprise credit risk, liquidity risk, interest rate risk and currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

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. As the directors consider that the Group's exposure to financial risk is kept at a minimum level, the Group does not hold or issue derivative financial instruments either for hedging or trading purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk arises mainly from trade and other receivables and cash and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

As at 31 March 2025, 26% (2024: 22%) and 67% (2024: 72%) of the trade receivables were due from the Group's largest customer and the five largest customers.

The maximum exposure to credit risk represents the credit risk exposure to the Group at the end of each reporting period, without taking into account any collateral held or other credit enhancements. A summary of the maximum exposure to credit risk is as follows:

	2025 HK$'000	2024 HK$'000
Cash and bank balances	88,340	91,756
Trade receivables	3,244	4,812
Other receivables excluding prepayments	1,376	1,754
At end of the reporting period	92,960	98,322

The maximum exposure to credit risk without taking into account of any collateral held is represented by the carrying amount of each financial asset in the consolidation statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Cash and bank balances

It is expected that there is no significant credit risk associated with the cash and bank balances as they are placed with major banks which are located in the PRC and Hong Kong, which the management believes are of high credit quality.

Trade receivables

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk *(Continued)*

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 March 2025 and 2024:

As at 31 March 2025	**Expected loss rate**	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**
1-30 days past due	**6.27%**	**589**	**37**
31-90 days past due	**8.35%**	**823**	**69**
91-180 days past due	**17.87%**	**600**	**107**
181-365 days past due	**32.60%**	**2,144**	**699**
More than 365 days past due	**100.00%**	**2,636**	**2,636**
		6,792	**3,548**

As at 31 March 2024	Expected loss rate	Gross carrying amount HK$'000	Loss allowance HK$'000
1-30 days past due	6.27%	324	21
31-90 days past due	8.35%	915	76
91-180 days past due	17.87%	3,465	619
181-365 days past due	32.60%	1,223	399
More than 365 days past due	100.00%	4,784	4,784
		10,711	5,899

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the group's view of economic conditions over the expected lives of the receivables.

Among the loss allowance of HK$3,548,000 (2024: HK$5,899,000) recognised, loss allowance approximately HK$59,000 (2024: HK$1,671,000) is considered as credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk *(Continued)*

Other receivables

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

In respect of other receivables, the balances are considered to be low risk based on the past history of making payments when due and current ability to pay, and therefore the impairment provision is determined based on 12 months ECL. After applying the ECL model, the management considered that no impairment provision at the end of the reporting period.

(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 reserve of cash and adequate committed lines of funding from major banks, if necessary, to meet its liquidity requirements in the short and long term. The liquidity policies have been followed by the Group during the year and are considered to have been effective in managing liquidity risk.

Contractual maturities of financial liabilities

The maturity profile of the Group's non-derivative financial liabilities at end of the reporting period, based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at end of the reporting period) are summarised below:

	Carrying amount HK$'000	Contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
As at 31 March 2025					
Non-derivative financial liabilities					
Lease liabilities (including interests)	3,285	3,399	2,477	884	38
Trade and other payables (excluding non-financial liabilities)	5,029	5,029	5,029	–	–
	8,314	8,428	7,506	884	38
As at 31 March 2024					
Non-derivative financial liabilities					
Lease liabilities (including interests)	1,545	1,595	1,260	222	113
Trade and other payables (excluding non-financial liabilities)	8,139	8,139	8,139	–	–
	9,684	9,734	9,399	222	113

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have a policy on cash flow hedges of interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate risk should a need arise.

Other than bank balances with variable interest rate and fixed time deposits with fixed interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises primarily from cash and cash equivalent issued at variable rates and at fixed rates which expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances. The analysis is prepared assuming that the amounts of assets outstanding at the end of each reporting period were outstanding for the whole year. A 25 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rate of bank balances.

At 31 March 2025, it is estimated that a general increase/decrease of 25 (2024: 25) basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after taxation and retained profits by approximately HK$184,000 (2024: HK$122,000). Other components of consolidated equity would not be affected by changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation and retained profits that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of each reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each reporting period, the impact on the Group's profit after taxation and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk

The Group currently does not have a hedging policy to mitigate its exposure to foreign exchange risk. The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the group entity concerned.

(i) Exposure to currency risk

The Group's transactions are mainly denominated in HK$, RMB and USD.

Since the exchange rate of HK$ is pegged with USD, the Group does not expect any significant movements in the USD/HK$ exchange rates.

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The Group is mainly exposed to the fluctuation of RMB.

For presentation purposes, the amounts of the exposure are shown in HK$, translated using the spot rate at the end of each reporting period as follows:

	RMB	
	2025 HK$'000	2024 HK$'000
Cash and bank balances	**4,988**	3,924
Trade and other payables	**(1,650)**	(1,184)
At the end of the reporting period	**3,338**	2,740

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after taxation (and retained profits) and other components of consolidated equity in response to reasonably changes in foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	2025 HK$'000	2024 HK$'000
Change in profit after taxation for the year and retained profits		
Weakened 5% (2024: 5%)		
– RMB	(139)	(114)
Strengthened 5% (2024: 5%)		
– RMB	139	114

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk for non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities profit or loss after taxation and equity measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

(e) 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 dividend payment 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 capital structure of the Group consists of equity attributable to equity holders of the Company only, comprising share capital and reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

There were no transfers of fair value measurements during the years ended 31 March 2025 and 2024.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 March 2025 and 2024.

(g) Financial instruments by category

The carrying amounts of each of the categories of financial instruments at each of the reporting date are as follows:

	2025 HK$'000	2024 HK$'000
Financial assets		
– Financial assets measured at amortised cost	92,960	98,322
Financial liabilities		
– Financial liabilities measured at amortised cost	8,314	9,684

28. SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (the "**Scheme**") by the written resolutions of Shareholders passed on 22 December 2017.

A summary of the Scheme is set out as below:

(i) The Scheme is effective for a period of 10 years commencing from 22 December 2017.

(ii) Under the Scheme, a subscription price shall be a price solely determined by the Board of Directors and notified to a participant and shall be not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the option, which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the share on the date of grant of the option.

(iii) An offer for the grant of options must be accepted within any prescribed acceptance date on which such offer was made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

28. SHARE OPTION SCHEME *(Continued)*

(iv) The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company (excluding, for this purpose, shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all the shares in issue as at the listing date, or the date of approval of the renew limit by the shareholders in general meeting.

No options have been granted since the adoption of the Scheme.

29. COMMITMENTS

In addition to information disclosed elsewhere in these consolidated financial statements, the Group has the following commitments at the end of the reporting period:

Capital expenditure commitments

	2025 HK$'000	2024 HK$'000
Contracted but not provided net of deposit paid for acquisition of:		
– Intangible asset	53	79
	53	79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

30. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES

(a) Company-level statement of financial position

	Notes	2025 HK$'000	2024 HK$'000
Non-current asset			
Investments in subsidiaries		10,419	10,419
Current assets			
Due from subsidiaries		45,517	33,811
Other receivables		212	203
Cash and bank balances		11,069	21,643
		56,798	55,657
Current liabilities			
Other payables		680	665
Due to subsidiaries		5,003	2,800
		5,683	3,465
Net current assets		51,115	52,192
NET ASSETS		61,534	62,611
Equity and reserves			
Share capital	24	1,000	1,000
Reserves	30(b)	60,534	61,611
TOTAL EQUITY		61,534	62,611

This statement of financial position was approved and authorised for issue by the Board of Directors on 20 June 2025 and signed on its behalf by

Mr. Tam Yat Ming Andrew
Director

Ms. Fok Yee Man
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

30. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES *(Continued)*

(b) Company-level statement of financial position

Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

	Share premium HK$'000	Contributed surplus HK$'000 (note)	Retained Profits/ (Accumulated Losses) HK$'000	Total HK$'000
Balance at 1 April 2023	50,946	10,419	946	62,311
Loss and total comprehensive loss for the year	–	–	(700)	(700)
Balance at 31 March 2024 and 1 April 2024	50,946	10,419	246	61,611
Loss and total comprehensive loss for the year	–	–	(1,077)	(1,077)
Balance at 31 March 2025	50,946	10,419	(831)	60,534

Note: Contributed surplus of approximately HK$10,419,000 represents the excess of the then carrying amount of the Company's share of equity value of a subsidiary, Pangaea, acquired and the nominal value of the Company's shares issued for such acquisition.

FINANCIAL SUMMARY

A summary of the results, and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements of the Company is set out below:

RESULTS

	For the year ended 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	68,616	85,617	73,384	78,904	55,648
Cost of sales	30,130	(37,084)	(39,376)	(37,828)	(27,312)
Gross profit	38,486	48,533	34,008	41,076	28,336
Other income	1,975	2,201	1,472	309	2,871
Other gains and losses, net	(737)	(226)	(357)	611	(35)
Administrative expenses	(31,084)	(30,714)	(27,208)	(28,011)	(23,878)
(Loss allowance) Reversal of loss allowance on trade receivables	2,282	(1,712)	(441)	(316)	(741)
Finance costs	(200)	(134)	(226)	(130)	(176)
Profit before income tax expense	10,722	17,948	7,248	13,539	6,377
Income tax expense	(1,289)	(2,493)	(1,122)	(2,168)	(948)
Profit attributable to owners of the Company	9,433	15,455	6,126	11,371	5,429
Other comprehensive (loss) income					
Items that is or may be reclassified to profit or loss:					
Exchange difference on translating foreign operations	(251)	(693)	(1,019)	(74)	1,813
Other comprehensive (loss) income for the year	(251)	(693)	(1,019)	(74)	1,813
Total comprehensive income for the year attributable to owners of the Company	9,182	14,762	5,107	11,297	7,242

ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Total assets	115,189	115,967	110,576	100,955	92,944
Total liabilities	(14,828)	(24,788)	(34,159)	(25,645)	(18,931)
Total equity	100,361	91,179	76,417	75,310	74,013

The summary above does not form part of the audited consolidated financial statements.

Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in Note 1 to these consolidated financial statements.