



EXPERT

EXPERT SYSTEMS HOLDINGS LIMITED

思博系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8319

2025
ANNUAL REPORT

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

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This annual report, for which the directors (the "Directors") of Expert Systems Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this annual 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 annual report misleading.

This annual report will remain on the Stock Exchange's website at www.hkexnews.hk, the GEM website at www.hkgem.com on the "Latest Listed Company Announcements" page for at least seven days from the date of its posting. This annual report will also be published and remains on the Company's website at www.expertsystems.com.hk.

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Corporate Information

BOARD OF DIRECTORS

Chairman and non-executive Director

Mr. Wong Chu Kee Daniel

Chief executive officer and executive Director

Mr. Lau Wai Kwok

Executive Directors

Mr. Chan Kin Mei Stanley
Ms. Lau Tsz Yan
Mr. So Cheuk Wah Benton

Non-executive Director

Mr. Chu Siu Sum Alex

Independent non-executive Directors

Mr. Au Yu Chiu Steven
Mr. Ko Man Fu
Mr. Mak Wai Sing

BOARD COMMITTEES

Audit Committee

Mr. Au Yu Chiu Steven (*Chairman*)
Mr. Ko Man Fu
Mr. Mak Wai Sing

Remuneration Committee

Mr. Ko Man Fu (*Chairman*)
Mr. Au Yu Chiu Steven
Mr. Chu Siu Sum Alex
Mr. Mak Wai Sing

Nomination Committee

Mr. Mak Wai Sing (*Chairman*)
Mr. Au Yu Chiu Steven
Mr. Chu Siu Sum Alex
Mr. Ko Man Fu
Mr. Lau Wai Kwok

Corporate Governance Committee

Mr. Chan Kin Mei Stanley (*Chairman*)
Mr. Au Yu Chiu Steven
Mr. Lau Wai Kwok
Mr. Wong Chu Kee Daniel

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY SECRETARY

Mr. Lau Siu Ki

AUTHORISED REPRESENTATIVES

Mr. Chan Kin Mei Stanley
Mr. Lau Wai Kwok

COMPLIANCE OFFICER

Mr. Lau Wai Kwok

Corporate Information

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22/F., Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL BANKER

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

GEM STOCK CODE

8319

COMPANY WEBSITE

www.expertsystems.com.hk

Highlights

- Revenue for the year ended 31 March 2025 (the “Reporting Year” or “FY2025”) decreased by approximately 9.1% from that for the year ended 31 March 2024 (the “Corresponding Year” or “FY2024”) to approximately HK\$900.7 million.
- Gross profit for the Reporting Year decreased by approximately 1.3% from the Corresponding Year to approximately HK\$150.7 million. Nevertheless, the gross profit margin improved by 1.3 percentage points from the Corresponding Year to approximately 16.7%.
- Expenditures of approximately HK\$8.3 million, out of total operating expenses of approximately HK\$132.2 million for the Reporting Year, were allocated to support research and development for Generative AI and to establish our Network Operations Center and Security Operations Center (NOC/SOC), reflecting our proactive strategy to reinvest in technology and innovation to drive future growth.
- Profit for the year attributable to owners of the Company for the Reporting Year decreased by approximately 9.2% to approximately HK\$14.0 million as compared to the Corresponding Year.
- Basic earnings per share decreased by approximately 8.9% from approximately HK1.91 cents for the Corresponding Year to approximately HK1.74 cents for the Reporting Year.

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of Expert Systems Holdings Limited (the "Company"), I am pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2025 ("FY2025").

For FY2025, the Group recorded a revenue of HK\$900.7 million, a decrease of approximately 9.1% from HK\$991.0 million as compared with the year ended 31 March 2024 ("FY2024") whereas the profit attributable to owners of the Company decreased by approximately 9.2% to HK\$14.0 million. Basic earnings per share for FY2025 was HK1.74 cents as compared with HK1.91 cents for FY2024.

The economic environment kept challenging during FY2025, however, we remained steadfast in our commitment to driving technological innovation while maintaining operational resilience across our markets. Thanks to the unwavering effort of our management team, I am pleased to report that our Company has achieved strong profit margins. I believe that our robust financial positions and diversified customer base have been key factors in sustaining our financial stability.

As we reflect on FY2025, I am pleased to share our progress and strategic direction in what continues to be a dynamic and evolving business landscape.

This year marked significant milestones in our strategic transformation as we continued to drive our vision of becoming a leading regional provider of advanced technology solutions. Our investment in artificial intelligence and cybersecurity infrastructure have begun positioning us to better serve our clients' evolving needs in an increasingly digital economy.

I am pleased to announce that the Board has recommended a final dividend of HK0.75 cent (FY2024: HK0.82 cent) per ordinary share, amounting to HK\$6,025,000 for FY2025 (FY2024: HK\$6,587,000). It is important to note that our dividend policy will be reviewed periodically to ensure alignment with our strategic goals and prevailing market conditions. Our aim is to strike a balance between rewarding our shareholders and retaining sufficient capital for reinvestment in the Company's growth initiatives.

Advancing Our Artificial Intelligence ("AI") Capabilities

Building on our established foundation, we have made substantial progress in integrating AI across our service offerings. Our AI-enabling solutions now empower enterprises to enhance operational efficiency, improve decision-making, and create new value streams. Through strategic collaborations and internal research initiatives, we have developed proprietary AI applications that are already delivering measurable benefits to clients across multiple sectors.

Strengthening Cybersecurity Infrastructure

The successful establishment of our Network Operations Center ("NOC") and Security Operations Center ("SOC") represents a quantum leap in our service capabilities. These state-of-the-art facilities enable us to provide enterprise-grade cybersecurity protection and network management services, significantly enhancing our value proposition. This investment underscores our commitment to being a trusted partner in our clients' digital transformation journeys.

Regional Expansion and Market Leadership

Our strong presence in Hong Kong and other regions of the Greater Bay Area continues to serve as a strategic platform for growth, while our expanded operations in the Southeast Asian markets are gaining strong traction. This balanced geographic footprint allows us to capture emerging opportunities while mitigating regional market fluctuations.

Chairman's Statement

Commitment to Stakeholders

To our shareholders, we remain focused on creating sustainable long-term value through disciplined capital allocation and strategic growth initiatives. To our business partners, we appreciate the collaborative relationships that amplify our collective strengths. To our customers, we are grateful for your trust and will continue to innovate in providing valuable service to you with the aim of growing together. To our colleagues, we fully understand that your expertise and dedication are the foundation of our success, and we are committed to sharing the results of our achievements with you all.

Looking Ahead

As we enter the new fiscal year, we do so with cautious optimism. While macroeconomic uncertainties persist, our strong fundamentals, technological capabilities, and talented team position us well to navigate challenges and capitalise on opportunities. We remain committed to our core values of innovation, integrity, and excellence as we continue our journey of growth and value creation.

We firmly believe that investing in innovative technologies is a key to the success of long-term development of the Company. We are confident that our investments stated above will propel us forward, enabling us to seize new opportunities, enhance our competitive position, and create enduring value for our shareholders, customers and stakeholders.

On the other side, to transfer our listing to the Main Board of the Stock Exchange (the "Main Board") when the Company has met the necessary criteria remained as our long-term goal. As mentioned in the report of last year, we will approach the decision with careful consideration. At present, our priority remains on building a robust and scalable business, maintaining a strong corporate governance framework, and creating long-term value for our shareholders.

Please note that our potential transfer to the Main Board is subject to various factors and regulatory considerations, and no final decision has been made at this time.

We are proud of our commitment to sustainable and responsible business practices, which includes integrating environmental, social, and governance ("ESG") considerations into our operations. As we evaluate the potential transfer to the Main Board in the future, we will continue to prioritise our ESG initiatives and uphold our strong ESG track record.

In conclusion, I would like to express my gratitude to our shareholders, employees, customers, and partners for their unwavering support during these challenging times. Your trust and commitment have been instrumental in our journey towards recovery and growth.

Wong Chu Kee Daniel
Chairman and non-executive Director

Hong Kong, 24 June 2025

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of IT infrastructure solutions, IT infrastructure management services, and in the development and provision of AI products and AI solutions for corporate and institutional customers in the Asia-Pacific region. The Group strives to provide one-stop innovation solutions for our customers to meet their diverse needs.

Business environment

Our Group recognises that the business environment in the short-to-medium term will remain challenging. The Group's performance is likely to be impacted by the factors such as ongoing Sino-US geopolitical tensions, the economy showdown in Mainland China and Hong Kong, as well as the high interest rates. In addition, the increasing northbound consumption by Hong Kong residents recently has exerted further pressure on Hong Kong's overall economy, resulting in decline in local consumer spending.

All these factors may adversely affect our business volume and cost structure, putting pressure on our pricing strategies and, consequently, our profit margin and overall profitability. Given the ongoing uncertainty on the economic landscape and various potential recovery paths, a wide range of outcome remains possible in the future.

Strategic response

Despite the prevailing uncertainties in the market, technological reforms are presenting us with new opportunities. In response to these market changes, we have adopted flexible strategies and leveraged the synergies and integrated resources of our subsidiaries to offer customers with one-stop innovative solutions. Additionally, we have deepened our research and development efforts, increased our investment in technology and innovation, and accelerated product upgrades. These approaches strengthen our differentiated and long-term competitive advantages.

During the reporting year, the Group steadily increased the gross profit margin by optimising our product mix and implementing efficient cost management. This business resilience underscores our ability to adapt and thrive even in difficult circumstance. While we continue to provide a wide array of services across various sectors, we are strategically to prioritise resources to three high-growth opportunities:

- (i) Cybersecurity
- (ii) Automation and Artificial Intelligence
- (iii) Managed Services

This focus reflects our commitment to meeting significant market demands and enhancing our offerings in these critical areas.

We remain dedicated to maximising returns for our shareholders while reinvesting in the IT industry, particularly in new business ventures. Our short-to-medium term strategic focus is to drive development and foster growth across our operations, ensuring that we continue to deliver comprehensive one-stop innovative solutions that address the varied challenges faced by our customers.

Management Discussion and Analysis

IT Infrastructure Solutions

The Group focuses on providing world-class IT infrastructure solutions to corporate and institutional customers, enabling their digital transformation and meeting diverse needs. Due to rising cybersecurity risks and stricter regulatory requirements, for example, Protection of Critical Infrastructures Bill and etc, the demand for cybersecurity solutions has significantly increased. Therefore, the Group is committed to providing customers with appropriate cybersecurity solutions and also offers one-stop cybersecurity services, from compliance consulting, design & architecture, implementation to maintenance, delivering holistic protection for customers' valuable IT assets.

In addition, the Group has successfully developed generative artificial intelligence (GenAI) application solutions to address customers' urgent needs for business automation and reduced operating costs. The Group also offers comprehensive services ranging from AI infrastructure (including GPU/NPU servers, storage and Big Data) to AI applications. Currently, cybersecurity and automation (including AI) have become two of the Group's strategic growth engines. We will continue to strengthen our product portfolio and technical support capabilities, offering innovative and integrated solutions to create greater value for customers and drive the sustainable business growth.

IT Infrastructure Management Services

The Group has actively responded to customers' growing demand for IT infrastructure management services through strategic investments, including the launch of the AI-driven Network Operations Center ("NOC") and Security Operations Center ("SOC"). These centers provide seamless 24/7 service delivery with comprehensive regional coverage across the Asia-Pacific region, enhancing the management of customers' network and security infrastructure. Additionally, the Group completed the expansion and relocation of its Guangzhou service desk center, forming cross-regional synergies and service continuity with the Kuala Lumpur service desk center in Malaysia, and optimised resource allocation to meet diverse corporate and institutional customer needs. These initiatives have not only enriched the Group's service portfolio but also expanded its business into managed professional services, enhancing the value of horizontal business integration.

In addition, in response to the increasingly complex network environment, the Group has put cybersecurity as a strategic priority, and has invested greater resources to build a comprehensive cybersecurity consulting service setup covering risk assessment, security strategy & planning, and compliance consulting. The Group helps enterprise and institutional customers improve operational efficiency, allowing them to focus on core business development and realise digital transformation. We will continue to drive technological innovation and service upgrades to consolidate its competitive advantages in the infrastructure management service sector.

AI Business

The Group has continued to strengthen its GenAI business scope, developing a series of GenAI products based on cloud or on-premises large language models ("LLM"), such as LLaMa, GPT, Qwen and DeepSeek. The Group has categorised these products under the ChatSeries, which includes ChatEnquiry, ChatServiceDesk, ChatMinutes and ChatCategorization, covering applications such as GenAI Enquiry, Workflow Automation and AI Agent. These customised products precisely address the needs of corporate and institutional customers, and have already successfully secured orders from different customers, further demonstrating the Group's innovative capabilities and growth potential in the GenAI field. Looking ahead, we remain committed to investing resources in technological advancement and strengthening its market competitiveness.

Management Discussion and Analysis

Growth and investment strategies

Technological innovation is core to our long-term development strategy, and we have continued to increase our investment in technology and innovation in recent years. In 2022, we established the AI company Expert AI Enabling and formed an independent research and development team to map out our AI technology development. During the same year, we expanded our service desk center in Kuala Lumpur bolstering our regional service network. In April 2025, we launched the NOC and SOC, and earlier upgraded our service centre in Guangzhou to strengthen our technical service infrastructure.

Looking ahead, the Group will continue to deepen investment in technological innovation, driving our own business transformation and upgrading, develop cutting-edge solutions and services for customers, and deliver sustainable returns to shareholders.

Conclusion

The Group will celebrate its 40th anniversary in 2025; meanwhile, we are navigating rapidly changing market conditions. Given the current challenging economic environment, we strongly believe that swiftly adapting to market changes and continuously innovating are essential to effectively mitigating risks and maintaining business resilience. We will pursue steady progress by prudently managing costs while strengthening our risk resilience. At the same time, we will increase investment in innovative R&D and focus on developing our three core businesses, namely, IT infrastructure solutions, management services and AI. We will also continue to serve our customers through innovative technologies, helping enterprise and institutional customers fully unlock the potential of digital transformation, while striving to generate long-term value for our shareholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 9.1%, from approximately HK\$991.0 million in the Corresponding Year to approximately HK\$900.7 million in the Reporting Year. It was mainly attributable to reduced revenue from Hong Kong, driven by weak market sentiment affecting customers' spending.

Gross profit and gross profit margin

For the Reporting Year, our gross profit amounted to approximately HK\$150.7 million, representing a decrease of approximately HK\$2.0 million, or approximately 1.3%, compared to the Corresponding Year, which was approximately HK\$152.7 million.

The Group's gross profit margin increased by 1.3 percentage points to approximately 16.7%, compared to approximately 15.4% in the Corresponding Year. Such increase mainly resulted from the Group actively addressed the market challenges by optimising its product mix and implementing effective cost-management measures during the Reporting Year and a low margin project recognised in the Corresponding Year.

Other income and gains, net

Other income and gains, net increased by approximately HK\$1.5 million, or approximately 24.1%, from approximately HK\$6.2 million in the Corresponding Year to approximately HK\$7.7 million in the Reporting Year. Such increase was mainly attributed to the increase in interest income and government subsidy.

Operating expenses

Total operating expenses of the Group for the Reporting Year were approximately HK\$132.2 million, representing an increase of approximately HK\$2.8 million, or approximately 2.1%, compared to approximately HK\$129.4 million for the Corresponding Year. Included in the operating expenses, there was approximately HK\$8.3 million allocated to support the technology and innovation investment during the Reporting Year, representing an increase of approximately HK\$1.3 million, or approximately 18.5%, compared to Corresponding Year. This investment includes research and development for Generative AI and establishment of our NOC and SOC. This proactive investment was aimed at driving future growth. The other increase was mainly attributable to salary increments in line with the employment market and expenses incurred from recruiting talented staff during the Reporting Year.

Finance costs

The Group's finance costs for the Reporting Year were approximately HK\$6.7 million, representing an increase of approximately HK\$0.3 million, or approximately 4.5%, from approximately HK\$6.4 million in the Corresponding Year.

The finance costs for both years consisted primarily of the recognition of interest expenses on convertible bonds issued on 8 October, 2021.

Income tax expense

The Group's income tax expense for the Reporting Year was approximately HK\$4.8 million, representing a decrease of approximately 16.2% from approximately HK\$5.8 million for the Corresponding Year. After excluding the non-deductible interest expenses on convertible bonds of HK\$6.2 million (2024: HK\$5.8 million), the effective tax rate for the Reporting Year was 18.7% (2024: 20.1%).

Management Discussion and Analysis

Profit attributable to owners of the Company

The profit attributable to owners of the Company decreased by approximately 9.2% from approximately HK\$15.4 million in the Corresponding Year to approximately HK\$14.0 million in the Reporting Year. This decrease was primarily attributable to the above-mentioned effects.

Basic earnings per share for profit attributable to owners of the Company for the Reporting Year amounted to HK1.74 cents, as compared to HK1.91 cents in the Corresponding Year.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We financed our operations primarily through cash generated from our operating activities. As at 31 March 2025, we had cash and cash equivalents of approximately HK\$245.1 million (31 March 2024: HK\$218.9 million), which were cash at banks and in hand. As at 31 March 2025, HK\$1.5 million was pledged for a government project (31 March 2024: HK\$3.5 million).

The banking facility granted to the Group as at 31 March 2025 amounted to HK\$10.0 million (31 March 2024: HK\$10.0 million), of which HK\$1.5 million was utilised (31 March 2024: HK\$3.5 million).

During the Reporting Year, we did not take any bank borrowings and the Company had issued the convertible bonds on 8 October 2021. The convertible bonds shall mature on the fifth anniversary of the issue date and subject to annual interest rate of 2.5% payable annually in arrears.

As at 31 March 2025, the gearing ratio of the Group was 0.46 (31 March 2024: 0.43), which was calculated based on total debts including the convertible bonds and lease liabilities divided by equity attributable to owners of the Company.

CAPITAL STRUCTURE

As at 31 March 2025, the capital structure of our Company comprised issued share capital and reserves.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during Reporting Year.

SIGNIFICANT INVESTMENTS

As at 31 March 2025, the Group did not hold any significant investments (31 March 2024: nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2025 (31 March 2024: nil).

Management Discussion and Analysis

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's sales and costs transactions are mainly denominated in Hong Kong dollars, United States Dollars and Renminbi. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group will continue to take proactive measures and closely monitor its exposure to such currency movement.

CHARGE ON GROUP'S ASSETS

As at 31 March 2025, bank balance of HK\$1.5 million (31 March 2024: HK\$3.5 million) was pledged for a government project. Save as disclosed above, there was no charge on the Group's assets as at 31 March 2025 (31 March 2024: nil).

INFORMATION ON EMPLOYEES

As at 31 March 2025, the Group employed a total of 1,006 employees (31 March 2024: 1,033). Employees are remunerated according to their performance and work experience. On top of basic salary, variable income, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including directors' remuneration) for the Reporting Year amounted to approximately HK\$240.0 million (2024: HK\$236.2 million). The dedication and hard work of the Group's staff during Reporting Year are deeply appreciated and recognised.

Biographical Details of the Directors and Senior Management

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Wong Chu Kee Daniel (黃主琦), aged 64, is our chairman and a non-executive Director. Mr. Wong is responsible for providing leadership to our Board and advising on the business strategies of our Group. He was appointed as a Director on 18 September 2015. Mr. Wong had been a director of our operating subsidiary, Expert Systems Limited ("Expert HK"), from October 2003 to September 2004. He was reappointed as a director of Expert HK in February 2007 and he has been holding such directorship up to now. On 15 March 2016, Mr. Wong was appointed as a non-executive Director and the chairman of our Board. He is also a member of our corporate governance committee.

Mr. Wong also holds directorships in a number of the other subsidiaries within our Group. He is one of our Controlling Shareholders.

Mr. Wong graduated from the University of East Anglia in the United Kingdom with a Bachelor of Science degree in Computer Studies in July 1984. He has over 39 years of experience in the IT industry and previously held various senior managerial positions at AST Research (Far East) Limited ("AST"). Mr. Wong is one of the founders of ServiceOne Limited ("ServiceOne"), a subsidiary principally engaged in providing IT support services across Hong Kong, Macau and Mainland China. Currently he is the Chairman and a director of ServiceOne.

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Lau Wai Kwok (劉偉國), aged 56, is our chief executive officer and an executive Director. Mr. Lau is responsible for overseeing the business, corporate strategy, long-term planning, all-round corporate development and daily operations of our Group. He was appointed as a Director on 18 September 2015 and our chief executive officer and an executive Director on 15 March 2016. He is also the compliance officer of our Company and a member of both our nomination committee and corporate governance committee.

Mr. Lau was appointed as a director of our operating subsidiary, Expert HK, on 24 September 2004. Before appointing as our chief executive officer, he had been the general manager of Expert HK since October 2004, responsible for overseeing the business of Expert HK and Expert Macau which was set up later on. Mr. Lau also holds directorships in other subsidiaries within our Group. He is one of our Controlling Shareholders.

Mr. Lau graduated from the University of Hong Kong with a degree of Bachelor of Science in November 1991. Mr. Lau has extensive experience in the IT and telco industries, including sales, marketing and operational management. Prior to joining the Group, he worked as a marketing executive at System-Pro Computers Limited, an IT products reseller, from August 1992 to December 1995. He joined Dell Computer Asia Limited ("Dell"), an IT products manufacturer, in January 1996 as account manager, and he was general sales manager of the large corporate accounts division when he left the company in April 2002. Thereafter, he joined Hutchison Global Communications Limited, a telecommunication company, as sale manager — strategic accounts in May 2002, and the position he held before he left the company in October 2004 was manager — sales (public sector).

Biographical Details of the Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chan Kin Mei Stanley (陳健美), aged 53, is an executive Director since the re-designation of his office with effect from 8 November 2021. He is responsible for advising on the finance, accounting, risk management and corporate governance of our Group. He was appointed as a Director on 25 November 2015 and a non-executive Director on 15 March 2016. Following the re-designation of Mr. Chan from a non-executive Director to an executive Director, Mr. Chan ceased to be a member of the audit committee of the Company. Currently, he is the chairman of our corporate governance committee.

Mr. Chan obtained a degree of Bachelor of Arts in Accountancy through distance learning from the University of Bolton in the United Kingdom in September 2007. He was admitted as an associate member of the Institute of Financial Accountants in February 2006.

Mr. Chan has around 34 years of experience in the accounting, finance and human resources fields. Previously Mr. Chan was the company secretary of our operating subsidiary, Expert HK, from March 2003 to September 2004 and was in senior managerial position before he joined ServiceOne in March 2016. Currently he is the managing director, responsible for the overall management of ServiceOne. Mr. Chan also holds directorships in other subsidiaries within our Group.

Ms. Lau Tsz Yan (劉紫茵), aged 52, is an executive Director and the general manager of Expert HK. Ms. Lau was appointed as an executive Director on 15 March 2016. She is responsible for the overall management of Expert HK and Expert Macau.

Ms. Lau joined our Group in October 1996. Ms. Lau graduated from the Monash University in Australia with a Bachelor of Computing (Information Systems) degree in August 1995. Ms. Lau has over 27 years of experience in the sales and marketing of IT infrastructure solutions to corporate clients.

Mr. So Cheuk Wah Benton (蘇卓華), aged 51, is an executive Director and the sales director in the public sector business unit of Expert HK. Mr. So was appointed as an executive Director on 15 March 2016. He is responsible for overseeing and managing the sales team of Expert HK with respect to our clients in the public sector.

Mr. So joined our Group in September 2004. Mr. So graduated from the Hong Kong Technical Colleges with a Higher Diploma in Electronic Engineering in June 1997. Mr. So has over 25 years of experience in the IT industry. Previously he held various positions in IBM and a number of IT products resellers in Hong Kong before he joined our Group.

NON-EXECUTIVE DIRECTOR

Mr. Chu Siu Sum Alex (朱兆深), aged 64, was appointed as a non-executive Director on 15 March 2016. He is responsible for providing market and industry knowledge in assisting the strategic planning of our Group. Previously Mr. Chu had been a director of our operating subsidiaries, Expert HK and Expert Macau. He is a member of both our nomination committee and remuneration committee and is one of our Controlling Shareholders.

Mr. Chu obtained a degree of Bachelor of Science in Computing Science from the University of Newcastle upon Tyne (currently the Newcastle University) in the United Kingdom in June 1984.

Mr. Chu has over 39 years of experience in the IT industry. Mr. Chu was the managing director of AST, responsible for overseeing the entire operation of marketing, sales and technical service in over 11 Asian countries, before he joined Dell in 1994. He was the Hong Kong/PRC sales director, when he left Dell in October 2001. Mr. Chu worked as an executive director in our operating subsidiary, Expert HK, from September 2004 to November 2007, overseeing the overall business and management of Expert HK. Mr. Chu has taken up various senior positions in ServiceOne since December 2007. He is currently a director and an advisor of ServiceOne. Mr. Chu also holds directorships in other subsidiaries within our Group.

Biographical Details of the Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Au Yu Chiu Steven (區裕釗), aged 66, was appointed as an independent non-executive Director on 15 March 2016. He is responsible for bringing an independent judgment to bear on issues of strategy, investment, policy, performance, accountability, resources, key appointments and standards of conduct. He is also the chairman of our audit committee and a member of our remuneration committee, nomination committee and corporate governance committee.

Mr. Au graduated from the University of East Anglia in the United Kingdom with a degree of Bachelor of Arts majoring in Economics in July 1982. He further received his degree of Master of Business Administration from the University of Western Ontario in Canada in October 2000. Mr. Au was admitted as a Chartered Accountant of the Institute of Chartered Accountants in England and Wales in November 1987. He is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Au has more than 39 years of experience in the accounting and finance field. He worked as an accountant in the United Kingdom from 1982 to 1987 before he joined Arthur Andersen & Co. in Hong Kong in 1987. He then took up senior managerial positions with various companies in the finance industry. Mr. Au has been an executive director of finance and administration of Matilda International Hospital since October 2002 until his retirement in September 2019. Mr. Au is also an independent non-executive director of Vincent Medical Holdings Limited (stock code: 1612), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Ko Man Fu (高文富), aged 65, was appointed as an independent non-executive Director on 15 March 2016. He is responsible for bringing an independent judgment to bear on issues of strategy, investment, policy, performance, accountability, resources, key appointments and standards of conduct. He is also the chairman of our remuneration committee and a member of both our audit committee and nomination committee.

Mr. Ko obtained a degree of Bachelor of Laws and Postgraduate Certificate in Laws from the University of Hong Kong in 1986 and 1987 respectively. He was admitted as a solicitor of the High Court of Hong Kong in September 1989. He is a Reverse Mortgage Counsellor of the Law Society of Hong Kong.

Mr. Ko has been working as a solicitor in Hong Kong with various law firms for more than 35 years. He is currently working as a consultant at the law firm Hau, Lau, Li & Yeung.

Mr. Mak Wai Sing (麥偉成), aged 64, was appointed as an independent non-executive Director on 15 March 2016. He is responsible for bringing an independent judgment to bear on issues of strategy, investment, policy, performance, accountability, resources, key appointments and standards of conduct. He is also the chairman of our nomination committee and a member of our audit committee and remuneration committee.

Mr. Mak graduated from the University of Nottingham in the United Kingdom with a degree of Bachelor of Science majoring in civil engineering in July 1983. He further received his degree of Master of Business Administration from the Chinese University of Hong Kong in October 1986.

Mr. Mak has around 26 years of experience in the trading business. He began his career with Swire & Maclaine Ltd. ("Swire & Maclaine"), a trading company in 1986 and he was group manager when he left Swire & Maclaine. Mr. Mak then joined Li & Fung (Trading) Limited ("Li & Fung") in June 2000 and he was senior vice president when he retired from Li & Fung in January 2013.

Biographical Details of the Directors and Senior Management

SENIOR MANAGEMENT

Mr. Yan Tsz Yin (甄子賢), aged 54, is the general manager, business development of our Group. Mr. Yan joined our Group in September 1999. He is responsible for managing our Group's business development and sales operations functions. Mr. Yan graduated from the City Polytechnic of Hong Kong (currently the City University of Hong Kong) with a degree of Bachelor of Engineering majoring in Computer Engineering in December 1994. He has around 26 years of experience in the sales and marketing of IT solutions and services.

Ms. Yung Pik Man (翁碧雯), aged 54, is the chief financial officer of our Group. Ms. Yung joined our Group in August 2023. She is responsible for overseeing the Group's financial strategy and financial operations, including planning, reporting, and risk management, as well as the Group's statutory compliance functions, to ensure the long-term financial stability and sustainable growth of the Group.

Ms. Yung graduated from Deakin University in Australia with a Bachelor of Business in Accounting in September 1995. She has also obtained a postgraduate diploma in corporate compliance from the HKUSPACE (affiliated with the University of Hong Kong) in March 2021. Ms. Yung is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the CPA Australia. She has around 20 years of experience in senior financial leadership roles of overseeing the Group's financial strategy and operations.

Ms. Wong Yuk Lam (黃鈺霖), aged 47, is the general manager, finance of our Group. Ms. Wong joined our Group in May 2005. She oversees the overall accounting and treasury functions of our Group. She was also the company secretary of Expert HK from November 2015 to March 2020.

Ms. Wong obtained a degree of Bachelor of Commerce majoring in Accounting through distance learning from the Curtin University of Technology in Australia in February 2007. She was admitted as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants in January 2013. Ms. Wong has around 27 years of experience in the accounting and finance field.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Board recognises the importance of good corporate governance in management and internal control procedures so as to achieve accountability. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures. The Company has adopted the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the GEM Listing Rules and, in the opinion of the Board, the Company has complied with the CG Code for Reporting Year, save for the deviation from such code disclosed below.

Pursuant to code provision C.6.1 of the CG Code, the company secretary of the Company should be an employee of the Company and have day-to-day knowledge of the Company's affairs. Mr. Lau Siu Ki, being the Company's company secretary, is not an employee of the Company. The Company has assigned Ms. Yung Pik Man, chief financial officer of the Group, as the contact person with Mr. Lau Siu Ki. Taking into account that Mr. Lau Siu Ki has substantial experience in the corporate secretarial field, providing professional corporate services to Hong Kong listed companies and it is more cost effective to engage an external service provider, the Directors consider that it is beneficial to appoint Mr. Lau Siu Ki as the company secretary of the Company.

The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture which would benefit the Company's stakeholders as a whole. The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of the shareholders and other stakeholders of the Company.

CORPORATE CULTURE

The Company is committed to developing a culture that is aligned with its vision, mission and shared values set out below:

Vision

To be the partner of choice in the information technology ecosystem.

Mission

To enable our customers to effectively adopt the best valued and innovative information technology solutions and services for their business success.

Shared Values

Enterprises	We serve enterprises from the government, public and private sectors.
eXcellence	We deliver excellent business values to our key stakeholders.
Partners	We partner with leading global information technology OEMs.
Ecosystem	We establish solution ecosystem to meet customer needs.
Reliability	We deliver what we promised.
Trust	We do the right things right.

Corporate Governance Report

BOARD OF DIRECTORS

The Board is responsible for the overall management of the business of the Group and ensures that it is managed in the best interests of the Company and the shareholders as a whole while taking into account the interest of other stakeholders. The Board focuses on formulating the overall business strategy, reviewing and monitoring the business performance, internal controls and risk management of the Group, approving the financial statements and directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the senior management by the Board. The Board is provided with the management update reports to give a balanced and understandable assessment of the performance, recent development and prospects of the Group regularly.

The Board delegates to the Corporate Governance Committee the responsibilities for the corporate governance functions under the code provision A.2.1 of the CG Code including professional development of the Directors and the senior management, and reviewing the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board has reviewed and discussed with the committee about the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

Composition of the Board

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

Executive Directors

Mr. Lau Wai Kwok (*Chief Executive Officer*)
Mr. Chan Kin Mei Stanley
Ms. Lau Tsz Yan
Mr. So Cheuk Wah Benton

Non-executive Directors

Mr. Wong Chu Kee Daniel (*Chairman*)
Mr. Chu Siu Sum Alex

Independent non-executive Directors

Mr. Au Yu Chiu Steven
Mr. Ko Man Fu
Mr. Mak Wai Sing

In compliance with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with Rule 5.09 of the GEM Listing Rules.

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the executive Directors and non-executive Directors possess extensive experience in the IT industry while the independent non-executive Directors possess professional knowledge and broad experience in finance, law and management. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.

Corporate Governance Report

To the best knowledge of the Board members, there are no other relationship (including financial, business, family, and other material/relevant relationships) among the members of the Board.

The Company has in place effective mechanisms to ensure independent views and input are available to the Board. The Board conducted an annual review on such mechanisms in FY2025 and is of the view that the mechanisms have been properly implemented and are effective. In particular, the Company plans Board and Board committees meeting schedules well in advance and provides remote facilities for attendance, so as to facilitate active attendance and participation in the meetings. Board members, especially independent non-executive Directors, are welcome and are encouraged to raise enquiries, suggestions and views during the meetings. The Board process as stated above, including agenda setting and provision of meeting information, facilitates effective and active participation by all Directors. The Board and each Director, upon reasonable request, has access to independent professional advice to assist them in performing their duties to the Company, at the Company's expense.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of our executive Directors entered into a service contract with our Company effective 15 March 2025 and we signed letter of appointment with each of our non-executive Directors and independent non-executive Directors. The service contract with each of our executive Directors and the letter of appointment with each of our non-executive Directors and independent non-executive Directors is for a term of three years commencing 15 March 2025. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our memorandum articles of association and the applicable GEM Listing Rules.

According to our memorandum and articles of association, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation at every annual general meeting of the Company, provided that every Director shall be subject to re-election at annual general meeting at least once every three years. Any Director who is appointed by the Board to fill casual vacancy on the Board or as an additional Director to the existing Board shall hold office until the first annual general meeting after his appointment, and be subject to re-election at such meeting.

As such, each of Mr. Chan Kin Mei Stanley, Mr. Chu Siu Sum Alex and Mr. Au Yu Chiu Steven will retire from office as Director. All the retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company to be held on 16 September 2025 (the "2025 AGM") pursuant to article 84(1) of our memorandum and articles of association.

At the 2025 AGM, separate ordinary resolutions will be put forward to the shareholders of the Company in relation to the proposed re-election of Mr. Chan Kin Mei Stanley as an executive Director, Mr. Chu Siu Sum Alex as a non-executive Director and Mr. Au Yu Chiu Steven as an independent non-executive Director, each for a term commencing from the date of the annual general meeting approving his appointment and ending at the conclusion of the annual general meeting of the Company to be held in 2028.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of chairman and chief executive officer is separate and is not performed by the same individual to avoid power being concentrated in any one individual. Mr. Wong Chu Kee Daniel is the Chairman of the Board and Mr. Lau Wai Kwok is the chief executive officer of the Company.

Corporate Governance Report

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every Director keeps abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Directors are fully aware of the requirement under the code provision C.1.4 of the CG Code regarding continuous professional development. During the year ended 31 March 2025, presentations on the current regulatory development on listed companies have been organized for all Board members. In addition, all Directors received regular briefings and updates on the Group's business, operations, risk management, internal controls, corporate governance matters and relevant laws and regulations. They have also attended courses and seminars organised by external professional bodies and/or read materials on topics relevant to the duties and responsibilities of a director. All Directors have provided the Company with their respective training records pursuant to the CG Code.

BOARD COMMITTEE

The Board has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the GEM's website www.hkgem.com and the Company's website at www.expertsystems.com.hk. All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings.

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

Audit Committee

The chairman of the Audit Committee is Mr. Au Yu Chiu Steven, an independent non-executive Director, and other members include Mr. Ko Man Fu and Mr. Mak Wai Sing, each being an independent non-executive Director. The written terms of reference of the Audit Committee as suggested under the CG Code are posted on the GEM website and on the Company's website.

The main objective of the Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities to the Company and each of its subsidiaries to act in the interest of the Shareholders as a whole.

Its primary duties include: (a) to consider and make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (c) to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences; (d) to develop and implement policy on engaging an external auditor to supply non-audit services; (e) to make recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed; and (f) to monitor integrity of the Company's financial statements and the annual report and accounts, interim report and (if prepared for publication) quarterly reports, and to review significant financial reporting judgments contained in them.

Corporate Governance Report

The Company has complied with Rule 5.28 of the GEM Listing Rules in that the Audit Committee must comprise a minimum of three members and must be chaired by an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules.

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

Remuneration Committee

The chairman of the Remuneration Committee is Mr. Ko Man Fu, an independent non-executive Director, and other members include Mr. Chu Siu Sum Alex, non-executive Director; Mr. Au Yu Chiu Steven and Mr. Mak Wai Sing, each being an independent non-executive Director. The written terms of reference of the Remuneration Committee as suggested under the CG Code are posted on the GEM website and the Company's website.

The main functions of the Remuneration Committee include: (a) to make recommendations to the Board on the Company's policy and structure for all of the Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; (d) to make recommendations to the Board on the remuneration of the non-executive Directors; (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; (f) to review and approve compensation payable to the executive Directors and the senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (g) to review and approve compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate; and (h) to review and approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

The remuneration of members of the senior management (excluding executive Directors) by band for the year ended 31 March 2025 is set out below:

Remuneration band	Number of individuals
Nil to HK\$1,000,000	2
HK\$1,500,001 to HK\$2,000,000	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to the GEM Listing Rules are set out in Note 11 to the consolidated financial statements.

Nomination Committee

The chairman of the Nomination Committee is Mr. Mak Wai Sing, an independent non-executive Director, and other members include, Mr. Lau Wai Kwok, chief executive officer and executive Director, Mr. Chu Siu Sum Alex, non-executive Director, and Mr. Au Yu Chiu Steven and Mr. Ko Man Fu, each being an independent non-executive Director. The written terms of reference of the Nomination Committee as suggested under the CG Code are posted on the GEM website and on the Company's website.

Corporate Governance Report

The main objectives of the Nomination Committee are to implement a formal, transparent and objective procedure for appointing the Board members and to provide clear disclosure of the Company's policies on the nomination and evaluation of the Board members in the Company's annual report. Its primary functions include: (a) based on the Board diversity policy to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (c) to assess the independence of the independent non-executive Directors; (d) to make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the chairman and the chief executive; (e) to review the Board diversity policy and nomination policy as and when necessary and monitor the implementation of the Board diversity policy.

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board diversity policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the GEM Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the GEM Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- such other perspectives that are appropriate to the Company's business and succession plan that may be adopted by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

The Nomination Committee, upon receipt of the proposal on appointment of new Director and the biographical information of the candidate, will evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship and made recommendation to the Board to appoint the candidate for directorship.

With respect to the re-election of Directors at the annual general meeting, the Nomination Committee will review the overall contribution and services to the Company of the retiring Directors and the level of participation and performance on the Board to determine whether the retiring Directors would continue to meet the criteria as set out above and made recommendation to the Board in respect of the proposed re-election of Directors at the general meeting. The relevant information of the retiring Directors together with the recommendation of the Board would then be disclosed in the circular accompanying the notice of the general meeting and sent to shareholders in accordance with the GEM Listing Rules and applicable laws and regulations.

As a good corporate governance practice, the independent non-executive Directors who also act as Nomination Committee members will abstain from assessing their own independence and re-appointment.

Corporate Governance Report

Corporate Governance Committee

The chairman of the Corporate Governance Committee is Mr. Chan Kin Mei Stanley, an executive Director. Other members include Mr. Lau Wai Kwok, our chief executive officer and executive Director, Mr. Wong Chu Kee Daniel, our chairman and non-executive Director and Mr. Au Yu Chiu Steven, an independent non-executive Director. The written terms of reference of the Corporate Governance Committee are posted on the GEM website and on the Company's website.

The primary duties of the Corporate Governance Committee include: (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The individual attendance record of the Board meeting, committee meetings and general meeting for the year ended 31 March 2025 is set out as follows.

	Number of Board Meetings attended/ eligible to attend	Number of General Meetings attended/ eligible to attend	Number of Audit Committee Meetings attended/ eligible to attend	Number of Remuneration Committee Meetings attended/ eligible to attend	Number of Nomination Committee Meetings attended/ eligible to attend	Number of Corporate Governance Committee Meetings attended/ eligible to attend
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Executive Directors:

Mr. Lau Wai Kwok (Chief Executive Officer)	4/4	1/1	N/A	N/A	1/1	1/1
Mr. Chan Kin Mei Stanley	4/4	1/1	N/A	N/A	N/A	1/1
Ms. Lau Tsz Yan	4/4	1/1	N/A	N/A	N/A	N/A
Mr. So Cheuk Wah Benton	4/4	1/1	N/A	N/A	N/A	N/A

Non-executive Directors:

Mr. Wong Chu Kee Daniel (Chairman)	4/4	1/1	N/A	N/A	N/A	1/1
Mr. Chu Siu Sum Alex	4/4	1/1	N/A	1/1	1/1	N/A

Independent non-executive Directors:

Mr. Au Yu Chiu Steven	4/4	1/1	3/3	1/1	1/1	1/1
Mr. Ko Man Fu	4/4	1/1	3/3	1/1	1/1	N/A
Mr. Mak Wai Sing	4/4	1/1	3/3	1/1	1/1	N/A

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors for the Reporting Year.

COMPANY SECRETARY

Mr. Lau Siu Ki of Hin Yan Consultants Limited, an external service provider, has been engaged by the Company as the company secretary. The primary contact person at the Company, whom Mr. Lau contacts for all matters relating to the duties and responsibilities of the company secretary, is Ms. Yung Pik Man, chief financial officer of the Group.

During the year under review, Mr. Lau confirmed that he had taken no less than 15 hours of relevant professional training.

INDEPENDENT AUDITOR'S REMUNERATION

The fee paid or payable to PricewaterhouseCoopers, independent auditor of the Company, in respect of audit services for the year ended 31 March 2025 amounted to HK\$1,090,000.

The fee paid or payable to PricewaterhouseCoopers in respect of other permissible non-audit services amounted to HK\$60,000.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently. The statement of the external auditor about its reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report on pages 41 to 45 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

It is the responsibility of the Board to ensure that the Group maintains sound and effective internal control systems to safeguard the shareholders' investments and its assets at all times. During the year ended 31 March 2025, the Company appointed an independent internal control consultant to undertake a review of the adequacy and effectiveness of its internal control systems. The Group has fully implemented all the internal control enhanced measures recommended by the said consultant.

The management has confirmed to the Board and the Audit Committee that the enhanced internal control measures adopted by the Group are adequate and effective in assisting the Group to enhance its internal control environment and corporate governance. The Audit Committee has reviewed the effectiveness of the Group's internal control and risk management systems and is of the opinion that the resources for and qualifications of staff of the Group's accounting and financial reporting function are adequate and effective. Based on information furnished to them and on their own observations, the Audit Committee and the Board are satisfied with the adequacy and effectiveness of the internal control and risk management system of the Group.

Corporate Governance Report

The Group has also established a set of risk management policies and measures, which have been codified in its policies and adopted by it. Such policies and measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The ultimate goal of the Group's risk management policies and measures is to bring focus and effort to the issues in its business operations that create impediments to the Group's success. The Group's risk management process starts with identifying the major risks associated with its business, industry and market in the ordinary course of business as well as environmental, social and governance. Depending on the likelihood and potential impacts of the relevant risks exposed to the Group, the management will prioritise the risks and will either take immediate mitigating action, devise contingency plan or conduct periodic review in accordance with the contingency plan. The Board and the senior management are responsible for identifying and analysing the risks associated with their respective function, preparing risk mitigation plans, measuring effectiveness of such risk mitigation plans and reporting status of risk management. Mr. Chan Kin Mei Stanley, our executive Director and chairman of the Corporate Governance Committee is responsible for advising on risk management and corporate governance matters of the Group, while the Audit committee and ultimately the Board will supervise the implementation of the Group's risk management policies and measures.

Each year, the Audit Committee reviews the findings identified in the internal control and risk management report and the actions performed or the plans to be carried out by the management in addressing the issues. The issues identified and the corresponding remedial plans and recommendations are then submitted to the Board for consideration.

In relation to the handling and dissemination of inside information in accordance with the GEM Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Group has adopted measures including raising awareness of confidentiality in the Group, issuing notices regarding "black-out" period and restrictions on dealings to Directors and employees on a regular basis to ensure compliance when handling and disclosing inside information.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company has an official written policy, the Board Diversity Policy, relating to the diversity of Board members, which aims to set out the approach to achieve diversity on the Board.

Pursuant to the policy, board diversity has been considered from a number of aspects including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of perspectives of diversity within the Board. Selection of candidates will be based on a range of diversity perspectives appropriate to the requirements of the Company's business operations and environment as well as the industry in which the Company operates. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

In accordance with the requirements under the CG Code, the Company has set an initial target that the Board should not consist of single gender.

Regarding the Board's current composition, the Board comprises eight male and one female Directors with different age, experience, background and diversity perspectives, which have been disclosed in "Biographical Details of the Directors and Senior Management" on pages 13 to 16 of this annual report.

Corporate Governance Report

As at 31 March 2025, the overall workforce of the Group consisted of approximately 70.2% male and 29.8% female employees. At the senior management level there were one male and two female members. The Group has in place a mechanism to support diversity across all facets including but not limited to gender diversity. The Group treats every employee equally, adheres to equal pay for equal work and equal opportunities for different genders. For further details of the diversity of the workforce of the Group, please refer to the Group's 2025 Environmental, Social and Governance Report.

The Nomination Committee will continuously monitor and review the implementation and operation of this policy and the progress towards achieving the measurable objectives, and also review this policy to ensure its effectiveness from time to time, as appropriate. The Nomination Committee reports to the Board annually and recommends any revisions that may be required for the Board's consideration and approval.

The policy has been published on the Company's website for public information.

DIVIDEND POLICY

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the memorandum and articles of association of the Company and all applicable laws and regulations. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company has no fixed dividend pay-out ratio. The Board considers that, in general, the amount of dividends to be declared will depend on general economic conditions as well as the Group's actual and expected financial performance, retained earnings and distributable reserves, cash flow, working capital requirements, capital expenditure requirements and future expansion plans, liquidity position, and other factors as may be considered relevant at such time by the Board.

The Board has resolved to recommend the payment of a final dividend of HK0.75 cent per share for FY2025. The dividend payout ratio for the year is 43% (FY2024: 43%).

SHAREHOLDERS' RIGHT AND INVESTOR RELATIONS

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

Extraordinary general meeting may be convened by the Board on the written requisition of shareholders holding not less than one-tenth of the paid up capital of the Company or by such shareholders who made the requisition (the "Requisitionists") (as the case may be) pursuant to Article 58 of the memorandum and articles of association. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Shareholders may put forward proposals at general meeting of the Company by sending the same to the Company's principal place of business in Hong Kong.

The Company has adopted shareholders communication policy with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

Corporate Governance Report

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

- (I) information shall be communicated to the shareholders through the Company's financial reports (half-year and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the (i) corporate communication documents including, but not limited to, copy of annual reports, half-year reports, notices of meeting, circulars, proxy forms ("Corporate Communication"); (ii) other documents issued by the Company which are published on the website of the Stock Exchange for the information or action of holders of any of its securities, including announcements, monthly returns on movements in the Company's securities for each month and next day disclosure returns; (iii) constitutional documents of the Company and the Board committees; (iv) corporate information including list of the Directors; and (v) other Corporate Communication, including the procedures the shareholders can use to propose a person for election as Director, on the Company's website and/or the GEM website;
- (II) annual and special general meetings provide a forum for the shareholders to comment and exchange views with the Directors and the senior management; and
- (III) the Hong Kong share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Board has reviewed its prevailing shareholders' communication policy during the year, and believes that, in light of the multiple channels of communication and engagement in place as stated above, the current shareholders' communication policy of the Company has been properly implemented during FY2025 and is effective.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

The Company welcomes enquiries and proposals from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

Address: Expert Systems Holdings Limited
22/F., Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong
(For the attention of the Directors' office)

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Memorandum and Articles of Association

During the year ended 31 March 2025, the Company has not made any amendment to its memorandum and articles of association.

The Company's revised memorandum and articles of association is available on the Company's website and the Stock Exchange's website.

Directors' Report

The Directors present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of information technology ("IT") infrastructure solutions, IT infrastructure management services and in the development and provision of artificial intelligence ("AI") products and AI solutions for corporate and institutional customers in the Asia-Pacific region. The Group strives to provide one-stop innovation solutions for our customers to meet their diverse needs.

Details of the principal activities of its subsidiaries are set out in Note 18 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and the analysis of the Group's performance for the year ended 31 March 2025 as well as outlook/prospects of the Group's business are provided in the sections "Chairman's Statement" on pages 5 to 6, and "Management Discussion and Analysis" on pages 7 to 12 of this annual report.

SEGMENTAL INFORMATION

An analysis of the Group's revenue from operations by geographical locations of customers for the year ended 31 March 2025 is set out in Note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 and its consolidated financial position as at that date are set out in the consolidated financial statements on pages 46 to 48 of this annual report respectively.

The Board has resolved to recommend the payment of a final dividend of HK0.75 cent per ordinary share for the year ended 31 March 2025 (2024: HK0.82 cent) subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). The final dividend will be paid on or about Thursday, 9 October 2025 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 26 September 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The AGM is scheduled to be held on Tuesday, 16 September 2025. For determining the entitlement to attend and vote at the AGM, the transfer books and the register of members of the Company will be closed from Thursday, 11 September 2025 to Tuesday, 16 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to establish the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, located at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 10 September 2025.

The proposed final dividend is subject to the approval of the shareholders at the AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Wednesday, 24 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 23 September 2025.

Directors' Report

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 40 in this annual report.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the Company's share capital are set out in Note 28 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group are set out in Note 29 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

DISTRIBUTABLE RESERVES

As at 31 March 2025, the distributable reserves of the Company amounted to approximately HK\$38.5 million.

Under the Companies Law of the Cayman Islands, subject to the provisions of articles of association of the Company, the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Year, the aggregate sales attributable to the Group's five largest customers were less than 30.0%. The aggregate purchases attributable to the Group's five largest suppliers during the Reporting Year accounted for approximately 46.3% of the Group's total purchases and the purchase from the largest supplier included therein amounted to approximately 17.1%.

None of the Directors, or any of his close associates (as defined under the GEM Listing Rules) or 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 or suppliers during the financial year.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

Directors' Report

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors

Mr. Lau Wai Kwok (*Chief Executive Officer*)
Mr. Chan Kin Mei Stanley
Ms. Lau Tsz Yan
Mr. So Cheuk Wah Benton

Non-executive Directors

Mr. Wong Chu Kee Daniel (*Chairman*)
Mr. Chu Siu Sum Alex

Independent non-executive Directors

Mr. Au Yu Chiu Steven
Mr. Ko Man Fu
Mr. Mak Wai Sing

In accordance with Article 84 of the Company's articles of association, Mr. Chan Kin Mei Stanley, Mr. Chu Siu Sum Alex and Mr. Au Yu Chiu Steven shall retire by rotation at the forthcoming annual general meeting of the Company, and being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled under the Company's articles of association to be indemnified out of the assets of the Company against all actions, costs, charges, losses or liabilities incurred or sustained by him or her as a Director in the execution or discharge of his or her duty.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service contract with the Company on 15 March 2025 and the Company entered into a letter of appointment with each of the non-executive Directors and independent non-executive Directors. The service contract with each of the executive Directors and the letter of appointment with each of the non-executive Directors and independent non-executive Directors is for a term of three years commencing 15 March 2025. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our articles of association and the applicable GEM Listing Rules.

None of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

Directors' Report

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out on pages 13 to 16 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

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

REMUNERATION POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), taking into account factors such as their experience, level of responsibility, individual performance, the profit performance of our Group and general market conditions.

The remuneration of the Directors is determined by reference to their respective qualification, experience and duties and responsibilities with the Group and the prevailing market rate.

The Remuneration Committee will meet at least once in each year to discuss remuneration related matters (including the remuneration of the Directors and the senior management of the Company) and review the remuneration policy of the Group.

RETIREMENT BENEFITS PLAN

Particulars of retirement benefits plan of the Group for the year ended 31 March 2025 are set out in Note 3(m)(i) to the consolidated financial statements.

MANAGEMENT CONTRACTS

During the financial year, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Share Option Scheme" below, at no time during the financial year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, or any of the Company's subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which shall have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which shall be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which shall be required to notify the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the shares and underlying shares of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held (note 2)	Approximate percentage (note 1)
Mr. Lau Wai Kwok ("Mr. Lau")	Beneficial owner	100,000,000	12.4%	2,000,000	0.2%
Mr. Chan Kin Mei Stanley ("Mr. Chan")	Beneficial owner	6,720,000	0.8%	500,000	0.1%
Ms. Lau Tsz Yan ("Ms. Lau")	Beneficial owner	800,000	0.1%	1,200,000	0.1%
Mr. So Cheuk Wah Benton ("Mr. So")	Beneficial owner	–	–	2,000,000	0.2%
Mr. Wong Chu Kee Daniel ("Mr. Wong")	Beneficial owner	53,300,000	6.6%	500,000	0.1%
Mr. Chu Siu Sum Alex ("Mr. Chu")	Beneficial owner	226,890,000	28.2%	500,000	0.1%
	Interest of controlled corporations	–	–	450,000,000	56.0%
Mr. Au Yu Chiu Steven ("Mr. Au")	Beneficial owner	–	–	100,000	0.0%
Mr. Ko Man Fu ("Mr. Ko")	Beneficial owner	–	–	100,000	0.0%
Mr. Mak Wai Sing ("Mr. Mak")	Beneficial owner	–	–	100,000	0.0%

Directors' Report

Notes:

1. The approximate percentage is calculated based on the total number of issued shares as at 31 March 2025 (i.e. 803,280,000 shares).
2. For all the Directors above except for Mr. Chu, the underlying shares represent the unlisted physically settled share options granted to the Directors on 15 April 2019 ("Date of Grant") under the share option scheme adopted by the Company pursuant to an ordinary resolution of all the then shareholders passed on 15 March 2016. For Mr. Chu, the underlying shares consist of (a) 500,000 share options granted to the Directors on the Date of Grant mentioned above; and (b) 450,000,000 shares of the Company to be issued upon exercise of the conversion rights attached to the convertible bond issued by the Company as partial settlement of the consideration of the acquisition (the "Acquisition") of 70% issued share capital of ServiceOne International Holdings Limited ("SIHL") to ServiceOne Global Holdings Limited ("ServiceOne Global"). ServiceOne Global is owned as to 70% by China Expert Systems Limited ("China Expert"), which is held as to 40% by Mr. Chu.

(ii) Long position in the debentures of the Company

Name of Director	Nature of debentures held	Amount of debentures held (HK\$) (Note)
Mr. Chu	Interest of controlled corporations	75,600,000

Note: These represent the convertible bond issued by the Company to ServiceOne Global as partial settlement of the consideration of the Acquisition. ServiceOne Global is owned as to 70% by China Expert, which is held as to 40% by Mr. Chu.

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

Directors' Report

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 31 March 2025, so far as the Directors are aware, other than a Director or chief executive of the Company whose interests are disclosed under the paragraph headed "Directors' and chief executives' interest and short positions in shares, underlying shares or debentures" above, the following persons had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, are interested in 5.0% or more of the issued voting shares of any member of the Group:

(i) Substantial shareholders — long position in the shares and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held	Approximate percentage (note 1)
Mr. Mok Chu Leung Terry ("Mr. Mok")	Beneficial owner	91,800,000	11.4%	–	–
Mr. Cheung Nap Kai ("Mr. Cheung")	Beneficial owner	89,760,000	11.2%	–	–
Ms. Yan Yihong ("Ms. Yan")	Interest of spouse (note 2)	91,800,000	11.4%	–	–
Ms. Tuen Chi Keung ("Ms. Tuen")	Interest of spouse (note 3)	89,760,000	11.2%	–	–
Ms. Luk Yuen Wah Nancy ("Ms. Luk")	Interest of spouse (note 4)	226,890,000	28.2%	450,500,000	56.1%
Ms. Keung Lai Wa Dorathy Linndia ("Ms. Keung")	Interest of spouse (note 5)	100,000,000	12.4%	2,000,000	0.2%
ServiceOne Global	Beneficial owner (note 6)	–	–	450,000,000	56.0%
China Expert	Interest of a controlled corporation (note 6)	–	–	450,000,000	56.0%

Notes:

- The approximate percentage is calculated based on the total number of issued shares as at 31 March 2025 (i.e. 803,280,000 shares).
- Under the SFO, Ms. Yan, the spouse of Mr. Mok, is deemed to be interested in all the Shares in which Mr. Mok is interested.
- Under the SFO, Ms. Tuen, the spouse of Mr. Cheung, is deemed to be interested in all the Shares in which Mr. Cheung is interested.
- Under the SFO, Ms. Luk, the spouse of Mr. Chu, is deemed to be interested in all the Shares and underlying Shares in which Mr. Chu is interested.
- Under the SFO, Ms. Keung, the spouse of Mr. Lau, is deemed to be interested in all the Shares and the underlying Shares in which Mr. Lau is interested.
- These represent 450,000,000 shares of the Company to be issued upon exercise of the conversion rights attached to the convertible bond issued by the Company as partial settlement of the consideration of the Acquisition to ServiceOne Global. ServiceOne Global is owned as to 70% by China Expert, which is held as to 40% by Mr. Chu.

Directors' Report

(ii) Other person — long position in the shares and underlying shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage (note 1)	Number of underlying shares held	Approximate percentage (note 1)
Ms. Lee Kit Ling Monita ("Ms. Lee")	Interest of spouse (note 2)	53,300,000	6.6%	500,000	0.1%

Notes:

1. The approximate percentage is calculated based on the total number of issued shares of the Company as at 31 March 2025, that is, 803,280,000 shares.
2. Under the SFO, Ms. Lee, the spouse of Mr. Wong, is deemed to be interested in all the shares and underlying shares in which Mr. Wong is interested.

Saved as disclosed above, the Directors were not aware of any other persons other than the Directors or chief executive of the Company who held an interest or short positions in the shares and underlying shares of the Company as at 31 March 2025 which were required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme ("Scheme") on 15 March 2016. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 80,000,000 shares, being 10% of the total number of shares in issue at the time dealings in the shares first commenced on the Stock Exchange (or approximately 10.0% of the Company's issued share capital as at 31 March 2025). The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the shares in issue as at the date of grant.

The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Scheme will enable the Group to reward the employees, Directors and other selected participants for their contributions to the Group. The Board may, at its discretion, grant an option to the eligible participants to subscribe for shares at an exercise price (note 3) and subject to the other terms of the Scheme.

The Scheme will remain in force for a period of ten years commencing on the date on which the Scheme is adopted (i.e. expiring on 14 March 2026). Subject to certain restrictions contained in the Scheme, an option may be exercised in accordance with the terms of the Scheme and the terms of grant thereof at any time during the applicable option period, which is not more than ten years from the date of grant of option. There is no general requirement on the minimum period under the Scheme for the holding of an option before it can be exercised. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

A nominal consideration of HK\$1.0 is payable on acceptance of the grant of an option.

The Board confirms that the Scheme is in compliance with Chapter 23 of the GEM Listing Rules.

Directors' Report

In April 2019, share options to subscribe for a total of 16,000,000 ordinary shares of HK\$0.01 each at an exercise price of HK\$0.111 per share were granted to the Directors and employees of the Company pursuant to the Scheme. The closing price of the shares immediately before the date of grant of share options was HK\$0.098 per share.

As at 31 March 2025, the Company had 11,820,000 share options outstanding under the Scheme, which represented approximately 1.5% of the Shares in issue as at the date. All such share options were vested.

The number of share options available for grant under the mandate limit of the Scheme as at 1 April 2024 and 31 March 2025 were 64,000,000.

Further details of the Scheme, including movements during the year of the share options granted are set and in Note 31 to the consolidated financial statements.

Notes:

1. "Eligible Participant" includes:
 - (i) any employee (whether full-time or part-time) of the Company, any of its subsidiaries or any entity ("Invested Entity") in which any member of the Group holds any equity interest;
 - (ii) any directors (including non-executive directors and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
 - (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (iv) any customer of any member of the Group or any Invested Entity;
 - (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
 - (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
 - (vii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of any member of the Group; and
 - (viii) any other group or class of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,
2. As at 31 March 2025, no share options have been granted to any related entities participants and service providers (as defined in the GEM Listing Rules), and no person has been granted share options in excess of the 1% individual limit.
3. The subscription price for shares under the Share Option Scheme will be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

Directors' Report

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and directors of the Company's subsidiaries, or any of their respective associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the group (other than being a director of the Company and/or its subsidiaries and their respective associates) during the Reporting Year.

DEED OF NON-COMPETITION

Mr. Chu, Mr. Lau and Mr. Wong (collectively the "Controlling Shareholders") have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 15 March 2016. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholders during FY2025.

RELATED PARTY TRANSACTIONS

Save as disclosed in Note 34 to the consolidated financial statements, no other related party transactions were conducted by the Group during the year ended 31 March 2025.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2025, the Group had the following non-exempt continuing connected transactions:

- (i) The Company (for itself and as trustee for the benefit of other members of the Group from time to time) entered into the Framework IT Support Agreement with ServiceOne International Holdings Limited ("S1IHL") (for itself and as trustee for the benefit of its subsidiaries from time to time) dated 28 March 2024. Pursuant to the Framework IT Support Agreement, S1IHL and its subsidiaries (the "S1IHL Group") shall provide IT support services to the Group for its customers, including certain implementation work that requires broad level of skills but large labour force, as well as certain maintenance work, such as extended product warranties, technical support, application management, managed professional services and cybersecurity services, which the Group will outsource to its sub-contractors ("IT Support Services"). The service fees of the IT Support Services will be determined from time to time by the parties on arm's length basis and normal commercial terms and with reference to, among others, the requirements of the Group in respect of the IT Support Services to be provided, the prevailing market prices for the same or similar IT Support Services obtained from independent IT support service providers (which the Company would obtain price quotations from at least two independent IT support service providers) and the prevailing market competitive conditions, and any other factors which may affect the terms and conditions at the material times. The Framework IT Support Agreement commenced on 1 April 2024 and will expire on 31 March 2027. For FY2025 the total service fees paid for such IT support services to S1IHL Group amounted to HK\$5,398,000.

For the year ended 31 March 2025, the annual cap for the total amount of the service fees for the said IT support services should not exceed HK\$5,400,000.

S1IHL is owned as to 70% by the Company. The remaining 30% is controlled by a substantial shareholder group which owns approximately 70.6% of the issued share capital of the Company. Accordingly S1IHL is a connected subsidiary as defined in the GEM Listing Rules.

Further details of the Framework IT Support Agreement were disclosed in the Company's announcement dated 20 January 2025.

Directors' Report

- (ii) The Company (for itself and as trustee for the benefit of its subsidiaries) entered into the Framework IT Product Agreement with S1IHL (for itself and as trustee for the benefit of its subsidiaries) dated 8 August 2023. Pursuant to the Framework IT Product Agreement, the Relevant Group (defined as the Group excluding S1IHL Group) shall sell IT products to the S1IHL Group. The price of such IT products will be determined from time to time by the parties on arm's length basis and normal commercial terms and with reference to, among others, the selling prices of the same or similar IT products sold by the Relevant Group to the independent third parties, provided that the terms shall be no less favourable to the Relevant Group than the terms offered by the Relevant Group to the independent third parties for the sale of the same or similar IT products at such time. The Framework IT Product Agreement commenced on 8 August 2023 and will expire on 31 March 2026. For FY2025 the total amount of the sales of IT products by the Relevant Group to S1IHL Group amounted to HK\$750,000.

For the year ended 31 March 2025, the annual cap for the total amount of the sales of IT products by the Relevant Group to S1IHL Group should not exceed HK\$4,000,000.

Further details of the Framework IT Product Agreement were disclosed in the Company's announcement dated 8 August 2023.

Pursuant to Rule 20.53 of the GEM Listing Rules, the independent non-executive Directors have reviewed the non-exempt continuing connected transactions and confirmed that it has been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules during the year under review.

The Company has also received a letter from PricewaterhouseCoopers, the Company's auditor, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (Revised) *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers have issued the letter containing their findings and conclusions in respect of the non-exempt continuing connected transactions disclosed above in accordance with Rule 20.54 of the GEM Listing Rules confirming that nothing has come to their attention that causes them to believe the non-exempt continuing connected transactions:

- (i) have not been approved by the Company's board of directors;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of the goods or services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iv) have exceeded the maximum aggregate annual caps disclosed in the announcements of the Company.

Directors' Report

Other related party transactions entered into by the Group during the years ended 31 March 2025 and 31 March 2024 which constitute fully exempt continuing connected transactions under Chapter 20 of the GEM Listing Rules are disclosed in Note 34(a) to the consolidated financial statements.

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the related party transactions disclosed in Note 34 to the consolidated financial statements, no Director or Controlling Shareholder had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party and subsisted as at 31 March 2025 or during the financial year.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 17 to 27 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the public float as required under the GEM Listing Rules throughout the year ended 31 March 2025.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

INDEPENDENT AUDITOR

The consolidated financial statements of the Company for the year ended 31 March 2025 were audited by PricewaterhouseCoopers. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers as auditor of the Company. BDO Limited was the auditor of the Company for the years ended 31 March 2022 and 31 March 2023 and resigned as the auditor of the Company with effect from 2 February 2024.

PricewaterhouseCoopers was appointed by the board of Directors of the Company with effect from 2 February 2024 to fill the casual vacancy following the resignation of BDO Limited, and was re-appointed at the annual general meeting of the Company held on 17 September 2024.

EVENTS AFTER THE REPORTING DATE

Save as disclosed in Note 39 to the consolidated financial statements, there is no significant event after the reporting period of the Group.

ON BEHALF OF THE BOARD

Mr. Wong Chu Kee Daniel
Chairman and non-executive Director

Hong Kong, 24 June 2025

Summary of Financial Information

	For the year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	900,695	990,956	886,538	682,189	533,944
Gross profit	150,738	152,672	139,336	104,948	72,008
Profit before income tax expense	19,692	22,900	28,037	21,812	25,051
Profit for the year attributable to Owners of the Company	13,956	15,370	19,652	15,217	21,720
Earnings per share — Basic (HK cent)	1.74	1.91	2.45	1.90	2.72

	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	573,391	506,249	495,203	539,762	257,975
Total liabilities	375,591	314,142	309,850	368,885	135,980
Total equity	197,800	192,107	185,353	170,877	121,995

Independent Auditor's Report



羅兵咸永道

TO THE MEMBERS OF EXPERT SYSTEMS HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Expert Systems Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 46 to 112, comprise:

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

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

KEY AUDIT MATTERS

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

The key audit matter identified in our audit is related to impairment assessment of goodwill.

Key Audit Matter

Impairment assessment of goodwill

Refer to notes 4(b) and 17 to the consolidated financial statements.

As at 31 March 2025, the Group had goodwill amounted to HK\$100,078,000. The Group tests, annually or when there is an impairment indication, whether goodwill was subject to any impairment.

In carrying out the impairment assessment, significant management's judgements and estimates are required to estimate the recoverable amount under value-in-use method. The recoverable amount is estimated taking into consideration of the revenue growth rate, gross profit margin, earnings before interest, depreciation and amortisation and taxation (EBITDA) margin, discount rate and terminal growth rate. Based on the results of management's impairment assessment, no impairment loss was recognised for the year ended 31 March 2025.

As the impairment assessment of goodwill involved the use of significant management's judgements and estimates, we consider it as a key audit matter.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's impairment assessment include:

- Understanding of the management's impairment assessment process and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
- Evaluating the independent professional valuer's competence, capabilities and objectivity;
- Assessing the appropriateness of the methodology and discount rate used by management and independent professional valuer to estimate the recoverable amount with the involvement of our internal valuation expert;
- Assessing the appropriateness of the budgets and cash flows projections used in the estimation of the recoverable amount by challenging the reasonableness of management's assumptions such as the revenue growth rate, gross profit margin, EBITDA margin, discount rate and terminal growth rate based on our knowledge of the business and industry, by comparing them to the historical results and published market and industry data;
- Assessing the effectiveness of management's estimation process by comparing the current year's actual results with the prior year's forecast;
- Testing, on a sample basis, the accuracy and relevance of the input data used in the preparation of the budgets and cash flow projections and testing mathematical accuracy of the underlying calculations; and
- Performing sensitivity analysis in consideration of potential impact of reasonably possible downside changes in the key assumptions of revenue growth rate, gross profit margin, EBITDA margin and discount rate.

Based on the audit procedures performed, we found that the management's judgements and estimates used in the impairment assessment of goodwill to be supportable based on available evidence.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Ka Ho (practising certificate number: P05152).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	7	900,695	990,956
Cost of sales		(749,957)	(838,284)
Gross profit		150,738	152,672
Other income and gains, net	7	7,726	6,224
Selling expenses		(58,360)	(54,790)
Administrative expenses		(73,797)	(74,628)
Reversal of/(Provision for) expected credit loss on financial assets		103	(150)
Finance costs	8	(6,718)	(6,428)
Profit before income tax expense	9	19,692	22,900
Income tax expense	10	(4,846)	(5,780)
Profit for the year		14,846	17,120
Other comprehensive loss for the year			
Item that may be reclassified subsequently to profit or loss:			
— Exchange difference arising from translation of foreign operations		(496)	(2,388)
Total comprehensive income for the year		14,350	14,732
Profit for the year attributable to:			
Owners of the Company		13,956	15,370
Non-controlling interests		890	1,750
		14,846	17,120
Total comprehensive income for the year attributable to:			
Owners of the Company		13,609	13,698
Non-controlling interests		741	1,034
		14,350	14,732
Earnings per share	13		
— Basic		HK1.74 cents	HK1.91 cents
— Diluted		HK1.61 cents	HK1.69 cents

The notes on pages 52 to 112 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	13,355	10,225
Intangible assets	16	5,709	9,642
Goodwill	17	100,078	100,078
Restricted bank deposits	24	1,483	1,483
Other deposits and prepayments	23	6,686	4,615
		127,311	126,043
Current assets			
Inventories	20	2,385	1,718
Trade receivables	21	164,421	121,310
Prepayments, deposits and other receivables	23	34,134	36,025
Finance lease receivables	19	–	3
Bank deposits	24	–	218
Restricted bank deposits	24	–	2,021
Cash and cash equivalents	24	245,140	218,911
		446,080	380,206
Current liabilities			
Trade payables	25	163,986	116,136
Accruals, deposits received and other payables	26	123,554	118,167
Lease liabilities	15	4,111	6,876
Tax payables		3,365	3,418
		295,016	244,597
Net current assets		151,064	135,609
Total assets less current liabilities		278,375	261,652
Non-current liabilities			
Other payables	26	2,529	2,070
Lease liabilities	15	8,810	1,914
Convertible bonds	32	68,300	64,001
Deferred tax liabilities	27	936	1,560
		80,575	69,545
Net assets		197,800	192,107

The notes on pages 52 to 112 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
EQUITY			
Share capital	28	8,033	8,033
Reserves		168,670	161,648
Equity attributable to owners of the Company		176,703	169,681
Non-controlling interests	35	21,097	22,426
Total equity		197,800	192,107

The consolidated financial statements on pages 46 to 112 were approved and authorised for issue by the board of directors on 24 June 2025 and signed on its behalf by:

Wong Chu Kee, Daniel
Director

Lau Wai Kwok
Director

The notes on pages 52 to 112 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Reserves									
	Share capital HK\$'000 (note 28)	Share premium HK\$'000 (note 29)	Share options reserve HK\$'000 (note 29)	Merger reserve HK\$'000 (note 29)	Translation reserve HK\$'000 (note 29)	Convertible bonds equity reserve HK\$'000 (note 29)	Retained earnings HK\$'000	Total reserve HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2023	8,033	50,396	1,001	(25,395)	(937)	20,750	110,113	155,928	21,392	185,353
Profit for the year	–	–	–	–	–	–	15,370	15,370	1,750	17,120
Exchange differences arising from translation of foreign operations	–	–	–	–	(1,672)	–	–	(1,672)	(716)	(2,388)
Total comprehensive (loss)/income for the year	–	–	–	–	(1,672)	–	15,370	13,698	1,034	14,732
Dividend approved and paid in respect of the previous year (note 12)	–	(8,033)	–	–	–	–	–	(8,033)	–	(8,033)
Recognition of equity-settled share-based payment	–	–	55	–	–	–	–	55	–	55
At 31 March 2024	8,033	42,363	1,056	(25,395)	(2,609)	20,750	125,483	161,648	22,426	192,107
At 1 April 2024	8,033	42,363	1,056	(25,395)	(2,609)	20,750	125,483	161,648	22,426	192,107
Profit for the year	–	–	–	–	–	–	13,956	13,956	890	14,846
Exchange differences arising from translation of foreign operations	–	–	–	–	(347)	–	–	(347)	(149)	(496)
Total comprehensive (loss)/income for the year	–	–	–	–	(347)	–	13,956	13,609	741	14,350
Dividend approved and paid in respect of the previous year (note 12)	–	(6,587)	–	–	–	–	–	(6,587)	–	(6,587)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	(2,070)	(2,070)
At 31 March 2025	8,033	35,776	1,056	(25,395)	(2,956)	20,750	139,439	168,670	21,097	197,800

The notes on pages 52 to 112 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Profit before income tax expense		19,692	22,900
Adjustments for:			
Interest income	7	(6,007)	(4,807)
Interest expenses on lease liabilities	8	529	604
Interest expenses on convertible bonds	8	6,189	5,824
Depreciation of property, plant and equipment	14	8,297	8,022
Amortisation of intangible assets	16	3,934	3,896
Write off of intangible assets	9	–	29
Loss on disposal of property, plant and equipment	9	65	–
Write-back of other payables	7	(76)	(7)
Reversal of write-down of inventories to net realisable value	9	(69)	(34)
(Reversal of)/Provision for expected credit loss of financial assets	21	(103)	150
Equity-settled share-based payment expenses	9	–	55
Operating cash flows before working capital changes		32,451	36,632
(Increase)/decrease in inventories		(598)	5,506
Increase in trade receivables		(39,862)	(10,486)
(Increase)/decrease in prepayments, deposits and other receivables		(180)	4,436
Decrease in finance lease receivables		3	70
Increase/(decrease) in trade payables		47,850	(1,443)
Increase in accruals, deposits received and other payables		2,776	6,331
Cash generated from operations		42,440	41,046
Income tax paid		(5,523)	(4,357)
Net cash generated from operating activities		36,917	36,689
Cash flows from investing activities			
Purchase of property, plant and equipment		(405)	(1,301)
Proceeds from disposal of property, plant and equipment		56	–
Release of bank deposit		218	602
Placement of bank deposit		–	(218)
Placement of restricted bank deposits		2,021	–
Interest received		6,007	4,807
Net cash generated from investing activities		7,897	3,890

The notes on pages 52 to 112 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from financing activities			
Interest paid on lease liabilities	36	(529)	(604)
Interest paid on convertible bonds	36	(1,890)	(1,890)
Dividends paid to Company's shareholders	12	(6,587)	(8,033)
Dividends paid to non-controlling interests		(2,070)	–
Principal element of lease payments	36	(7,235)	(6,257)
Net cash used in financing activities		(18,311)	(16,784)
Net increase in cash and cash equivalents		26,503	23,795
Effect of foreign exchange rate changes on cash and cash equivalents		(274)	(1,679)
Cash and cash equivalents at beginning of the year		218,911	196,795
Cash and cash equivalents at end of the year		245,140	218,911

The notes on pages 52 to 112 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1 GENERAL INFORMATION

Expert Systems Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands on 18 September 2015. Its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 April 2016 (the “Listing Date”).

The registered office of the Company is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and its principal place of business in Hong Kong is 22/F., Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of information technology (“IT”) infrastructure solutions, IT infrastructure management services and in the development and provision of artificial intelligence (“AI”) products and AI solutions for corporate and institutional customers in the Asia-Pacific region.

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

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

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

(b) Amended standards and interpretation adopted by the Group

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

The amended standards and interpretation listed above did not have any impact on the amounts recognised in prior periods and the current period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2 BASIS OF PREPARATION (Continued)

(c) New and amended standards not yet adopted

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS18	Presentation and Disclosure in Financial Statements ³
HKFRS19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 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 amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these new and amended standards will have no material impact on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

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

(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.

(c) Business combinations

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Business combinations (Continued)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits”, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (i) the lease term ends within 12 months of the acquisition date; or (ii) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(d) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3(c)) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (“CGUs”) (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the CGU within group of CGUs in which the Group monitors goodwill). When the Group disposes of an operation within the CGUs (or group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the CGUs disposed of and the portion of the CGUs (or group of CGUs) retained.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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 estimated useful lives are as follows:

Leasehold improvements	3–4 years or remaining useful lives of the related leases whichever is the shorter
Properties leased for own use	Shorter of assets expected useful lives and lease term
Furniture and fixtures	3–4 years
Computer equipment	3 years
Motor vehicles	5 years

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 profit or loss on disposal.

(f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Intangible assets (Continued)

The intangible assets recognised by the Group and their useful economic lives are as follows:

Backlog orders	5 years
Customer relationships	5 years
Software	3 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(g) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average 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.

(h) Financial instruments

(i) Financial assets

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

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments 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 with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. 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 or loss on derecognition is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months 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 measures loss allowances for 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-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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 with the consideration on the current economy and industry outlook.

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: (1) 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); or (2) the financial asset is more than 90 days past due.

The Group considers a financial asset to be written off when they are past due and there is no reasonable expectation of recovery.

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

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Financial liabilities

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

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with note 3(o). Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the fair value of the convertible bonds as a whole and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation on initial recognition. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

(v) Effective interest method

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(vi) *Equity instruments*

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

(vii) *Derecognition*

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

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

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

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Leasing

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leasing (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

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

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

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(k) Provision and contingent liabilities

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Provision and contingent liabilities (Continued)

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

Where it is not probable that an outflow of resources embodying 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 resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

(l) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows of the asset (or the CGU) are 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 the CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(m) 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. 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 Group also participates in a state-managed retirement benefit scheme in Mainland China pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the scheme. Contributions are made based on a percentage of the employees' basic salaries and are recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions.

(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 each 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.

(iv) *Share-based payments*

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(n) 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 each 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 the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating 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 reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve (attributed to non-controlling interests 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 and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(o) Borrowing costs

All borrowing costs are charged to the profit or loss in the period in which they are incurred.

(p) Income taxes

Income tax comprises 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 reporting period.

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 goodwill and recognised assets and liabilities in a transaction (other than a business combination) that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable 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 appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(q) 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 may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

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

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract 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) *Provision of IT infrastructure solutions*

Customers obtain control of the goods when the goods are delivered to and have been accepted by the customers. Revenue is thus recognised upon when the customers accepted the goods and completion of the project. Invoices are generally payable within 7 to 60 days.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Revenue recognition (Continued)

(ii) *Provision of IT infrastructure management services*

IT infrastructure management services include IT hardware maintenance, helpdesk, IT outsourcing and workflow automation services.

IT hardware maintenance and helpdesk services represent ongoing maintenance and support service on hardware and software purchased from the Group or third party suppliers. IT outsourcing services represent contracts with its customers to second IT staff to work for the customers for a fixed period of time whereby the seconded staff are responsible for carrying out a wide range of IT-related services for the customers, such as system administration, unit testing, preparation of technical specification, system design, development and support. For the provision of hardware maintenance, helpdesk service, IT outsourcing as well as automation services, revenue is recognised when the relevant services are rendered.

Each of IT hardware maintenance and helpdesk services and IT outsourcing services represent single performance obligation that is distinct or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs and therefore the service are satisfied over time. The Group satisfied the performance obligation and recognises revenue over time with reference to the actual service period passed relative to the total contract period. The portion of service fee received in advance but not earned is recorded as contract liabilities.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. If the Group provides significant IT integration services and is responsible for the overall management of the contract, the Group is the principal in the transaction and recognises revenue in the gross amount of consideration to which it is entitled from the customer. The Group reports the amount received from the customers and the amounts paid to the suppliers related to these transactions on a net basis if the Group is not primarily obligated in a transaction and does not generally bear the inventory risk.

(iii) *Development and provision of AI products and AI solutions*

AI products and AI solutions represent integrated solutions provided to customers. Revenue is thus recognised upon when the customers accepted the goods and completion of the projects. Invoices are generally payable within 30 days.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Revenue recognition (Continued)

Contract assets

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

Generally, significant payment terms are disclosed within the contents of a given contract and are in the form of either milestone payment terms representing a percentage of the total budgeted contract price or corresponding directly with the value to the customer of the Group's performance. Revenues recognised in excess of billings are recognised as contract assets and recognised in the consolidated statement of financial position as contract assets under prepayments, deposits and other receivables. Contract assets are subject to impairment assessment on the same basis as trade receivables, details of which are included in the accounting policies for impairment of financial assets in note 3(h)(ii).

Contract liabilities

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

Amounts billed in accordance with contracted payment schedules but in excess of revenues earned are recognised as contract liabilities and recognised in the consolidated statement of financial position as contract liabilities under accruals, deposits received and other payables.

(r) Government subsidy

Government subsidy is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidy will be received. Government subsidy is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidy is intended to compensate. Government subsidy that is receivable as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the Group with no future related costs is recognised in profit or loss in the period in which it becomes receivable and is recognised as other income.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Segment reporting

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

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except interest income, unallocated finance costs, and unallocated corporate expenses, which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

The operating segments of the Group are (i) the provision of IT infrastructure solutions, (ii) the provision of IT infrastructure management services and (iii) the provision of AI products & AI solutions.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Critical judgments in applying accounting policies (Continued)

Judgments in determining performance obligations and timing of satisfaction of performance obligations

(i) *Performance obligation determination*

In making their judgments, the directors considered the detailed criteria for recognition of revenue set out in HKFRS 15. In determining performance obligations, the directors consider whether the customer benefits from each good or service on its own and whether it is distinct in the context of the contract. Specifically, when concluding a contract has multiple performance obligations, the directors consider that the individual performance obligation is regularly sold separately and the service is separately identifiable from other promises within the contract.

(ii) *Timing of satisfaction of performance obligations*

The directors have determined that certain performance obligations are satisfied over time. The key judgment is whether the Group's performance (i) does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; or (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (iii) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Depending on which method better depicts the transfer of value to the customer, the directors make a judgment to recognise revenue over time with reference to the actual service period passed relative to the total contract period.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) *Impairment loss for trade receivables*

As explained in note 3(h), the Group's trade receivables are measured on initial recognition at transaction price, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss under expected credit loss model.

In making the estimate, management considers detailed procedures are in place to monitor this risk as a significant proportion of the Group's working capital is devoted to trade receivables. In determining the amount of allowance for impairment required, the Company takes into consideration the aging status, debtors' creditworthiness, historical default experience and other forward-looking factors. Following the identification of doubtful debts, the responsible sale personnel discuss with the relevant customers and report on the recoverability. In this regard, the management of the Group is satisfied that this risk is properly managed and adequate allowance for doubtful debts has been made in the financial statements in light of the historical records of the Group and the circumstances of the IT industry as a whole.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) *Estimated impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or a group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise.

5 FINANCIAL RISK MANAGEMENT

The Group's financial assets that derive directly from its operations are trade and other receivables, deposits, finance lease receivables and cash and bank balance. Principal financial liabilities of the Group include trade and other payables, convertible bond and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and currency risk. The Group does not enter into or trade financial instruments for speculative purposes.

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.

(a) *Credit risk*

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from trade receivables, contract assets, deposits and other receivables, bank deposits, restricted bank deposits and cash and cash equivalents. Except for trade receivables disclosed as below, the details of credit risk of financial assets are disclosed in relevant notes to the consolidated financial statements.

The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all financial assets for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has, to a certain extent, a concentration of credit risk, the balance due from the Group's largest customer amounted to 9.68% and 5.52% of the total trade receivables at 31 March 2025 and 2024 respectively. The balances due from the Group's five largest customers amounted to 25.55% and 18.20% of the total trade receivables as at 31 March 2025 and 2024 respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21. The credit risk for cash at bank is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Group measures loss allowances for trade receivables and contract assets 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.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables from the reportable segment of IT infrastructure solutions as at 31 March 2025 and 2024:

	Expected loss rate %	2025 Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	0.04%	76,965	26
Not more than 3 months past due	0.06%	37,011	16
3 to 6 months past due	0.22%	4,420	6
More than 6 months but less than a year past due	0.48%	2,412	12
More than a year past due	9.52%	2,544	242
		123,352	302

	Expected loss rate %	2024 Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	0.04%	29,952	12
Not more than 3 months past due	0.06%	32,200	19
3 to 6 months past due	0.25%	10,644	27
More than 6 months but less than a year past due	0.54%	3,093	17
More than a year past due	10.64%	3,099	330
		78,988	405

Expected loss rates are based on actual loss experience. 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.

No allowance for impairment of the trade receivables from the reportable segment of IT infrastructure management services and AI products & AI solutions was provided for the years ended 31 March 2024 and 2025 as the impact is immaterial.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and adequate committed lines of funding to meet its liquidity requirements in the short and longer term.

The liquidity policies have been followed by the Group since the previous reporting period and are considered to have been effective in managing liquidity risks.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	Carrying amount HK\$'000	Total 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 year but less than 3 years HK\$'000	More than 3 year but less than 4 years HK\$'000	More than 4 year but less than 5 years HK\$'000
At 31 March 2025							
Trade payables	163,986	163,986	163,986	–	–	–	–
Accruals, deposits received and other payables	25,849	25,849	25,849	–	–	–	–
Convertible bonds	68,300	78,474	1,890	76,584	–	–	–
Lease liabilities	12,921	14,443	4,720	3,352	2,431	2,364	1,576
	271,056	282,752	196,445	79,936	2,431	2,364	1,576
At 31 March 2024							
Trade payables	116,136	116,136	116,136	–	–	–	–
Accruals, deposits received and other payables	21,536	21,536	21,536	–	–	–	–
Convertible bonds	64,001	80,362	1,890	1,890	76,582	–	–
Lease liabilities	8,790	9,081	7,110	1,961	10	–	–
	210,463	227,115	146,672	3,851	76,592	–	–

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (Continued)

(c) Currency risk

Transactions in foreign currencies and the Group's risk management policies

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade and other receivables, cash and cash equivalents and trade and other payables which are denominated in RMB and USD. During the reporting periods, the Group has not adopted any hedging strategy in the long run but management continuously monitors the foreign currency risk exposure on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Foreign currency denominated financial assets and liabilities, translated into HK\$ at the prevailing closing rates at the end of each reporting period, are as follows:

	HK\$'000 RMB	USD
At 31 March 2025		
Cash and cash equivalents	977	53,192
Trade and other receivables	83	13,798
Trade and other payables	(12)	(8,632)
Overall net exposure	1,048	58,358
At 31 March 2024		
Cash and cash equivalents	427	47,286
Trade and other receivables	63	6,563
Trade and other payables	—	(4,783)
Overall net exposure	490	49,066

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against HK\$, the foreign currency with which the Group may have a material exposure. No sensitivity analysis has been disclosed for USD denominated assets/liabilities as the impact on profit is immaterial. 5% represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rate. A positive (negative) number below indicates an increase (a decrease) in profit where RMB strengthens 5% against HK\$. For a 5% weakening of RMB against HK\$, there would be an equal and opposite impact on profit.

	2025 HK\$'000	2024 HK\$'000
Impact on profit or loss — RMB	52	25

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5 FINANCIAL RISK MANAGEMENT (Continued)

(d) Capital management

The Group's capital management objectives include:

- (i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for owners and benefits for other stakeholders;
- (ii) to support the Group's stability and growth; and
- (iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder's returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Management regards total equity attributable to owners of the Company as capital. The amount of capital as at 31 March 2025 and 2024 amounted to approximately HK\$176,703,000 and HK\$169,681,000 respectively.

(e) Fair value

The carrying amounts of the financial assets and financial liabilities carried at amortised cost and classified under current assets and current liabilities in the consolidated financial statements approximate their fair values due to the relative short term maturity of these financial instruments.

6 SEGMENT INFORMATION

The chief operating decision maker is identified as executive directors of the Company. The Group has identified its operating segments based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance.

The Group's consolidated revenue and results are primarily attributable to the markets in Mainland China, Hong Kong and Singapore and the Group's consolidated assets and liabilities are primarily either located in Mainland China or Hong Kong.

The following are the Group's reportable segments under HKFRS 8 "Operating Segments":

- Provision of IT infrastructure solutions ("IT infrastructure solutions") include trading of IT hardware and software, IT hardware and software installation and configuration services;
- Provision of IT infrastructure management services ("IT infrastructure management services") include IT hardware maintenance, helpdesk, IT outsourcing and workflow automation services; and
- Development and provision of AI products and AI solutions ("AI products & AI solutions") to enable customers the use of AI.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6 SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments from continuing operations.

For the year ended 31 March 2025

	IT infrastructure solutions HK\$'000	IT infrastructure management services HK\$'000	AI products & AI solutions HK\$'000	Total HK\$'000
Segment revenue	587,029	320,172	320	907,521
Inter segment revenue	(1,128)	(5,698)	–	(6,826)
Total segment revenue from external customers	585,901	314,474	320	900,695
Segment results	21,043	14,040	(6,113)	28,970
Unallocated expenses				(9,278)
Profit before income tax expense				19,692
Segment assets				
IT infrastructure solutions				286,648
IT infrastructure management services				283,905
AI products & AI solutions				1,993
Unallocated assets				
— Cash and cash equivalents				722
— Others				123
Total assets				573,391
Segment liabilities				
IT infrastructure solutions				207,381
IT infrastructure management services				98,124
AI products & AI solutions				857
Unallocated liabilities				
— Convertible bonds				68,300
— Others				929
Total liabilities				375,591
Other segment information				
Costs of inventories recognised as expenses	(411,268)	(21,695)	–	(432,963)
Staff costs	(62,027)	(172,368)	(4,737)	(239,132)
Interest income	3,544	2,407	23	5,974
Interest expenses	(79)	(433)	(17)	(529)
Depreciation of property, plant and equipment	(1,683)	(5,747)	(867)	(8,297)
Amortisation of intangible assets	–	(3,934)	–	(3,934)
Reversal of expected credit losses on financial assets	103	–	–	103
Income tax expenses	(2,620)	(2,226)	–	(4,846)
Addition to property, plant and equipment	56	9,676	–	9,732

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6 SEGMENT INFORMATION (Continued)

For the year ended 31 March 2024

	IT infrastructure solutions HK\$'000	IT infrastructure management services HK\$'000	AI products & AI solutions HK\$'000	Total HK\$'000
Segment revenue	652,998	344,968	105	998,071
Inter segment revenue	(3,663)	(3,452)	–	(7,115)
Total segment revenue from external customers	649,335	341,516	105	990,956
Segment results	22,944	15,802	(6,949)	31,797
Unallocated expenses				(8,897)
Profit before income tax expense				22,900
Segment assets				
IT infrastructure solutions				224,810
IT infrastructure management services				276,061
AI products & AI solutions				4,088
Unallocated assets				
— Cash and cash equivalents				1,203
— Others				87
Total assets				506,249
Segment liabilities				
IT infrastructure solutions				157,181
IT infrastructure management services				91,285
AI products & AI solutions				973
Unallocated liabilities				
— Convertible bonds				64,001
— Others				702
Total liabilities				314,142
Other segment information				
Costs of inventories recognised as expenses	(542,927)	(23,847)	–	(566,774)
Staff costs	(56,416)	(173,458)	(5,404)	(235,278)
Interest income	2,878	1,851	65	4,794
Interest expenses	(155)	(415)	(34)	(604)
Depreciation of property, plant and equipment	(1,828)	(5,340)	(854)	(8,022)
Amortisation of intangible assets	–	(3,896)	–	(3,896)
Provision for expected credit losses on financial assets	(150)	–	–	(150)
Income tax expenses	(2,918)	(2,862)	–	(5,780)
Addition to property, plant and equipment	160	831	310	1,301

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For the year ended 31 March 2025

6 SEGMENT INFORMATION (Continued)

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	739,685	826,325
Mainland China	120,866	124,240
Singapore	24,186	23,559
Macau	6,997	6,023
Others	8,961	10,809
	900,695	990,956

Information about the Group's non-current assets by geographical location of the assets (except for financial assets) are presented below:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	108,230	116,011
Mainland China	8,822	2,953
Macau	246	153
Others	1,844	828
	119,142	119,945

Information about major customers

There was no single external customer who contributed 10% or more of the Group's revenue for the year ended 31 March 2025 (2024: Nil).

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7 REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers:		
Provision of IT infrastructure solutions	585,899	649,312
Provision of IT infrastructure management services	314,474	341,516
Development and provision of AI products and AI solutions	320	105
	900,693	990,933
Revenue from other sources:		
Finance leases income	2	23
Total	900,695	990,956
Disaggregation of revenue from contracts with customers:		
At a point in time	609,948	682,129
Overtime	290,745	308,804
Total	900,693	990,933

An analysis of other income and gains, net is as follows:

	2025 HK\$'000	2024 HK\$'000
Other income and gains, net:		
Interest income	6,007	4,807
Write back of other payables	76	7
Government subsidy (note (a))	990	173
Management fee income	467	514
Loss on disposal of property, plant and equipment	(65)	–
Sundry income, net	251	723
Total	7,726	6,224

Note:

- (a) During the year ended 31 March 2025, government subsidy related to industrial support from the Government of the People's Republic of China ("PRC"), amounting to HK\$990,000 (2024: HK\$173,000), received by the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

7 REVENUE AND OTHER INCOME AND GAINS, NET (Continued)

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

	2025 HK\$'000	2024 HK\$'000
Trade receivables (note 21)	164,421	121,310
Contract assets (note 22)	17,147	23,687
Contract liabilities (note 26(a))	(74,010)	(72,252)

The contract liabilities mainly relate to the advance consideration received from customers. Contract liabilities as of 1 April 2024 of HK\$72,252,000 (1 April 2023: HK\$73,900,000) have been recognised as revenue for the year ended 31 March 2025 from performance obligations satisfied in the year due to the delivery of goods and services accepted by customers.

Transaction price allocated to remaining performance obligations

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) were approximately HK\$297,778,000 as at 31 March 2025 (2024: HK\$128,272,000). Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the 31 March 2025 will be recognised within 1 to 4 years.

8 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities (note 15)	529	604
Interest expenses on convertible bonds (note 32)	6,189	5,824
	6,718	6,428

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For the year ended 31 March 2025

9 PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Costs of inventories recognised as expenses	432,963	566,774
Auditor's remuneration		
— audit services	1,090	1,090
— non-audit services	60	57
Depreciation of property, plant and equipment (note 14)	8,297	8,022
Amortisation of intangible assets (note 16)	3,934	3,896
Loss on disposal of property, plant and equipment	65	—
Written off of intangible assets (note 16)	—	(29)
Exchange losses/(gain), net	255	(114)
Short-term lease with application of recognition exemption (note 15)	156	200
Reversal of write-down inventories to net realisable value	(69)	(34)
Staff costs (including directors' remuneration) (note 11(a))		
— Wages, salaries and other benefits	209,381	206,903
— Contribution to defined contribution pension plans	30,630	29,238
— Equity-settled share-based payment expenses (note 31)	—	55
	240,011	236,196

10 INCOME TAX EXPENSE

The income tax expense in the consolidated statement of comprehensive income represents:

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong profits tax	3,418	4,690
PRC Corporate Income Tax ("CIT")	1,139	450
Others	1,413	1,264
	5,970	6,404
Over provision in respect of prior year	(500)	—
	5,470	6,404
Deferred tax (note 27)	(624)	(624)
Total income tax expense	4,846	5,780

According to the Inland Revenue (Amendment) (No. 3) Ordinance 2018 enacted on 29 March 2018, the two-tiered profits tax regime (the "Regime") is effective from the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of qualifying corporation is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. The Hong Kong profits tax for the year ended 31 March 2025 and 2024 is provided based on the Regime.

Notes to the Consolidated Financial Statements

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10 INCOME TAX EXPENSE (Continued)

Under the income tax laws of the PRC, the standard CIT rate of Mainland China subsidiaries is 25%.

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands during the year ended 31 March 2025 and 2024.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2025 HK\$'000	2024 HK\$'000
Profit before income tax expense	19,692	22,900
Tax calculated at the statutory rate of 16.5% (2024: 16.5%)	3,249	3,779
Effect of different tax rates in other jurisdictions	527	518
Tax effect of expenses not deductible for tax purpose	1,521	1,347
Tax effect of revenue not taxable for tax purpose	(1,171)	(816)
Tax effect of deductible temporary differences not recognised	419	734
Tax losses not recognised	966	1,073
Utilisation of tax losses not recognized in prior years	–	(690)
Tax effect of the Regime	(165)	(165)
Over provision in respect of prior years	(500)	–
Income tax expense	4,846	5,780

As at 31 March 2025, the Group had unrecognised tax losses of approximately HK\$16,532,000 (2024: HK\$10,676,000), available for offset against future taxable profits in Hong Kong. No deferred tax asset has been recognised in respect of the unrecognised tax loss due to the unpredictability of future profit streams. The tax losses are subject to final approval by the Inland Revenue Department.

Under the income tax laws of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by a Mainland China subsidiary from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the Mainland China subsidiary amounting to HK\$19,681,000 (2024: HK\$17,107,000) as at 31 March 2025, as the Group is able to control the timing of the reversal of the temporary differences and it is not probable that the Mainland China subsidiary will distribute such profits in foreseeable future.

Notes to the Consolidated Financial Statements

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11 DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

Directors' remuneration is disclosed as follows:

	Fees HK\$'000	Salaries and other benefits HK\$'000	Contribution to defined contribution pension plans HK\$'000	Discretionary bonuses HK\$'000	Total HK\$'000
Year ended 31 March 2025					
Executive directors:					
Mr. Lau Wai Kwok ("Mr. Lau")	–	2,372	18	141	2,531
Mr. Chan Kin Mei, Stanley ("Mr. Chan")	–	1,746	18	81	1,845
Ms. Lau Tsz Yan	–	1,409	18	76	1,503
Mr. So Cheuk Wah, Benton	–	1,199	18	68	1,285
Non-executive directors:					
Mr. Wong Chu Kee, Daniel ("Mr. Wong")	168	742	18	–	928
Mr. Chu Siu Sum, Alex ("Mr. Chu")	168	120	7	10	305
Independent non-executive directors:					
Mr. Au Yu Chiu Steven	168	–	–	–	168
Mr. Ko Man Fu	168	–	–	–	168
Mr. Mak Wai Sing	168	–	–	–	168
	840	7,588	97	376	8,901

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

(a) Directors' remuneration (Continued)

	Fees HK\$'000	Salaries and other benefits HK\$'000	Share-based payment note (a) HK\$'000	Contribution to defined contribution pension plans HK\$'000	Discretionary bonuses HK\$'000	Total HK\$'000
Year ended 31 March 2024						
Executive directors:						
Mr. Lau	–	2,454	8	18	151	2,631
Mr. Chan	–	1,662	2	18	53	1,735
Ms. Lau Tsz Yan	–	1,443	8	18	74	1,543
Mr. So Cheuk Wah, Benton	–	1,401	8	18	63	1,490
Non-executive directors:						
Mr. Wong	164	1,123	2	18	10	1,317
Mr. Chu	164	120	2	7	10	303
Independent non-executive directors:						
Mr. Au Yu Chiu Steven	164	–	–*	–	–	164
Mr. Ko Man Fu	164	–	–*	–	–	164
Mr. Mak Wai Sing	164	–	–*	–	–	164
	820	8,203	30	97	361	9,511

Note:

* Represent amount of less than HK\$1,000

(a) The amount represents the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the accounting policies for share-based payments as set out in note 3(m) (iv) to the consolidated financial statements. Further details of the options granted are set out in note 31 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

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

(b) Five highest-paid individuals

The five highest paid individuals of the Group included three directors (2024: four) whose emoluments is reflected in the analysis presented above.

The analysis of the emoluments to the remaining two (2024: one) individuals is set out below:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	3,516	1,279
Discretionary bonuses	134	89
Contribution to defined contribution pension plans	36	18
	3,686	1,386

Their remuneration fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	2	–

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

12 DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final of HK0.82 cent per share declared and paid	6,587	–
2023 final of HK1.00 cent per share declared and paid	–	8,033
	6,587	8,033

A final dividend in respect of the year ended 31 March 2025 of HK0.75 cent (2024: HK0.82 cent) per ordinary share amounting to HK\$6,025,000 (2024: HK\$6,587,000) was proposed pursuant to a resolution passed by the Board of Directors on 24 June 2025 and subject to the approval by the shareholders at the annual general meeting of the Company to be held on 16 September 2025 or any adjournment thereof. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

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13 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2025	2024
Earnings		
Profit for the purposes of basic earnings per share (HK\$'000)	13,956	15,370
Effect of dilutive potential ordinary shares:		
— Interest on convertible bonds (HK\$'000)	6,189	5,824
Profit for the purposes of diluted earnings per share (HK\$'000)	20,145	21,194
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	803,280,000	803,280,000
Effect of dilutive potential ordinary shares:		
— Convertible bonds	450,000,000	450,000,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,253,280,000	1,253,280,000
Basic earnings per share	HK1.74 cents	HK1.91 cents
Diluted earnings per share	HK1.61 cents	HK1.69 cents

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Properties leased for own use HK\$'000	Furniture and fixtures HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 April 2023						
Cost	2,283	29,223	581	9,653	172	41,912
Accumulated depreciation	(1,704)	(14,700)	(399)	(7,746)	(8)	(24,557)
Net book amount	579	14,523	182	1,907	164	17,355
Year ended 31 March 2024						
Opening net book amount	579	14,523	182	1,907	164	17,355
Additions	–	667	19	615	–	1,301
Depreciation	(160)	(6,457)	(66)	(1,307)	(32)	(8,022)
Exchange realignment	–	(386)	–	(16)	(7)	(409)
Closing net book amount	419	8,347	135	1,199	125	10,225
At 31 March 2024						
Cost	2,283	29,504	600	10,252	164	42,803
Accumulated depreciation	(1,864)	(21,157)	(465)	(9,053)	(39)	(32,578)
Net book amount	419	8,347	135	1,199	125	10,225
Year ended 31 March 2025						
Opening net book amount	419	8,347	135	1,199	125	10,225
Additions	–	9,327	21	384	–	9,732
Effect on lease modification	–	1,749	–	–	–	1,749
Disposal	–	–	–	–	(114)	(114)
Depreciation	(160)	(7,213)	(67)	(846)	(11)	(8,297)
Exchange realignment	–	56	–	4	–	60
Closing net book amount	259	12,266	89	741	–	13,355
At 31 March 2025						
Cost	3,181	35,742	829	8,605	–	48,357
Accumulated depreciation	(2,922)	(23,476)	(740)	(7,864)	–	(35,002)
Net book amount	259	12,266	89	741	–	13,355

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For the year ended 31 March 2025

15 LEASE

The net book value of the Group's right-of-use assets included in property, plant and equipment as at 31 March 2024 and 2025 represented the properties leased for own use and carried at depreciated cost. The corresponding lease liabilities were recognised at the dates of commencement of leases. This note provides information for leases where the Group is a lessee.

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

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Properties leased for own use, carried at depreciated cost	12,266	8,347
Lease liabilities		
Current	4,111	6,876
Non-current	8,810	1,914

(ii) Amounts recognised in the consolidated statement of comprehensive income

	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets: properties leased for own use (note 14)	7,213	6,457
Short-term lease expense (note 9)	156	200
Interest on lease liabilities (note 8)	529	604

The total cash outflow for leases within operating, investing and financing activities for the year ended 31 March 2025 was HK\$7,920,000 (2024: HK\$7,061,000).

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For the year ended 31 March 2025

16 INTANGIBLE ASSETS

	Backlog orders HK\$'000	Customer relationships HK\$'000	Software HK\$'000	Total HK\$'000
Cost				
As at 1 April 2023	6,414	12,498	745	19,657
Write off	–	–	(29)	(29)
Exchange realignment	–	–	(20)	(20)
As at 31 March 2024 and 1 April 2024	6,414	12,498	696	19,608
Exchange realignment	–	–	(3)	(3)
As at 31 March 2025	6,414	12,498	693	19,605
Accumulated amortisation				
As at 1 April 2023	1,923	3,750	428	6,101
Provided for the year	1,283	2,500	113	3,896
Write off	–	–	(29)	(29)
Exchange realignment	–	–	(2)	(2)
As at 31 March 2024 and 1 April 2024	3,206	6,250	510	9,966
Provided for the year	1,283	2,500	151	3,934
Exchange realignment	–	–	(4)	(4)
As at 31 March 2025	4,489	8,750	657	13,896
Net book value				
As at 31 March 2025	1,925	3,748	36	5,709
As at 31 March 2024	3,208	6,248	186	9,642

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17 GOODWILL

	2025 HK\$'000	2024 HK\$'000
Gross and net carrying amount		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	100,078	100,078

For the purpose of impairment testing, goodwill and intangible assets disclosed in note 16 have been allocated to a CGU, representing ServiceOne International Holdings Limited ("S1IHL") and its subsidiaries (the "S1IHL Group") which were acquired by the Group during the year ended 31 March 2022, and being the IT infrastructure management services segment.

During the year ended 31 March 2025, the management performed impairment review for the goodwill. The recoverable amount of the S1IHL Group CGU has been determined by a value-in-use method based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management and using a pre-tax discount rate of 18.42% (2024: 19.75%), that reflect current market assessments of the time value of money and the risks specific to the S1IHL Group CGU. The cash flows beyond the five-year period are extrapolated using 2.5% (2024: 2.5%) growth rate. The key assumptions of revenue growth rate of 11% (2024: 10%), gross profit margin of 21% (2024: 21%) and EBITDA margin of 7% (2024: 8%) have been used in the five-year period which are based on past practices and expectation of future changes in the market.

As at 31 March 2025, the recoverable amount of S1IHL Group CGU was HK\$166,514,000 (2024: HK\$181,810,000), which exceeded its carrying amount by HK\$18,867,000 (2024: HK\$35,802,000). If the macroeconomic environment in which the business is operating experiences prolonged adverse changes and/or the future operating results indicate that the key assumptions as noted above need material revision, it is probable that goodwill would require impairment.

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For the year ended 31 March 2025

18 INVESTMENTS IN SUBSIDIARIES

The particulars of the Company's subsidiaries as at 31 March 2025 are as follows:

Name	Location and date of incorporation/establishment and form of business structure	Description of shares held	Attributable equity interest		Principal activities and place of operations
			Direct	Indirect	
Expert Systems Group Limited	British Virgin Islands ("BVI"), 24 September 2015, limited liability company	Ordinary, United States Dollars ("USD") 1	100% (2024: 100%)	–	Investment holding, Hong Kong
Expert Systems Limited	Hong Kong, 10 September 1985, limited liability company	Ordinary, HK\$6,500,000 Deferred non-voting, HK\$1,500,000	–	100% (2024: 100%)	Provision of IT infrastructure solutions, Hong Kong
Expert Systems (Macau) Limited	Macau, 27 July 2006, limited liability company	Ordinary, Macau Pataca ("MOP") 25,000	–	100% (2024: 100%)	Provision of IT infrastructure solutions, Macau
Expert Systems Technology Limited	BVI, 31 January 2022, limited liability company	Ordinary, USD1,000	–	70% (2024: 70%)	Investment holding, Hong Kong
Expert AI Enabling Limited	Hong Kong, 2 March 2022, limited liability company	Ordinary, HK\$1,000	–	70% (2024: 70%)	Provision of AI products & AI solutions, Hong Kong
ServiceOne International Holdings Limited	BVI, 2 March 2021, limited liability company	Ordinary, USD10	–	70% (2024: 70%)	Investment holding, Hong Kong
ServiceOne Limited	Hong Kong, 5 February 1999, limited liability company	Ordinary, HK\$3,000,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Hong Kong
ServiceOne Technology Services Macau Limited	Macau, 15 April 2008, limited liability company	Ordinary, MOP25,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Macau
ServiceOne Global Limited	BVI, 24 April 2009, limited liability company	Ordinary, USD1	–	70% (2024: 70%)	Investment holding, Hong Kong
SOG Development Limited	Hong Kong, 10 June 2010, limited liability company	Ordinary, HK\$10	–	70% (2024: 70%)	Investment holding, Hong Kong
領冠數碼科技(上海)有限公司 ServiceOne Shanghai Limited*	Mainland China, 9 September 2010, limited liability company	Registered and paid up capital, USD2,300,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Mainland China

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For the year ended 31 March 2025

18 INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Location and date of incorporation/establishment and form of business structure	Description of shares held	Attributable equity interest Direct	Indirect	Principal activities and place of operations
ServiceOne Solutions Singapore Pte. Ltd.	Singapore, 8 June 2018, limited liability company	Ordinary, Singapore Dollar ("SGD") 1,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Singapore
ServiceOne Japan G.K.	Japan, 2 August 2021, limited liability company	Ordinary, Japan Yen 1,000,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Japan
ServiceOne Solutions Australia Pty Ltd	Australia, 20 August 2018, limited liability company	Ordinary, Australian Dollar ("AUD") 1,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Australia
ServiceOne Solutions Malaysia Sdn. Bhd.	Malaysia, 15 April 2022 limited liability company	Ordinary, Malaysian Ringgit ("MYR") 1,000,000	–	70% (2024: 70%)	Provision of IT infrastructure management services, Malaysia
ServiceOne Asia Holdings Limited	BVI, 23 February 2024, limited liability company	Ordinary, USD10	–	70% (2024: 70%)	Investment holding, Hong Kong
ServiceOne Technology Services (Thailand) Limited	Thailand, 18 April 2024, limited liability company	Ordinary, Thai Baht ("THB") 1,000,000	–	70% (2024: N/A)	Provision of IT infrastructure management services, Thailand

* The English name is for identification only.

Notes to the Consolidated Financial Statements

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19 FINANCE LEASE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Current finance lease receivables	–	3
Non-current finance lease receivables	–	–
	–	3

Leasing arrangements

Certain of the Group's equipment are leased out under finance leases. All leases are denominated in Hong Kong dollars. The term of finance leases entered into ranged from 2 to 5 years.

Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Not later than one year	–	5	–	3
Later than one year and not later than five years	–	–	–	–
	–	5	–	3
Less: unearned finance income	–	(2)	–	–
Present value of minimum lease payments receivables	–	3	–	3

The interest rates inherent in the leases are fixed at the contract date for the entire lease term. The average effective interest rate is approximately 8% per annum.

Finance lease receivable balances are secured over the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

The finance lease receivables at the end of the each reporting period are neither past due nor credit-impaired.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

20 INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Merchandise	2,385	1,718

21 TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables, gross	164,723	121,715
Less: Provision for impairment	(302)	(405)
	164,421	121,310

The credit period is generally 7 to 60 days.

An ageing analysis of the Group's trade receivables, net of impairment and based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	65,023	49,629
More than 1 month but not more than 3 months	50,719	42,416
More than 3 months but not more than 6 months	15,885	16,088
More than 6 months but not more than a year	28,601	9,957
More than a year	4,193	3,220
	164,421	121,310

At the end of each reporting period, the management performs impairment analysis by using a provision matrix to measure expected credit losses. Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the allowance for impairment of trade receivables during each reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	405	255
(Reversal of provision)/provision for expected credit loss for the year	(103)	150
At the end of the year	302	405

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21 TRADE RECEIVABLES (Continued)

Details of the impairment assessment of trade receivables for the year ended 31 March 2025 and 2024 are set out in note 5(a).

The Group did not hold any collateral or other credit enhancements over the impaired trade receivables.

22 CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Contract assets	17,147	23,687

The contract assets represent the Group's rights to receive consideration for the provision of IT infrastructure management services that are not billed as at the end of each reporting period. The contract assets are transferred to receivables when the rights become unconditional.

Changes in contract assets primarily relate to the Group's performance of IT infrastructure management services under the contracts.

There was no impairment loss recognised on contract assets during the year ended 31 March 2025 (2024: nil) as management considers the ECL for contract assets to be insignificant.

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Other deposits	6,618	8,192
Other receivables	813	358
Contract assets (note 22)	17,147	23,687
Prepayments	16,242	8,403
	40,820	40,640
Less: non-current portion of other deposits and prepayments	(6,686)	(4,615)
	34,134	36,025

There was no impairment loss recognised on other deposits and other receivables during the year ended 31 March 2025 (2024: nil) as management considers the ECL for other deposits and other receivables to be insignificant.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

24 CASH AND CASH EQUIVALENTS, BANK DEPOSITS AND RESTRICTED BANK DEPOSITS

Cash and cash equivalents represent cash at banks and in hand. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Bank deposits represented fixed deposits with maturity of more than three months from the date of acquisition which carried interest at prevailing market rates ranging from 1.7% to 4.2% (2024: 2.3% to 5.3%) per annum as at 31 March 2025.

The restricted bank deposits of HK\$1,483,000 (2024: HK\$3,504,000) have been placed with a bank as deposits for government projects which will be released upon the project completion. Out of the restricted bank deposits balance as at 31 March 2025, there was no restricted bank deposits (2024: HK\$2,021,000) will be released within 1 year and are classified as current assets.

Cash and bank balance of HK\$22,540,000 was denominated in RMB at 31 March 2025 (2024: HK\$15,793,000). RMB is not a freely convertible currency and the remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC Government.

25 TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	163,986	116,136

The credit period ranges from approximately 30 to 90 days.

An ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	54,619	51,617
More than 1 month but not more than 3 months	69,470	58,991
More than 3 months but not more than 6 months	10,812	2,324
More than 6 months but not more than a year	27,202	2,155
More than a year	1,883	1,049
	163,986	116,136

Notes to the Consolidated Financial Statements

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26 ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Other payables and accrued expenses	43,843	39,596
Staff commission	6,622	7,268
Other tax payable	1,608	1,121
Contract liabilities (note (a))	74,010	72,252
	126,083	120,237
Less: Non-current portion other payables	(2,529)	(2,070)
	123,554	118,167

Note:

(a) Contract liabilities

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from:		
— Provision of IT infrastructure solutions	35,772	38,162
— Provision of IT infrastructure management services	38,238	34,090
	74,010	72,252

Contract liabilities represent deposits received from customers in relation to their contracts placed with the Group.

Changes in contract liabilities primarily relate to the Group's performance of services under the contracts. Revenue of the Group of HK\$72,252,000 recognised for the year ended 31 March 2025 (2024: HK\$73,900,000) were included in the contract liabilities at the beginning of the year.

27 DEFERRED TAX

The following is a summary of deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	517	905
Deferred tax liabilities	(1,453)	(2,465)
	936	1,560

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For the year ended 31 March 2025

27 DEFERRED TAX (Continued)

Details of deferred tax assets and (liabilities) recognised and movements thereof are as follows:

	Right-of-used assets HK\$'000	Lease liabilities HK\$'000	Fair value adjustments arising from business combination HK\$'000	Total HK\$'000
As at 1 April 2023	1,648	(1,648)	(2,184)	(2,184)
(Charged)/credited to profit or loss (note 10)	(743)	743	624	624
As at 31 March 2024 and 1 April 2024	905	(905)	(1,560)	(1,560)
(Charged)/credited to profit or loss (note 10)	(388)	388	624	624
As at 31 March 2025	517	(517)	(936)	(936)

28 SHARE CAPITAL

	Number	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	803,280,000	8,033

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29 RESERVES

Details of the movements on the Group's reserves for the years ended 31 March 2025 and 2024 are presented in the consolidated statement of changes in equity. Movements on the Company's reserve are as follows:

The Company

	Share premium HK\$'000 (Note (c))	Share options reserve HK\$'000 (Note (b))	Convertible bonds equity reserve HK\$'000 (Note (e))	Accumulated profit/(losses) HK\$'000	Total HK\$'000
At 1 April 2023	50,396	1,001	20,750	(23,203)	48,944
Dividend approved and paid	(8,033)	–	–	–	(8,033)
Recognition of equity-settled share-based payment	–	55	–	–	55
Loss for the year	–	–	–	(6,982)	(6,982)
At 31 March 2024 and 1 April 2024	42,363	1,056	20,750	(30,185)	33,984
Dividend approved and paid	(6,587)	–	–	–	(6,587)
Profit for the year	–	–	–	32,898	32,898
At 31 March 2025	35,776	1,056	20,750	2,713	60,295

(a) Merger reserve

The merger reserve of the Group represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries under the reorganisation for the listing purpose.

(b) Share options reserve

The share options reserve represents the cumulative expenses recognised on the granting of share options to the directors and employees over the vesting period.

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29 RESERVES (Continued)

(c) Share premium

Share premium represents amount subscribed for share capital in excess of nominal value, less of share issuing costs and dividend paid. Under the Companies Law of the Cayman Islands, subject to the provisions of articles of association of the Company, the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(d) Translation reserve

The amount represents gains/losses arising on retranslating the net assets of foreign operations into presentation currency of the Group.

(e) Convertible bonds equity reserve

The amount represents the equity component of the convertible bonds (i.e. the option to convert the debt into share capital).

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30 HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2025 HK\$'000	2024 HK\$'000
Assets and liabilities			
Non-current assets			
Investment in a subsidiary		—*	—*
Current assets			
Prepayments		151	115
Amounts due from subsidiaries		177,148	176,912
Cash and cash equivalents		722	1,203
		178,021	178,230
Current liabilities			
Accruals		930	702
Amount due to a subsidiary		40,463	71,510
		41,393	72,212
Net current assets		136,628	106,018
Total assets less current liabilities		136,628	106,018
Non-current liabilities			
Convertible bonds		68,300	64,001
Net assets		68,328	42,017
Equity			
Share capital	28	8,033	8,033
Reserves	29	60,295	33,984
Total equity		68,328	42,017

* Represent amount of less than HK\$1,000

The financial statements of the holding company were approved and authorised for issue by the board of directors on 24 June 2025 and signed on its behalf by:

Wong Chu Kee, Daniel
Director

Lau Wai Kwok
Director

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31 SHARE OPTION SCHEME

The share option scheme (the "Scheme") was conditionally approved and adopted pursuant to a resolution in writing passed by the shareholders of the Company on 15 March 2016, which became effective on the Listing Date. An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence on the date upon which the offer of the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. The directors consider the Scheme will enable the Company to reward the employees, the directors and other selected participants for their contributions to the Group.

The valuation was carried out on a fair value basis. HKFRS 2 Share-Based Payment ("HKFRS 2") defines fair value as "the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

Share-based payment transaction is a transaction in which the entity (a) receives goods or services from the supplier of those goods or services (including an employee) in a share-based payment arrangement, or (b) incurs an obligation to settle the transaction with the supplier in a share-based payment arrangement when another group entity receives those goods or services.

Pursuant to the HKFRS 2, the goods or services received shall be measured directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value shall be measured, indirectly, by reference to the fair value of the equity instruments granted. Since the fair value of goods or services received from grantees of the options including employees of the Group cannot be reliably measured, the fair value of the service received from the employees was measured indirectly by reference to the fair value of the share options granted to the employees.

The fair value of equity-settled share options granted during the year ended 31 March 2020 was estimated at the date of grant using a binomial model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Measurement date	15 April 2019
Dividend yield (%)	–
Expected volatility (%)	166.22
Risk-free interest rate (%)	1.63

The risk-free rate is the yield of Hong Kong government bonds with maturity matching the contractual option life of the share options obtained from Bloomberg as at the measurement date. The historical volatility of the Company's share of 166.22% is adopted as the expected volatility and reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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31 SHARE OPTION SCHEME (Continued)

On 15 April 2019 (the "Date of Grant"), the Company granted share options to the directors and employees of the Company to subscribe for a total of 16,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company under the Scheme. The details of the movements in the number of share options under the Scheme for the years ended 31 March 2025 and 2024 are set out as follows:

For the year ended 31 March 2025

Name of Grantee	Date of Grant	Exercise price per share	Outstanding as at 1 April 2024	Number of share options			Outstanding as at 31 March 2025
				Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	
Executive Directors							
Mr. Lau	15 April 2019	0.111	2,000,000	–	–	–	2,000,000
Mr. Chan	15 April 2019	0.111	500,000	–	–	–	500,000
Ms. Lau Tsz Yan	15 April 2019	0.111	1,200,000	–	–	–	1,200,000
Mr. So Cheuk Wah, Benton	15 April 2019	0.111	2,000,000	–	–	–	2,000,000
Non-executive Directors							
Mr. Wong	15 April 2019	0.111	500,000	–	–	–	500,000
Mr. Chu	15 April 2019	0.111	500,000	–	–	–	500,000
Independent non-executive Directors							
Mr. Au Yu Chiu Steven	15 April 2019	0.111	100,000	–	–	–	100,000
Mr. Ko Man Fu	15 April 2019	0.111	100,000	–	–	–	100,000
Mr. Mak Wai Sing	15 April 2019	0.111	100,000	–	–	–	100,000
Other employees							
In aggregate	15 April 2019	0.111	4,820,000	–	–	–	4,820,000
			11,820,000	–	–	–	11,820,000

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31 SHARE OPTION SCHEME (Continued)

For the year ended 31 March 2024

Name of Grantee	Date of Grant	Exercise price per share	Outstanding as at 1 April 2023	Number of share options			Outstanding as at 31 March 2024
				Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	
Executive Directors							
Mr. Lau	15 April 2019	0.111	2,000,000	–	–	–	2,000,000
Mr. Chan	15 April 2019	0.111	500,000	–	–	–	500,000
Ms. Lau Tsz Yan	15 April 2019	0.111	1,200,000	–	–	–	1,200,000
Mr. So Cheuk Wah, Benton	15 April 2019	0.111	2,000,000	–	–	–	2,000,000
Non-executive Directors							
Mr. Wong	15 April 2019	0.111	500,000	–	–	–	500,000
Mr. Chu	15 April 2019	0.111	500,000	–	–	–	500,000
Independent non-executive Directors							
Mr. Au Yu Chiu Steven	15 April 2019	0.111	100,000	–	–	–	100,000
Mr. Ko Man Fu	15 April 2019	0.111	100,000	–	–	–	100,000
Mr. Mak Wai Sing	15 April 2019	0.111	100,000	–	–	–	100,000
Other employees							
In aggregate	15 April 2019	0.111	4,820,000	–	–	–	4,820,000
			11,820,000	–	–	–	11,820,000

The outstanding share options granted on the Date of Grant are exercisable in the manner and during the five periods (each an “exercisable period”) as set out below at an exercise price of HK\$0.111 per Share. The closing price of the shares immediately before the Date of Grant was HK\$0.098.

First exercisable period:	20.0% of the outstanding share options exercisable from 15 April 2020 to 14 April 2029
Second exercisable period:	20.0% of the outstanding share options exercisable from 15 April 2021 to 14 April 2029
Third exercisable period:	20.0% of the outstanding share options exercisable from 15 April 2022 to 14 April 2029
Fourth exercisable period:	20.0% of the outstanding share options exercisable from 15 April 2023 to 14 April 2029
Fifth exercisable period:	20.0% of the outstanding share options exercisable from 15 April 2024 to 14 April 2029

The exercise price of options outstanding at 31 March 2025 was HK\$0.111 (2024: HK\$0.111) and their weighted average remaining contractual life was 4.04 years (2024: 5.04 years).

As at 31 March 2025, 11,820,000 (2024: 8,880,000) share options were vested and exercisable.

No share option expense (2024: HK\$55,000) was recognised by the Group during the year ended 31 March 2025.

At the end of the reporting period, there is no (2024: 2,940,000) share options granted but unvested. At the date of approval of these audited consolidated financial statements, the Company had 11,820,000 (2024: 11,820,000) share options outstanding under the Scheme, which represented approximately 1.5% (2024: 1.5%) of the shares in issue as at that date.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

32 CONVERTIBLE BONDS

The Company issued 2.5% convertible bonds with aggregate principal amount of HK\$75,600,000 to ServiceOne Global Holdings Limited ("ServiceOne Global") on 8 October 2021 in relation to acquisition of S1IHL. The convertible bonds are denominated in Hong Kong dollars. The convertible bonds will mature on the fifth anniversary of the date of the issue at their principal amount or can be converted into ordinary shares of the Company at the holder's option at a conversion price of HK\$0.168 per share at any time up to the maturity date of the convertible bond. At any time immediately after three years from the issue date and up to the maturity date of the convertible bonds, at the sole discretion of the Company, the Company may cancel and redeem 100% of the outstanding amount of the convertible bonds plus any accrued (up to the date of redemption) but unpaid interest. Unless previously converted or cancelled, the Company shall redeem all the outstanding convertible bonds on the maturity date at a redemption amount equivalent to 100% of the outstanding principal plus any accrued (up to the date of redemption) but unpaid interest.

The fair value of the liability component was determined at the issuance of the convertible bonds and was calculated using a market interest rate for equivalent non-convertible bonds. The residual amount, representing the value of the equity component, is included in equity.

During the years ended 31 March 2025 and 2024, the Company did not receive any conversion notices from the convertible bondholders to exercise the conversion rights.

The movements of the convertible bonds are set out below:

	Liability component HK\$'000	Equity component HK\$'000	Total HK\$'000
At 1 April 2023	60,067	20,750	80,817
Interest expense (note 8)	5,824	–	5,824
Interest paid	(1,890)	–	(1,890)
At 31 March 2024 and 1 April 2024	64,001	20,750	84,751
Interest expense (note 8)	6,189	–	6,189
Interest paid	(1,890)	–	(1,890)
At 31 March 2025	68,300	20,750	89,050

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For the year ended 31 March 2025

33 RETIREMENT BENEFITS SCHEMES

The employees of the Company's subsidiaries in Hong Kong participate in the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. All employees in Hong Kong joining the Group are required to join the MPF Scheme.

Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income capped at HK\$1,500 per month. The retirement benefit costs charged to profit or loss represent contributions payable to such fund by the Group at rates specified in the rules of this scheme.

The employees of the Company's subsidiaries in Mainland China are members of the state-managed retirement benefits scheme operated by the Government of the PRC. The Company's Mainland China subsidiaries are required to contribute a certain percentage of their employees' payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

At 31 March 2025, there were no forfeited contributions available to offset future employers' contributions to the schemes.

The total expense recognized in profit or loss for the year ended 31 March 2025 of HK\$30,630,000 (2024: HK\$29,238,000) represents contributions paid or payable to the above schemes by the Group.

34 RELATED PARTY TRANSACTIONS

(a) Related party transactions

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following material related party transactions:

Nature of transactions		2025 HK\$'000	2024 HK\$'000
SOG Service Limited	Cost of Sales — Outsourcing IT support services	69	176
SOG Beijing Limited [#]	Cost of Sales — Outsourcing IT support services	895	1,189
SOG Beijing Limited [#]	Sales	6	7
SOG Service Limited	Management fee income	467	514

[#] The English name is for identification only

Notes:

- (i) The above entities are the subsidiaries of ServiceOne Global, which owns 30% of equity interest of S1IHL and with common directors of the Company.
- (ii) These related party transactions were conducted at prices and terms as agreed by parties involved.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

34 RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

Remuneration for key management personnel of the Group, including amounts paid or payable to the directors as disclosed in note 11(a), is as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	11,876	11,925
Discretionary bonuses	554	453
Contribution to defined contribution pension plans	151	142
Share-based payment	–	35
	12,581	12,555

Their remuneration fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
Nil to HK\$1,000,000	7	5
HK\$1,000,001 to HK\$1,500,000	1	4
HK\$1,500,001 to HK\$2,000,000	3	2
HK\$2,000,001 to HK\$2,500,000	–	–
HK\$2,500,001 to HK\$3,000,000	1	1

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

35 NON-CONTROLLING INTERESTS

S1IHL, an indirect non-wholly owned subsidiary of the Company, has material non-controlling interests ("NCI").

Summarised financial information in relation to the S1IHL Group, before intra-group eliminations, is presented below together with amounts attributable to NCI:

For the year ended 31 March

	2025 HK\$'000	2024 HK\$'000
Revenue	320,173	344,968
Cost of sales	(253,114)	(273,953)
Gross profit	67,059	71,015
Other income and gains, net	3,787	2,972
Administrative expenses	(58,599)	(57,770)
Finance costs	(433)	(415)
Profit before income tax expense	11,814	15,802
Income tax expense	(2,226)	(2,862)
Profit for the year	9,588	12,940
Other comprehensive loss for the year	(496)	(2,388)
Total comprehensive income for the year	9,092	10,552
Profit allocated to NCI	2,876	3,882
Other comprehensive loss allocated to NCI	(149)	(716)
Total comprehensive income allocated to NCI	2,727	3,166
Cash flows from operating activities	18,953	24,258
Cash flows from investing activities	2,331	2,052
Cash flows used in financing activities	(12,625)	(4,655)
Net cash inflows	8,659	21,655

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

35 NON-CONTROLLING INTERESTS (Continued)

As at 31 March

	2025 HK\$'000	2024 HK\$'000
Assets:		
— Property, plant and equipment	11,892	6,267
— Intangible assets	5,709	9,642
— Inventories	1,213	1,307
— Trade and other receivables	67,634	69,553
— Amounts due from a fellow subsidiary	2,092	722
— Bank deposits	—	218
— Cash and cash equivalents	97,380	88,997
Total assets	185,920	176,706
Liabilities		
— Amount due to the ultimate holding company	186	—
— Trade and other payables	82,450	81,147
— Tax payables	2,666	2,581
— Deferred tax liabilities	936	1,560
— Lease liabilities	12,071	5,997
Total liabilities	98,309	91,285
Accumulated non-controlling interests	26,283	25,626

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

36 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Lease liabilities (Note 15) HK\$'000	Convertible bonds — liability component (Note 32) HK\$'000
At 1 April 2023	14,736	60,067
Changes from cash flows:		
Interest paid	(604)	(1,890)
Principal elements of lease payments	(6,257)	—
Total changes from financing cash flows:	(6,861)	(1,890)
Other changes:		
Additions of leases	667	—
Interest expenses (note 8)	604	5,824
Exchange difference	(356)	—
Total other changes	915	5,824
At 31 March 2024	8,790	64,001
At 1 April 2024	8,790	64,001
Changes from cash flows:		
Interest paid	(529)	(1,890)
Principal elements of lease payments	(7,235)	—
Total changes from financing cash flows:	(7,764)	(1,890)
Other changes:		
Additions of lease	11,076	—
Interest expenses (note 8)	529	6,189
Exchange difference	290	—
Total other changes	11,895	6,189
At 31 March 2025	12,921	68,300

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

37 SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities.

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Measured at amortised cost:		
Trade receivables	164,421	121,310
Other receivables and deposits	7,431	8,550
Finance lease receivables	–	3
Restricted bank deposits	1,483	3,504
Bank deposits	–	218
Cash and cash equivalents	245,140	218,911
	418,475	352,496
Financial liabilities		
Measured at amortised cost:		
Trade payables	163,986	116,136
Accruals, deposits received and other payables	25,849	21,536
Convertible bonds	68,300	64,001
Lease liabilities	12,921	8,790
	271,056	210,463

38 CONTINGENT LIABILITIES

The Group has no material contingent liabilities outstanding as at 31 March 2024 and 2025.

39 EVENTS AFTER REPORTING DATE

There is no significant event after the reporting date of the Group.

40 APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2025.