Annual Report
2025

i-Control Holdings Limited
超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1402

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Wong King Keung *(Chairman)*^
Mr. Zhong Naixiong *(Chairman)*&
Mr. Yau Wing Keung&
Mr. Tong Sai Wong
Mr. Chan Wing Yiu
Mr. Chan Wing Lun

Non-Executive Directors

Dr. Wong King Keung^
Ms. Ho Wing Shan+

Independent Non-Executive Directors

Mr. Fong Chi
Mr. Lum Pak Sum
Ms. Wu Hung Yu
Mr. Lai Kai Ming Ricky&

COMPANY SECRETARIES

Ms. Chan Wai Nga*
Mr. Wong Kan Fai Michael#

COMPLIANCE OFFICER

Mr. Chan Wing Yiu

BOARD COMMITTEES

Audit Committee

Mr. Lum Pak Sum *(Chairman)*
Mr. Fong Chi
Ms. Wu Hung Yu
Mr. Lai Kai Ming Ricky&

Nomination Committee

Mr. Fong Chi *(Chairman)*
Mr. Lum Pak Sum
Ms. Wu Hung Yu
Mr. Lai Kai Ming Ricky&

Remuneration Committee

Ms. Wu Hung Yu *(Chairman)*
Mr. Lai Kai Ming Ricky *(Chairman)*&
Mr. Fong Chi
Mr. Lum Pak Sum

AUTHORISED REPRESENTATIVES

Mr. Chan Wing Yiu@
Mr. Yau Wing Keung&
Ms. Chan Wai Nga*
Mr. Wong Kan Fai Michael#

^ Redesignated from Non-Executive Director to Executive Director on 30 July 2024
& Resigned on 30 July 2024
@ Appointed on 30 July 2024
+ Appointed on 2 October 2024
* Appointed on 12 April 2024
# Resigned on 12 April 2024

AUDITOR

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

LEGAL ADVISER

CLKW Lawyers LLP
Room 1901A, 1902, 1902A, 19/F.
New World Tower I
16-18 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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133 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

OCBC Wing Hang Bank Limited
161 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

http://www.i-controlholdings.com

STOCK CODE

1402

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of i-Control Holdings Limited (the "**Company**"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year under review (the "**Reviewing Year**").

As a leading provider of video conferencing and multimedia audiovisual ("**VCMA**") solutions in Hong Kong with over three decades of experience, we offer customers integrated and customized VCMA solutions and maintenance services. These range from project consultation and design to project management, installation and maintenance. Our extensive and established customer base includes major government, financial institutions, multi-national corporations, public companies and education institutions which are mostly located in Hong Kong, with some located in the People's Republic of China ("**PRC**") and Macau.

We provide our customers with customized VCMA solutions tailored to meet various requirements and specifications across a wide spectrum of industries. Digital signages are used for various purposes, among which digital display has become prevalent in recent years. Digital signage can be used as interactive screens to enhance customer engagement. As one of the anticipated technology trends, application of smart offices in Hong Kong is expected to increase continuously. A smart office is a workplace where technology, such as smart lighting, security and access control systems, energy management systems as well as smart heating, ventilation, and air conditioning control systems, enables companies to maximise resource usage, simplify operational processes and improve energy efficiency. These benefits are expected to encourage more corporations to switch to smart office offices and therefore bring business opportunities to the VCMA solution industry in the future.

The post-Covid-19 pandemic impact continued to pose challenges to the global business environment. High vacancy rates of Grade A offices have resulted in reducing demand for installing and upgrading smart office systems, audiovisual equipment and related services and continued to affect the sales of various high-tech digital display products. Besides, increased competition and unexpected market fluctuations led to a downturn in financial performance for VCMA solutions business during the Reviewing Year.

As Hong Kong's economy gradually recovers with the macroeconomic rebounding, the Board believes that demand for VCMA solution services in Hong Kong will increase gradually which is favourable to the Group. The Group will continue to maintain and strengthen its position as one of Hong Kong's leading VCMA solution providers to serve customers in different countries with focus on the Hong Kong market. Given the Group's market-leading position in Hong Kong, this will create enormous business opportunities for the Group to provide integrated one-stop VCMA solutions services.

Regarding the cloud-based IT+OT managed services business, due to the slower-than-expected post-Covid-19 economic recovery in the PRC and the property sector downturn extending beyond initial expectations, as well as the heavily impacted consumer sentiment and declining overall spending and public investment, the cloud-based IT+OT managed services businesses of the Group in the PRC have experienced a downturn in performance with projects suspended and new project launches delayed.

CHAIRMAN'S STATEMENT

The Group's management has been diligently evaluating project progress and contemplated reducing its business operations or re-evaluating its business development strategies and had sought ways to cope with the challenges and reviewed its business and operations for a streamlined structure. During the Reviewing Year, the Company decided to dispose of its cloud-based IT+OT managed services segment as a result of the continuous deterioration of revenue over recent years. In August 2024, the Group entered into a sale and purchase agreement to dispose of its cloud-based IT+OT managed services (the "**Disposal**") through the sale of the Company's entire shareholding in Perfect Mark Investments Limited and Top Luck Development Limited (the "**Disposal Companies**"), and the Disposal was completed on 30 August 2024. Following the Disposal, the main investments held by the Disposal Companies, including an 85% equity interest of Beijing National Greenfield Technology Co. Limited*（北京能興國雲信息科技有限公司）("**Beijing National Greenfield**"), which has been loss-making for a prolonged period, ceased to be held by the Group. As such, the Group broke away from a major segment of loss-making business and gloomy prospects. It re-positioned the Group to better cope with the challenging environment and uncertainties ahead.

Despite the challenges and uncertainties in the global economic landscape, it is important for us to thoroughly assess the causes behind this downturn and devise a comprehensive plan to address these challenges. We remained steadfast in our approach, leveraging the strengths of our experienced management team with technical know-how, we will continue to seize opportunities brought about by the increasing demand for VCMA solution services. The Board is optimistic that we can help the Group sustain strong growth momentum and create greater value for the shareholders of the Company (the "**Shareholders**").

Finally, on behalf of the Board, I would like to express our sincere gratitude to our customers, business partners, suppliers and Shareholders for their continued support, and our appreciation for the efforts and endeavors made by our management and staff during the past year.

Wong King Keung
Chairman

Hong Kong, 20 June 2025

* *English names for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The overall vacancy rate for Hong Kong's commercial property market continued to rise which greatly reduced demand for installing and upgrading smart office systems, audiovisual equipment and related services. In addition, weak business sentiment and sluggish retail consumption resulted in many trade and commercial activities being put on hold or delayed.

On a positive note, the Hong Kong Government's financial management and proactive approach to market dynamics, coupled with the supportive government policies including but not limited to the introduction of a number of initiatives, such as Office for Attracting Strategic Enterprise, profits tax exemption offered to family-owned investment holding vehicles managed by single family offices in Hong Kong and new capital investment entrant scheme. Those policies seek to attract high potential and representative strategic enterprises from around the globe to set up office or branch and expand their business operations in Hong Kong, which normally require video conferencing and multimedia audiovisual solutions and relevant maintenance from VCMA solution services provider such as the Group.

BUSINESS REVIEW

During the Reviewing Year, the Group maintained its market position as one of Hong Kong's leading service providers of VCMA solutions. The Group's revenue is primarily derived from the provision of (i) VCMA solution and maintenance services; and (ii) cloud-based IT+OT managed services (which have been discontinued during the Reviewing Year).

Provision of VCMA solution and maintenance services

During the Reviewing Year, our VCMA business continued to face challenges due to the declining demand for installing and upgrading smart office systems, audiovisual equipment and related services amidst the high vacancy rate of Grade A offices in Hong Kong and increased competition in the market and weak business sentiment. However, we remained steadfast in our approach, leveraging the strengths of our experienced management team with technical know-how to maintain stable revenue VCMA solution and maintenances services.

Provision of cloud-based IT+OT managed services

As a result of slower-than-expected post-COVID-19 economic recovery in the PRC and the property sector downturn extending beyond initial expectations, as well as the heavily impacted consumer sentiment and declining overall spending and public investment, the cloud-based IT+OT managed services businesses of the Group in the PRC have experienced a downturn in performance.

Following to the disposal of Perfect Mark Investments Limited and Top Luck Development Limited which held the Group's investment in Beijing National Greenfield Technology Co. Limited*（北京能興國雲信息科技有限公司）, the cloud-based IT+OT managed services have been discontinued during the year.

* *English names for identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Segment analysis

The table below sets out the details of Group's revenue from continuing operations:

	Year ended 31 March 2025		Year ended 31 March 2024	
	HK$'000	%	HK$'000	%
Provision of VCMA solution and maintenance services:				
– VCMA solution services	**104,866**	**85.8**	104,613	85.8
– VCMA maintenance services	**17,357**	**14.2**	17,263	14.2
Total	**122,223**	**100.0**	121,876	100.0

Revenue

The Group's revenue from continuing operations increased by approximately HK$347,000 or 0.3% from approximately HK$121,876,000 for the year ended 31 March 2024 to approximately HK$122,223,000 for the year ended 31 March 2025.

Revenue generated from VCMA solution services slightly increased by approximately HK$253,000 or 0.2% from approximately HK$104,613,000 for the year ended 31 March 2024 to approximately HK$104,866,000 for the year ended 31 March 2025, which was mainly attributable to the effective client management.

Revenue generated from VCMA maintenance services slightly increased by approximately HK$94,000 or 0.5% from approximately HK$17,263,000 for the year ended 31 March 2024 to approximately HK$17,357,000 for the year ended 31 March 2025, which was due to no material change in total maintenance projects correlated to VCMA solution projects.

Gross operating profit and gross operating profit margin

Gross operating profit from continuing operations is calculated based on the revenue for the year minus the cost of sales for the year. Gross operating profit margin is calculated based on the gross operating profit for the year divided by the revenue for the year and multiplied by 100%.

Gross operating profit from continuing operations decreased by approximately HK$2,838,000 or 6.5% from approximately HK$43,639,000 for the year ended 31 March 2024 to approximately HK$40,801,000 for the year ended 31 March 2025.

The gross operating profit margin decreased from approximately 35.8% for the year ended 31 March 2024 to approximately 33.4% for the year ended 31 March 2025 mainly due to increase in market competition and reduced in overall gross operating profit margin of VCMA solution services projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Staff cost

Staff cost from continuing operations decreased by approximately HK$745,000 or 2.2% from approximately HK$34,294,000 for the year ended 31 March 2024 to approximately HK$33,549,000 for the year ended 31 March 2025 mainly due to a decrease in Directors' remuneration during the Reviewing Year.

Depreciation

Depreciation expenses from continuing operations remain stable at approximately HK$3,100,000 for the years ended 31 March 2025 and 2024 due to no material additions and disposal of property and equipments during Reviewing Year.

Other income and net gain (loss)

Other income and net gain (loss) from continuing operations shifted from net loss of approximately HK$692,000 for the year ended 31 March 2024 to net gain of approximately HK$643,000 for the year ended 31 March 2025, which was mainly due to an increase in bank interest income from fixed deposits and net exchange gain.

Impairment loss on loan to an investee

During the year ended 31 March 2025, the Group recorded impairment loss of approximately HK$6,933,000 on loan to an investee, Changzhou Guoyun Green Data Technology Co., Limited*（常州國雲綠色數據技術有限公司）("**Changzhou Guoyun**") due to the default of Changzhou Guoyun in repayment of a shareholder's loan advanced by the Group and in view of the ongoing lawsuits and legal risks compounded with Changzhou Guoyun's inability to secure new financing to continue its projects, ultimately hindering its business operations and causing it to be unable to meet its debt obligations as they fall due.

Other operating expenses

Other operating expenses for continuing operations mainly comprised legal and professional fees, promotion and exhibition expenses, rent and rates, trip and travelling expenses and other office expenses. Other operating expenses increased by HK$1,399,000 or 18.0% from approximately HK$7,774,000 for the year ended 31 March 2024 to approximately HK$9,173,000 for the year ended 31 March 2025, which was mainly due to additional legal and professional fees incurred for mandatory unconditional cash offers as disclosed in the composite document jointly issued by the Company and Luxurious Bay Capital Limited as offeror and dated 9 July 2024 during the Reviewing Year.

Finance costs

Finance costs from continuing operations decreased by approximately HK$278,000 or 28.1% from approximately HK$988,000 for the year ended 31 March 2024 to approximately HK$710,000 for the year ended 31 March 2025 as the principal amount of bank borrowings and general interest rate reduced during the Reviewing Year.

Income tax (expenses) credit

Income tax credit changed from approximately HK$23,000 for the year ended 31 March 2024 to income tax expenses approximately HK$106,000 for the year ended 31 March 2025, which was mainly due to an increase in deferred taxation during the Reviewing Year.

Loss for the year

The loss arising from continuing operations increased by approximately HK$7,507,000 or 160.2% from HK$4,687,000 for the year ended 31 March 2024 to approximately HK$12,194,000 for the year ended 31 March 2025 which was mainly due to the impairment loss on loan to an investee and a decrease in gross operating profit.

The discontinued cloud-based IT+OT managed business recorded a loss of approximately HK$6,620,000 during the year ended 31 March 2025, as compared with a net loss of approximately HK$9,641,000 during the year ended 31 March 2024.

As completion of the disposal of subsidiaries only took place on 30 August 2024, with the loss-making discontinued cloud-based IT+OT managed business during the year, the Group recorded a net loss for the year ended 31 March 2025 of approximately HK$18,814,000 as compared to approximately HK$14,328,000 for the year ended 31 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT

Looking ahead, the Group will continue to maintain and strengthen its position as one of Hong Kong's leading VCMA solution providers. As the economy in Hong Kong continues to recover, our Group is well-positioned to take advantage of the positive trends. With a strategic focus on innovation and adaptability, we are committed to capitalizing on emerging opportunities and contributing to Hong Kong's economic resurgence. The Government's financial management and proactive approach to market dynamics, coupled with the supportive government policies, such as introducing a number of initiatives encouraging international and mainland companies to set up and expand their business operations in Hong Kong, will provide opportunities to us and we expect that demand for VCMA solution services will increase gradually.

Our Directors believe that our past success and future prospects are based on our experienced management team, which has extensive experience and technical expertise in the VCMA solution business in Hong Kong. Our management team's sound technical knowledge in the VCMA solution industry, extensive commercial experience and business acumen have enabled us to build an extensive clientele, and develop strong expertise in the industry. Going forward, our Directors believe that we will continue to benefit from the sound business judgment and managerial expertise of our management team for the expansion of our business.

In the course of performing this client's engagements, our service teams noted the high service quality and standards requested by the client and our ability to meet its overall requirements. Our Group will continue to enhance our skill level and expertise, remaining steadfast in our approach, leveraging the strengths of our experienced management team with technical know-how to seize opportunities brought about by the increasing demand for VCMA solution services.

We will adopt a prudent yet proactive development strategy and continue to identify potential investment opportunities, seizing every opportunity to build sustainable success, and delivering satisfactory long-term returns to our Shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations and investments were financed principally by cash generated from its own business operations and bank borrowings. As at 31 March 2025, the Group had net current assets of approximately HK$43,363,000 (2024: HK$50,014,000) and cash and cash equivalents of approximately HK$48,829,000 (2024: HK$35,819,000). Current liabilities of the Group as at 31 March 2025 included carrying amount of approximately HK$6,143,000 (2024: HK$10,239,000) in bank borrowings that were not repayable within one year from the end of reporting period but contained a repayment on demand clause.

GEARING RATIO

As at 31 March 2025, the gearing ratio (calculated on the basis of total debt divided by total assets) of the Group was approximately 6.8% (2024: 7.5%).

FOREIGN CURRENCY RISK

The majority of the Group's business transactions are in Hong Kong and are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

CAPITAL COMMITMENT

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

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2025. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its existing customers from time to time. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The Company's shares (the "**Shares**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 18 December 2019.

On 7 May 2021, a total of 500,000 new Shares were issued under the Share Award Scheme at nominal value under the general mandate. Details are set out in the sub-section headed "Share Award Scheme" in the section headed "Report of the Directors" of this annual report.

On 19 August 2021, the Company has completed a placing of 50,000,000 new Shares under the general mandate. Details of the placing are set out in the section headed "Use of Proceeds" below.

The capital structure of the Group consists of net debt, which mainly includes bank borrowings, net of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors have considered the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new Shares as well as issue of new debts or convertible securities or through repayment of borrowings. Details of the bank borrowings of the Group are set out in note 25 to the consolidated financial statements in this annual report.

USE OF PROCEEDS

The net proceeds from the placing of 50,000,000 new Shares to not less than six independent placees at the placing price of HK$0.57 per placing share on 19 August 2021 (the "**Placing**"), after deduction of the placing commission and other costs and expenses relating to the Placing, amounted to approximately HK$27,530,000 (the "**Net Proceeds**").

On 30 December 2021, the Board has resolved to change the intended use of the unutilised Net Proceeds and updated timeline for utilisation of the Net Proceeds for more efficient use of the Group's financial resources.

On 14 April 2022, the Board resolved to extend the timeline for utilisation of the Net Proceeds intended to be used for the development of IT+OT and VCMA solution services business in the PRC to on or before 31 March 2023 in light of the continuing uncertainty brought about by the COVID-19 pandemic. During the Reviewing Year, the remaining Net Proceeds of HK$6.26 million intended to be used for the development of IT+OT business in the PRC have been fully utilised and within the intended timeline, while the remaining Net Proceeds of HK$3.79 million intended to be used for enhancing the development of VCMA solution services in the PRC have not yet been utilised due to the prolonged COVID-19 restrictions for the majority of the Reviewing Year which resulted in an unexpectedly adverse effect on the demand for VCMA solution services. Accordingly, on 21 June 2023, the Board further resolved to extend the timeline for utilisation of the remaining part of the Net Proceeds intended to be used for development of VCMA solution services business in the PRC to on or before 31 March 2024 in light of the continuing uncertainty brought about by the COVID-19 pandemic.

On 17 November 2023, the Board further resolved to change the intended use and timeline of the unutilised Net Proceeds of HK$3.79 million to the development of IT+OT business in the PRC to be utilised on or before 30 September 2024 for more efficient use of the Group's financial resources.

On 15 November 2024, in view of the disposal of IT+OT business during the reporting period, the Board has further resolved to change the intended use and timeline of the unutilised Net Proceeds of HK$2.87 million to working capital and general corporate purposes and to be utilised on or before 31 March 2025 for more efficient use of the Group's financial resources. As at 31 March 2025, all Net Proceeds have been utilised.

MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is a breakdown and the movement of the utilisation of the Net Proceeds up to 31 March 2025:

	Planned use of Net Proceeds as stated in the announcement dated 11 August 2021 (HK$' million)	Revised use of Net Proceeds as stated in the announcement dated 30 December 2021 (HK$' million)	Further revised use of Net Proceeds as stated in the announcement dated 17 November 2023 (HK$' million)	Further revised use of Net Proceeds as stated in the announcement dated 15 November 2024 (HK$' million)	Amount of Net Proceeds used during the year ended 31 March 2025 (HK$' million)	Actual use of Net Proceeds up to 31 March 2025 (HK$' million)	Amount of remaining proceeds as at 31 March 2025 (HK$' million)
Enhancing the development of VCMA solution services business in the PRC	12.39	3.81	0.02	0.02	–	0.02	–
Development of IT+OT business in the PRC	12.39	12.39	16.18	13.31	–	13.31	–
Working capital and general corporate purposes	2.75	2.75	2.75	5.62	2.87	5.62	–
Payment of the capital commitment by the Group in Changzhou Guoyun	N/A	8.58	8.58	8.58	–	8.58	–
Total	**27.53**	**27.53**	**27.53**	**27.53**	**2.87**	**27.53**	**–**

Further details of the Placing and the change in the intended use and timeline of the unutilised net proceeds were set out in the Company's announcements dated 11 August 2021, 19 August 2021, 21 June 2023, 17 November 2023 and 15 November 2024, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans for material investments or capital assets as of 31 March 2025.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2025, land and buildings of approximately HK$72,261,000 (2024: HK$74,892,000) were pledged to secure banking facilities granted to the Group.

CONTINGENT LIABILITIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Group has set up a system and allocated resources to ensure ongoing compliance with rules and regulations. During the Reviewing Year, the Group has complied, to the best of the Directors' knowledge, with the Securities and Futures Ordinance (the "**SFO**"), the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**"), the applicable employment laws both in the PRC and Hong Kong, the local standards and regulations for the Group's project works as well as other relevant rules and regulations.

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

ENVIRONMENTAL POLICY

The Group is committed to maintaining itself as an environmental-friendly corporation by minimising environmental impact with electricity saving and resources recycling. During the Reviewing Year, to the best of the Directors' knowledge, the Group had not experienced any material environmental incidents arising from its operation. During the Reviewing Year, no material administrative sanctions or penalties were imposed upon the Group's operation for the violation of environmental laws or regulations which had an adverse impact on its operation.

Please refer to the Environmental, Social and Governance Report in this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in note 33 to the consolidated financial statement of this annual report, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

SIGNIFICANT INVESTMENTS

As at 31 March 2025, the Group had no significant investment with a value of 5% or more of the Group's total assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 55 (2024: 83) full-time employees. The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, working experience, competence displayed with reference to selected comparable market remuneration data. The remuneration of the directors and members of the senior management by band for the year ended 31 March 2025 is set out below:

Remuneration bands	Number of persons
Below HK$1,000,000	6
HK$1,000,000 to HK$2,000,000	6

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to the Listing Rules are set out in note 14 to the consolidated financial statement of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces the following principal risks and uncertainties that may materially and adversely affect its business, financial status and operating results:

- The Group's revenue is mainly derived from projects which are not recurring in nature and any decrease in the number of projects would affect the Group's operations and financial results.

- The Group depends on large projects for the Group's business success and failure to secure large projects may materially and adversely affect our business, results of operations and financial condition.

- The Group determines the fee based on estimated time and costs, yet the actual time and costs incurred may deviate from our estimates due to unexpected circumstances, thereby adversely affecting the Group's operations and financial results.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Wong King Keung (黃景強) ("Dr. Wong"), aged 79, is one of the founders of the Group, and was appointed as a Director on 21 August 2014 and designated as a non-executive Director on 11 May 2015. On 30 July 2024, Dr. Wong redesignated as executive Director and the Chairman (the "**Chairman**") of the Board. Currently, he is in charge of managing the overall business development and strategic planning of the Group. He founded the Group together with Mr. Tong and Mr. WY Chan in February 1987, and has extensive experience and knowledge of management. He is currently responsible for providing strategic advice to the Group.

Dr. Wong took up the vice chairman position of Shenzhen GoodYear Enterprise Company Limited* (深圳嘉年實業股份有限公司) (previously known as Shenzhen GoodYear Printing & Packaging Company Limited* (深圳嘉年印刷包裝有限公司)) from May 1993 to April 2007. Shenzhen GoodYear Enterprise Company Limited was mainly engaged in the production of printed materials.

Dr. Wong has gained extensive management experience from his involvement in the public service sector. He was a Committee Member of The National Committee of the Chinese People's Political Consultative Conference from February 1998 to February 2018. He was appointed as the Hong Kong Affairs Adviser in April 1993. Dr. Wong was a board member of the Airport Authority from December 1995 to May 2005, as well as a member of the Airport Authority's audit committee from 2002 to 2005 and the chairperson of the Airport Authority's works committee from 2001 to 2005. He was also involved in the Town Planning Board, where he served as a member from April 1998 to March 2006, and held the vice chairman position of the Metro Planning Committee from April 2004 to March 2006 and the vice chairman position of the Town Planning Board from April 2006 to March 2008. In addition, Dr. Wong played an active role in the management of the Chinese Permanent Cemeteries by serving as a member of the finance committee and development committee of the board of management of the Chinese Permanent Cemeteries from February 2008 to January 2011, the chairperson of the works committee from April 2010 to March 2013 and member of the board of management of the Chinese Permanent Cemeteries from February 2008 to January 2014.

Dr. Wong has also contributed to the tertiary education field. He was one of the founding members of the University of East Asia, Macau (the predecessor of the University of Macau), which was established in March 1981. Dr. Wong was the Council member of the University of Hong Kong from March 2013 to March 2022. Currently, Dr. Wong is the member of University Assembly of The University of Macau since August 2009.

Dr. Wong was appointed as the Justice of the Peace in June 2000, and was awarded the Bronze Bauhinia Star in July 2001 by the Hong Kong Government in recognition of his distinguished and devoted public service to Hong Kong.

Dr. Wong was admitted as a member and subsequently a fellow at the Hong Kong Institution of Engineers in April 1975 and December 1997, respectively. He obtained his bachelor of science in civil engineering in November 1968 and master of science in engineering in November 1970, both from the University of Hong Kong. He further obtained his doctorate degree in philosophy from the Queen's University in Canada in October 1972. Dr. Wong was also conferred an honorary doctoral degree by the University of Macau in 2010 and honorary doctoral degree of business administration by City University of Macau in May 2016. In December 2015, Dr. Wong was also conferred an award of honorary fellowship by the HKU School of Professional and Continuing Education.

* English names for identification purposes only

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tong Sai Wong (唐世煌) ("Mr. Tong"), aged 74, is one of the founders of the Group. He was appointed as a Director on 21 August 2014 and designated as an executive Director on 11 May 2015. He also served as the chairman of the Board from 11 May 2015 to 7 December 2017. Currently, he is in charge of devising the business strategies and managing the development of the Group's audiovisual business.

Mr. Tong founded the Group together with Dr. Wong King Keung and Mr. Chan Wing Yiu in February 1987. Prior to founding the Group, in the mid-1970s, Mr. Tong worked in 3M Hong Kong Limited (3M 香港有限公司), previously known as 3M Far East Limited (3M 遠東有限公司). He was awarded the Sales Representative of the Month in December 1974 and Salesman of the Year in 1975 in the Target 40 Program in July 1975, where he was engaged in the promotion of visual products in the government and educational markets. Mr. Tong then joined Filmo of Hutchison Group in 1976 as Manager of Audio Visual Division. In 1979, he set up Edutec International Ltd. with Mr. Chan Wing Yiu and others and served as executive director to develop audiovisual business. Mr. Tong has over 40 years of experience in the audiovisual industry.

Mr. Tong is also involved in the public service sector. Currently, Mr. Tong is one of the Governors and a member of the Executive Committee of Charles K. Kao Foundation for Alzheimer's Disease Limited, a tax-exempted charity incorporated in April 2010. He was appointed as a permanent honorary president of Hong Kong Pui Ching Alumni Association in 2008.

Mr. Tong graduated from Pui Ching Middle School in 1969. He passed the Chinese University of Hong Kong Matriculation Examination in July 1969 and was qualified for the admission. However, due to personal reason, Mr. Tong did not pursue tertiary education and decided to develop his own career.

Mr. Chan Wing Yiu (陳詠耀) ("Mr. WY Chan"), aged 74, is one of the founders of the Group. He was appointed as a Director on 21 August 2014 and designated as an executive Director on 11 May 2015. He is also the compliance officer of the Company. He founded the Group together with Dr. Wong King Keung and Mr. Tong in February 1987. Mr. WY Chan is responsible for the Group's financial management. Mr. WY Chan has approximately 40 years of experience in the audiovisual industry.

Prior to setting up the Group, Mr. WY Chan had already gained expertise in the audiovisual field and management experience. In March 1976, Mr. WY Chan served as a chief accountant in Filmo (HK) Limited (菲林模(香港)有限公司). In August 1977, Mr. WY Chan was promoted to the position of finance controller and he reported to the chief executive and was responsible for all financial matters before he left the company in January 1978. In 1979, he set up Edutec International Ltd. with Mr. Tong and others and served as executive director to develop audio visual business.

Mr. WY Chan served in Shenzhen GoodYear Enterprise Company Limited* (深圳嘉年實業股份有限公司) (previously known as Shenzhen GoodYear Printing & Packaging Company Limited* (深圳嘉年印刷包裝有限公司)) as a deputy general manager and a director from May 1993 to October 2000 and from July 1998 to April 2007 respectively. The company was mainly engaged in the production of printed materials.

Mr. Chan Wing Lun (陳永倫) ("Mr. WL Chan"), aged 50, was appointed as a Director on 21 August 2014 and designated as an executive Director on 11 May 2015. He is principally responsible for marketing and business promotion of the Group and overseeing the Group's general business operations including approving purchase orders to suppliers and contracts with customers and providing internal trainings to the Group's sales staff in relation to, in particular, the characteristics of the Group's services and general marketing skills and techniques.

Mr. WL Chan joined the Group in May 1997 as a sales executive in Eduserve International Limited ("**Eduserve International**"), an indirect wholly-owned subsidiary of the Company and was then promoted to a manager in April 2000. In April 2001, Mr. WL Chan was appointed as a director of i-Control Limited, an indirect wholly-owned subsidiary of the Company. In 2001, Dr. Wong King Keung, Mr. WY Chan and Mr. Tong invited Mr. WL Chan to become a shareholder of i-Control Limited. Mr. WL Chan has over 20 years of experience in professional audiovisual system consultation and project management services. In particular, he specialises in digital signage solution and integration.

Mr. WL Chan obtained his bachelor of science in business administration (computer information system) in August 1995 from Hawaii Pacific University, U.S..

* English names for identification purposes only

DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Ms. Ho Wing Shan（何潁珊）("Ms. Ho"), aged 52, has over 15 years of professional experience in the banking industry. From March 2001 to July 2003, Ms. Ho worked as a client service assistant at Citigroup Global Markets Inc. From August 2003 to September 2005, she joined the Greater China team of UBS Group AG as a marketing assistant. From September 2005 to December 2008, Ms. Ho became the assistant relationship manager of Credit Suisse Group AG. From April 2009 to June 2016, she served as an associate director at Bank Julius Baer & Co. Limited, where she mainly provided professional banking services including but not limited to handling clients' administrative inquiries and credit applications. Currently, Ms. Ho is a non-executive director of Harbour Equine Holdings Limited (stock code: 8377) and an independent non-executive director of Chi Ho Development Holdings Limited (stock code: 8423).

Ms. Ho obtained a Bachelor of Arts with a major in Economics from the University of Regina in 1994. She is currently licensed by the Securities and Futures Commission to act as a licensed representative to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") with Upbest Securities Company Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fong Chi（方志）("Mr. Fong"), aged 40, is the Company's independent non-executive Director. He was appointed as an independent non-executive Director on 7 December 2017. Mr. Fong has in total over 15 years of working experience in an international accounting firm and in corporate finance role of a Hong Kong eCommerce company, a Hong Kong technology company and two Hong Kong financial technology companies, with extensive experience in financial reporting, auditing, mergers and acquisitions and initial public offerings.

Mr. Fong obtained a bachelor's degree of business administration from the University of Hong Kong in 2006. Mr. Fong has become a member of the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") since 2010.

Ms. Wu Hung Yu（吳鴻茹）("Ms. Wu"), aged 44, is the Company's independent non-executive Director. She was appointed as an independent non-executive Director on 3 March 2023. Ms. Wu is a Certified Public Accountant (Practising) in Hong Kong and has previously worked in several international accounting firms and has over 15 years' extensive experience in financial reporting, auditing, mergers and acquisitions and initial public offerings in property development, catering services and trading and manufacturing industry. Currently, Ms. Wu is an independent non-executive director of Well Link Securities Holdings Limited (stock code: 8350), Qianhai Health Holdings Limited (stock code: 0911) and Springview Holdings Limited (NASDAQ: SPHL).

Ms. Wu obtained a bachelor's degree of arts in Accountancy from the Hong Kong Polytechnic University in 2003 and has become a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants since 2008 and 2009, respectively.

Mr. Lum Pak Sum（林柏森）("Mr. Lum"), aged 64, is the Company's independent non-executive Director. He was appointed as an independent non-executive Director on 11 May 2015. Mr. Lum has over 20 years' experience in the Hong Kong financial market. Mr. Lum has engaged in the securities and corporate finance business since July 1988 and September 2004 respectively. Mr. Lum was an independent non-executive director of TATA Health International Holdings Limited (previously known as S. Culture International Holdings Limited) (stock code: 1255) from June 2017 to June 2021, China Asia Valley Group Limited (previously known as China Graphene Group Limited) (stock code: 0063) from September 2019 to June 2021, Great China Holdings (Hong Kong) Limited (previously known as Greater China Properties Holdings Limited) (stock code: 0021) from August 2007 to June 2023, Imperial Pacific International Holdings Limited (stock code: 1076) from October 2023 to April 2024, Wai Hung Group Holdings Limited (stock code: 3321) from October 2024 to May 2025 and a non-executive director of Sunway International Holdings Limited (stock code: 0058) from May 2019 to January 2025. Currently, Mr. Lum is an independent non-executive director of Kwan On Holdings Limited (stock code: 1559) and Anxian Yuan China Holdings Limited (stock code: 0922), all of which are listed companies in Hong Kong.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lum obtained his master degree of business administration from The University of Warwick, United Kingdom in July 1994 and his bachelor degree of laws from The University of Wolverhampton, United Kingdom in October 2002 by way of distance learning. He has become a fellow of the Hong Kong Society of Accountants (now known as the HKICPA) since June 1996 and is currently a non-practicing member of the HKICPA. Mr. Lum was admitted as an associate and a fellow of the Association of Chartered Certified Accountants (previously known as the Chartered Association of Certified Accountants) in September 1988 and September 1993 respectively.

SENIOR MANAGEMENT

Mr. Wong Kan Fai Michael（黃勤輝）("Mr. Wong"), aged 57, has been serving the Group since November 1987 when he was employed as an accounts clerk and progressed along his career ladder throughout the years. Mr. Wong is currently deputy general manager and financial controller of the Group. He is responsible for monitoring the day-to-day operations of the Group's video conferencing and multimedia audiovisual business and supervising the Group's finance department.

Mr. Wong obtained his bachelor degree of business in November 2004 from Monash University through distance learning. He has been a member of the CPA Australia since July 2009 and a member of Hong Kong Institute of Certified Public Accountants since September 2015.

Mr. Sin Hing Yu Brian（冼慶餘）("Mr. Sin"), aged 50, is currently the deputy general manager of i-Control Limited. He is responsible for managing the commercial sales team. Mr. Sin joined Eduserve International in January 1999 initially as a sales executive, and he has more than 20 years of experience in sales and business development in the audiovisual industry.

Mr. Sin obtained his bachelor of arts in international business administration in July 2005 from the University of Northumbria at Newcastle, United Kingdom through distance learning.

Mr. Poon King Hang（潘景衡）("Mr. Poon"), aged 49, is currently the head of business development department of the Group and has been the manager of Eduserve International since April 2006. Mr. Poon joined the Group as a sales engineer in July 1999 and he is responsible for managing the overall business development of the Group. Mr. Poon was a Certified Technology Specialist awarded by the International Communications Industries Association, Inc (currently known as the Audiovisual and Integrated Experience Association), an ANSI (American National Standards Institute) Accredited Standards Developer, where the certification programme is accredited under the ANSI/-ISO/IEC 17024. Mr. Poon has more than 20 years of experience in sales and project management in the audiovisual industry.

Mr. Poon obtained his bachelor of science in electronics from The Open University of Hong Kong in June 2009.

Ms. Chan Wai Nga（陳慧雅）("Ms. Chan"), aged 33, has been serving the Group since 2022. Ms. Chan is currently senior finance manager and company secretary of the Group. She is responsible for financial management and facilitating the board's processes and communications among board members, with shareholders and with management. Prior to joining the Group, she had worked at an international accounting firm for over 8 years, with extensive experience in financial reporting, auditing, mergers and acquisitions and initial public offerings.

Ms. Chan obtained a Bachelor of Commerce in Accountancy from Hong Kong Baptist University in 2014. She has become a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and The Institute of Chartered Accountants in England and Wales since 2018, 2020 and 2022, respectively. Ms. Chan has also been registered as a Certified Public Accountant (Practising) in Hong Kong under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) since February 2024.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group could help to balance the interest of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner.

To the best knowledge of the Board, the Company has complied with the code provisions set out in Part 2 of the CG Code during the year ended 31 March 2025 and up to the date of this annual report, save as disclosed below.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Model Code**") on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. The Company, having made specific enquiry of all Directors, was not aware of any non-compliance with the Model Code during the year ended 31 March 2025.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises eight Directors, including four executive Directors, namely Dr. Wong King Keung (Chairman), Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun, one non-executive Director, namely Ms. Ho Wing Shan and three independent non-executive Directors, namely Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu.

The biographical details of all existing Directors are set out on pages 12 to 15 of this annual report. To the best knowledge of the Company, save as disclosed under the section headed "Directors and Senior Management" and notes 14 and 31 to the consolidated financial statement of this annual report, there are no financial, business, family or other material or relevant relationships among members of the Board.

FUNCTIONS OF THE BOARD

The principal functions of the Board include:

– reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

– approving major acquisitions or disposals, corporate or financial restructuring, issuance of the Shares and other equity or debt instruments, payment of dividends and other distribution to the Shareholders;

– assessing the risks faced by the Group and reviewing and implementing appropriate measures to manage such risks;

– selecting and evaluating the performance and compensation of key management executives;

– approving nominations to the Board;

– reviewing and endorsing the recommended framework of remuneration of the Board and key management executives by the Remuneration Committee; and

– assuming overall responsibility for corporate governance.

According to code provision D.1.2 of Part 2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the year ended 31 March 2025, the executive Directors have provided and will continue to provide, to all non-executive Directors updates on any material changes to the positions and prospects of the Company, which is considered to be sufficient to provide general updates of the Company's performance, position and prospects to the Board and allow them to give a balanced and informed assessment of the same to serve the purpose required by the code provision D.1.2.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the Directors and officers of the Company. The insurance coverage is reviewed on an annual basis by the Board.

BOARD MEETINGS AND BOARD PRACTICES

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association ("**Articles**"). All minutes of the Board meetings contain sufficient detail on the matters considered by the Board and the decisions reached.

During the year ended 31 March 2025, ten board meetings were held. The attendance records of each Director at the board, board committees and annual general meetings held during the year ended 31 March 2025 are as follows:

	Number of meetings attended/eligible to attend				
		Board Committees			
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors					
Dr. Wong King Keung^	8/10	N/A	N/A	N/A	N/A
Mr. Zhong Naixiong&	0/4	N/A	N/A	N/A	N/A
Mr. Yau Wing Keung&	1/4	N/A	N/A	N/A	1/1
Mr. Tong Sai Wong	7/10	N/A	N/A	N/A	1/1
Mr. Chan Wing Yiu	8/10	N/A	N/A	N/A	1/1
Mr. Chan Wing Lun	6/10	N/A	N/A	N/A	1/1
Non-executive Director					
Ms. Ho Wing Shan+	2/2	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Fong Chi	9/10	3/3	2/2	2/2	1/1
Mr. Lum Pak Sum	9/10	3/3	2/2	2/2	1/1
Mr. Lai Kai Ming Ricky&	4/4	2/3	1/1	1/1	N/A
Ms. Wu Hung Yu	9/10	3/3	2/2	2/2	1/1

The current Articles provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Every newly appointed director of the Company will receive a briefing by a qualified professional on the general and specific duties of a director under legal and regulatory requirements. Ms. Ho Wing Shan obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 26 September 2024. Ms. Ho Wing Shan has confirmed that she understood her obligations as a director of the Company.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT

According to code provision C.1.4 of Part 2 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the year ended 31 March 2025, all Directors participated in continuous professional development programmes in relation to regulatory update, the duties and responsibilities of the Directors and the business of the Group in the following manner:

Directors	Type of continuous professional development programmes *(Notes)*
Executive Directors	
Dr. Wong King Keung[^]	1&2
Mr. Zhong Naixiong[&]	N/A
Mr. Yau Wing Keung[&]	N/A
Mr. Tong Sai Wong	1&2
Mr. Chan Wing Yiu	1&2
Mr. Chan Wing Lun	1&2
Non-executive Director	
Ms. Ho Wing Shan[+]	1&2
Independent Non-executive Directors	
Mr. Fong Chi	1&2
Mr. Lum Pak Sum	1&2
Ms. Wu Hung Yu	1&2
Mr. Lai Kai Ming Ricky[&]	N/A

Notes:

1. Receiving seminar/courses for development of professional skills and knowledge.

2. Reading materials in relation to regular update to statutory requirements, the Listing Rules and other relevant topics related to listed company.

^ Redesignated from Non-executive Director to Executive Director on 30 July 2024.
& Resigned on 30 July 2024.
+ Appointed on 2 October 2024.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 March 2025 and as at the date of this annual report, the Board consists of three/four independent non-executive Directors representing more than one-third of the Board which complies with Rules 3.10 and 3.10A of the Listing Rules. Furthermore, three of the independent non-executive Directors, Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu have appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

In accordance to Rule 3.13 of the Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his/her independence. The Company, based on such confirmations, considers all of the independent non-executive Directors are independent.

INDEPENDENT VIEWS OF THE BOARD

The Company has established a mechanism to allow the Directors to seek independent professional opinion in respect of the performance of their duties and responsibilities at the cost of the Company to ensure that the Board can obtain independent views and opinions. The Board has examined and reviewed the abovementioned mechanism and is of the view that it has been duly implemented and effective.

NON-EXECUTIVE DIRECTORS

Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with the Company for a term of two years expiring on 31 March 2027 and is renewable thereafter, subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with code provision C.2.1 of Part 2 of the CG Code, the roles of the Chairman and the chief executive officer should be separate and should not be performed by the same individual. Currently, Dr. Wong King Keung, the Chairman, is responsible for managing the Group's business development and devising the business strategies. The day-to-day operations of the Group are delegated to the other executive Directors and the relevant management responsible for different aspects of the business.

BOARD COMMITTEES

The works of the Board is supported by three board committees, namely the audit committee, the remuneration committee and the nomination committee, which are all sufficiently resourced to fulfil their roles and their terms of reference have been approved by the Board and are available for review on the Company's website (www.i-controlholdings.com) and the Stock Exchange's website (www.hkexnews.hk).

Audit Committee

The Board has established an audit committee (the "**Audit Committee**") on 11 May 2015, which operates under a terms of reference approved by the Board. It is the Board's responsibility to ensure that an appropriate and effective risk management and internal control systems exist within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the initial establishment and the maintenance of risk management and internal control system and ethical standards for the Group's management to the Audit Committee.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu. Mr. Lum Pak Sum is the chairman of the Audit Committee.

According to the current terms of reference, meetings of the Audit Committee shall be held at least two times a year.

Three Audit Committee meetings were held during the year ended 31 March 2025. The Audit Committee has reviewed the unaudited interim results and the audited annual results of the Group.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Board has established a remuneration committee (the "**Remuneration Committee**") on 11 May 2015, which operates under a terms of reference approved by the Board. The Remuneration Committee is responsible for reviewing and making recommendations concerning the remuneration packages and overall benefits of the Group's key management executives. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, the nature and amount of Directors' and senior management's emoluments, and the Company's financial and operational performance, with the overall objective of ensuring maximum Shareholders' benefit from the retention of a high quality board and executive team. The Remuneration Committee is also responsible for reviewing and approving matters related to share scheme under Chapter 17 of the Listing Rules.

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu. Ms. Wu Hung Yu is the chairman of the Remuneration Committee.

Two Remuneration Committee meeting was held during the year ended 31 March 2025. The Remuneration Committee has reviewed the remuneration packages of all the Directors and senior management of the Company.

Remuneration Policy

The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable.

Remuneration package typically comprises salary, commission, contribution to retirement benefit schemes and discretionary bonuses by reference to the profit of the relevant company.

The Remuneration Committee will review annually the remuneration of all Directors to ensure that it is attractive enough to attract and retain a competent team of executive members.

The Directors receive remuneration in the form of salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments made on their behalf.

The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group. The Directors are entitled to statutory benefits as required by law from time to time such as retirement benefit.

Nomination Committee

The Board has established a nomination committee (the "**Nomination Committee**") on 11 May 2015, which operates under a terms of reference approved by the Board. The Nomination Committee is responsible for making recommendations to the Board regarding candidates to fill vacancies in the Board, as well as the management of the Board succession. The Nomination Committee will take into account various factors, including but not limited to age spread of individual Directors and the Group's business development progress, conduct annual reviews in relation to the composition of the Board. It will also make annual enquiries of the existing Directors as to the status of their individual retirement plans, if any. Should any of the Directors indicate a plan to retire, the Nomination Committee, with the assistance of the staff of the Group responsible for human resources, will start to identify potential candidates, whether within the Group or otherwise, with the appropriate background and expertise to join the Board.

The Nomination Committee currently comprises three independent non-executive Directors, namely Mr. Fong Chi, Mr. Lum Pak Sum and Ms. Wu Hung Yu. Mr. Fong Chi is the chairman of the Nomination Committee.

Two Nomination Committee meetings were held during the year ended 31 March 2025.

Nomination Policy

The Board has adopted the Nomination Policy which sets out the criteria and procedures for the Nomination Committee to recommend suitable candidates to the Board to fill casual vacancies or as an addition to the existing Board.

Selection Criteria

According to the Nomination Policy, the following factors would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

Nomination Procedures

The Secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage. The Company has therefore adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board.

Pursuant to the policy, the Nomination Committee seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective. As at the date of this report, the Board comprises eight Directors, two of which are female, and the Board considered that gender diversity on the Board is achieved. The Company is committed to improving gender diversity as and when suitable candidates are identified. The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender diversity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

The Nomination Committee reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new Directors based on the Company's Nomination Policy. The Nomination Committee also oversees the conduct of the annual review of the effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, those described above, in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

Measurable objectives

The Nomination Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Monitoring and reporting

The Nomination Committee will report annually, in the Corporate Governance Report of the Company, on the process it has used in relation to Board appointments.

Review of the policy

The Nomination Committee will review the policy annually, which will include an assessment of the effectiveness of the policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

DIVERSITY AT WORKFORCE LEVEL

In terms of employment, the Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Currently, the male to female ratio in the workforce of the Group including Directors and senior management is approximately 67:33. The Board considers that the gender diversity in workforce is currently achieved. We consider that at present there is a reasonably high gender diversity in the Group's workforce, and will continue to monitor the need to maintain or, if desired or necessary, increase diversity to meet our corporate objectives.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the consolidated financial statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. When preparing the consolidated financial statements for the year ended 31 March 2025, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and has prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report.

The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

During the year ended 31 March 2025, the remuneration paid or payable to the Company's auditor, SHINEWING (HK) CPA Limited, and its affiliate company in respect of their audit and non-audit services was as follows:

	HK$
Audit service	800,000
Non-audit services	235,000
	1,035,000

Non-audit services are related to agreed-upon procedures on interim financial information and statement of indebtedness and environmental, social and governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Group has complied with code provision D.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risks associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of the risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted for the year ended 31 March 2025, no significant risk was identified.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes, and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Actions established by policies and procedures to help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.

- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Based on the internal control reviews conducted for the year ended 31 March 2025, no significant control deficiency was identified. The Board believes that the existing risk management and internal control systems are adequate and effective.

Inside Information

The Company recognises that the release of inside information to place anyone in a privileged dealing position is strictly prohibited. In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

- Confidentiality agreements are in place when the Group enters into significant negotiations.

- The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Prior to the announcement of any inside information, all Directors and senior management are requested to take all reasonable steps to maintain strict confidentiality and where it is reasonably likely that confidentiality may have been lost in respect of the inside information, the Company shall as soon as reasonably practicable, apply to the Stock Exchange for a trading suspension of its shares.

Internal Auditors

The Group has an Internal Audit ("**IA**") function which consists of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via the Audit Committee afterwards.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and (ii) the scope and quality of management's ongoing monitoring of risks and the internal control systems.

The Board, through its review and the review made by IA function and the Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

DIVIDEND POLICY

According to the dividend policy the Company has in place, declaration of dividend is subject to the discretion of the Board, taking into consideration of, among others, (i) financial results; (ii) Shareholders' interests; (iii) general business conditions and strategies; (iv) capital requirements; (v) taxation considerations; (vi) contractual, statutory and regulatory restriction, if any; and (vii) any other factors that the Board may deem relevant.

Declaration and payment of dividends by the Company is subject to compliance with the Companies Act of the Cayman Islands and the Articles. The dividend policy will continue to be reviewed and updated from time to time by the Board.

INVESTORS AND SHAREHOLDERS RELATIONS

The Company has adopted Shareholders' communication policy by establishing a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channel between the Company and its Shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the Shareholders in respect of all share registration matters.

During the year, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy through discussions amongst Board members during board meetings. The Company has reviewed communication activities and engagement with Shareholders conducted during the year and was satisfied with the implementation and effectiveness of the shareholders' communication policy which provided sufficient and effective communication channels with the Shareholders, investors and other stakeholders of the Company.

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide information of the Group to Shareholders in a clear, detailed, timely manner and on a regular basis through the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements. Shareholders are highly recommended to pay attention to these public information.

The Company strives to take into consideration its Shareholders' views and inputs, and address the Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 21 days' notice in writing shall be given. The Chairman as well as the chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer Shareholders' questions on the Group's businesses at the meeting. To comply with code provision F.2.2 of Part 2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All Shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders. According to article 64 of the Articles, one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings can call for an extraordinary general meeting. Such requisition shall be made in writing to the Board or the Company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a Shareholder wishes to propose a person (the "**Candidate**") for election as a Director at a general meeting, he/she shall deposit a written notice (the "**Written Notice**") to the Company's principal place of business in Hong Kong at Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

The Written Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the Shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of the publication of his/her personal information.

The period for lodgment of the Written Notice shall commence on the day after the dispatch of the notice of general meeting and end no later than 7 days prior to the date of such general meeting.

In order to ensure that the Shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director without adjourning the general meeting, Shareholders are urged to submit and lodge the Written Notice as early as practicable preferably at least 15 business days prior to the date of the general meeting appointed for such election.

In order to promote effective communication, the Company also maintains website (http://www.i-controlholdings.com) which includes the latest information relating to the Group and its businesses. Shareholders' enquiries or proposals can be directed in writing to the Board or the Company secretary at Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong or by email to info@i-controlholdings.com.

COMPANY SECRETARY

On 12 April 2024, Mr. Wong Kan Fai Michael who is the company secretary of the Company with effect from 28 July 2022 resigned as the company secretary and Ms. Chan Wai Nga ("**Ms. Chan**") has been appointed as the company secretary of the Company. Ms. Chan is a member of HKICPA and a Certified Public Accountant (Practising) in Hong Kong. Ms. Chan has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge during the year ended 31 March 2025.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 March 2025.

As disclosed in the announcement of the Company dated 23 June 2025, the Board proposes to amend the existing memorandum and articles of association (the "**Existing M&A**") of the Company (the "**Proposed Amendments**") and to adopt the amended and restated memorandum and articles of association (the "**New M&A**") of the Company in substitution for and to the exclusion of the Existing M&A in order to (i) expressly allow for holding electronic and hybrid general meetings of the Company; (ii) expressly allow for voting by the shareholders of the Company (the "**Shareholders**") at its general meetings via electronic means in accordance with the Listing Rules; (iii) align with the amendments made to the Listing Rules in relation to the implementation of the treasury share regime and the promotion of paperless corporate communications; and (iv) adopt other consequential and housekeeping amendments to better align with the wordings and requirements of the applicable laws of the Cayman Islands and the Listing Rules and market practices.

The Proposed Amendments and the adoption of the New M&A are subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting (the "**AGM**"), and will become effective upon the approval by the Shareholders at the AGM. The New M&A will be published on the websites of the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

The Directors are pleased to submit their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands on 21 August 2014. Its principal place of business in Hong Kong is Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group comprise VCMA solution services and VCMA maintenance services. The principal activities and other particulars of the subsidiaries of the Company are set out in note 35 to the consolidated financial statements in this annual report.

Further discussions and analysis of these activities and financial key performance indicators, as well as the principal risks and uncertainties facing the Company, environmental policies and performance, and compliance with laws and regulations as required by Schedule 5 to the Hong Kong Companies Ordinance, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Environmental, Social and Governance Report" of this annual report. Those discussion form part of this Report of the Directors.

RELATIONSHIP WITH KEY STAKEHOLDERS

The support from key stakeholders, including employees, customers, suppliers and Shareholders, contributes greatly to the Group's success. The Group has an objective to devote resources to promote and maintain long term and sustainable relationships with these stakeholders.

RESULTS AND APPROPRIATIONS

The financial performance of the Group for the financial year ended 31 March 2025 and the financial position of the Group as at 31 March 2025 are set out in the consolidated financial statements on pages 64 to 130 of this annual report.

FINAL DIVIDEND

The Directors resolved not to recommend the payment of final dividend for the year ended 31 March 2025.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM is scheduled to be held on Friday, 8 August 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 5 August 2025 to Friday, 8 August 2025 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 August 2025.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, the Group's top five customers accounted for approximately 29.4% of the revenue. The Group's five largest suppliers accounted for approximately 42.9% of the total purchases for the year ended 31 March 2025. In addition, the Group's largest customer accounted for approximately 13.3% of the revenue and the Group's largest supplier accounted for approximately 19.4% of the total purchases for the year ended 31 March 2025.

As far as the Company is aware, as at the date of this annual report, save for an insignificant amount of shares in one of the above customers, which is a company whose shares are listed on the Stock Exchange, held for passive investment purpose by few Directors from time to time, none of the Directors, their close associates nor any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the Group's top five customers and suppliers.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity in this annual report.

As at 31 March 2025, the Company's reserves available for distribution amounted is nil.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2025 are set out in note 28 to the consolidated financial statements in this annual report.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group are set out in note 16 to the consolidated financial statements in this annual report.

DIRECTORS

During the year ended 31 March 2025 and up to the date of this annual report, the Directors were:

Executive Directors

Dr. Wong King Keung *(Chairman)*^
Mr. Zhong Naixiong *(Chairman)*&
Mr. Yau Wing Keung&
Mr. Tong Sai Wong
Mr. Chan Wing Yiu
Mr. Chan Wing Lun

Non-executive Directors

Dr. Wong King Keung^
Ms. Ho Wing Shan+

Independent non-executive Directors

Mr. Fong Chi
Mr. Lum Pak Sum
Ms. Wu Hung Yu
Mr. Lai Kai Ming Ricky&

^ Redesignated from Non-executive Director to Executive Director on 30 July 2024
& Resigned on 30 July 2024
+ Appointed on 2 October 2024

Further details of the Directors are set forth in the section headed "Directors and Senior Management" of this annual report. Details of the emoluments of the Directors are set out in note 14 to the consolidated financial statements in this annual report.

By virtue of article 108(a) of the Articles, Mr. Tong Sai Wong, Mr. Chan Wing Lun and Ms. Wu Hung Yu shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

By virtue of article 112 of the Articles, Ms. Ho Wing Shan shall hold office until the AGM and being eligible, offer herself for re-election at the AGM.

Directors' service contracts

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into an appointment letter with the Company for a term of two years or fixed period expiring on 31 March 2027 and is renewable thereafter, subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

None of the Directors (including those proposed for re-election at the AGM) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme adopted under the written resolutions of the shareholders of the Group passed on 11 May 2015 ("**Share Option Scheme**"). The Share Option Scheme remains valid and effective following the transfer of listing of the Shares from GEM to the Main Board of the Stock Exchange and will be implemented in full compliance with Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

(b) Participants of the Share Option Scheme

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

(a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Company, any of its subsidiaries or any entity (the "**Invested Entity**") in which the Company holds an equity interest;

(b) any non-executive Directors (including independent non-executive Directors) of the Company, any of its subsidiaries or any Invested Entity;

(c) any supplier of goods or services to any members of the Group or any Invested Entity;

(d) any customer of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and

(f) any Shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity,

and for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Company to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

REPORT OF THE DIRECTORS

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by the Directors from time to time on the basis of the participants' contribution to the development and growth of the Group. In order for a person to satisfy the Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as the Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

(c) Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the date of the listing of the Shares (i.e. 27 May 2015).

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of the share capital of the Company in issue from time to time.

As at the date of this annual report, there was no Shares issuable on exercise of options granted under the Share Option Scheme.

As at the beginning and the end of the year ended 31 March 2025, the total number of share options available for grant under the Share Option Scheme was 100,000,000, being the balance of 10.0% of the Shares in issue as at the date of listing of the Shares, and represents approximately 9.5% of the existing issued share capital of the Company. As at the date of this annual report, no shares were available for issue under the Share Option Scheme as it has expired in May 2025.

(d) Maximum entitlement of each participant and connected persons

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

Each grant of options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) and the Shareholders in a general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting.

(e) The basis of determining the exercise price of option

The subscription price of a Share in respect of any option granted under the Share Option Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of:

(i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business day immediately preceding the date of grant of the option (which must be a business day);

(ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day); and

(iii) the nominal value of the Shares.

REPORT OF THE DIRECTORS

(f) Acceptance and payment on acceptance of option offer

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. A consideration of HK$1.00 is payable on acceptance of the offer of the grant of an option.

(g) Period of the Share Option Scheme

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional (i.e. 11 May 2015). The Share Option Scheme has expired in May 2025.

As at 31 March 2025, there was no share options granted under the Share Option Scheme. Details of the movement of share options granted under the Share Option Scheme during the year ended 31 March 2025 were as follows:

Participant	Date of grant	Exercise price per share *(Note 1)*	Exercise period	Balance as at 1 April 2024	Granted during the year	Exercised during the year	Lapsed during the year *(Note 2)*	Balance as at 31 March 2025	Approximate percentage of issued share capital as at 31 March 2025
Wang Yanghao	20 April 2021	HK$0.54	20 April 2022 to 20 April 2028	900,000	–	–	(900,000)	–	–
	20 April 2021	HK$0.54	20 April 2023 to 20 April 2028	900,000	–	–	(900,000)	–	–
	20 April 2021	HK$0.54	20 April 2024 to 20 April 2028	1,200,000	–	–	(1,200,000)	–	–
			Total	3,000,000	–	–	(3,000,000)	–	

Notes:

(1) The closing price of the Company's Shares on the date immediately before the date of grant was HK$0.54 per Share.

(2) There were no share options exercised, cancelled under the Share Option Scheme during the year ended 31 March 2025. As disclosed in the composite document jointly issued by the Company and Luxurious Bay Capital Limited as offeror dated 9 July 2024, pursuant to the Share Option Scheme, the share options that are not accepted under the mandatory unconditional cash offers (to the extent not exercised) would automatically lapse on the date of close of the mandatory unconditional cash offers (i.e. 30 July 2024). In light of the above, the 3,000,000 outstanding share options granted under the Share Option Scheme have lapsed during the year ended 31 March 2025 and as at the date of this report, the Company has no outstanding Options under the Share Option Scheme.

SHARE AWARD SCHEME

The following is a summary of the principal terms of the share award scheme adopted by the Company on 3 February 2021 ("**Share Award Scheme**").

(a) Purpose

The purpose of the Share Award Scheme is to recognise the contributions by certain employees and persons to the Group, to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

(b) Eligible Person

The eligible person includes any individual, being an employee (whether full time or part time), director (including an independent non-executive director), officer, consultant or advisor of any member of the Group who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group.

(c) Operation of the Share Award Scheme

The Board may, from time to time, at its absolute discretion during the Award Period select any eligible person to be a selected participant and grant an award to such selected participant. The Board may impose such vesting criteria and condition(s), if any, as it deems appropriate under an award. Subject to all applicable laws, the Board may determine, amend and/or waive any one or more of such vesting criteria and conditions under an award (or any part thereof).

For the purpose of satisfying the award(s) made or to be made, the Board may determine at its absolute discretion, that the Company shall allot and issue new Shares to the Trustee (as defined hereinbelow) under the Share Award Scheme and/or procure the transfer of Shares from an existing Shareholder to the Trustee and/or provide the Trustee with the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price.

The Board intends to use the general mandate available at the time of granting of the award(s), and seek specific mandate from the Shareholders where (i) any grant of the award(s) would cause the Company to issue and allot Shares in excess of the permitted amount in the general mandate available at the time of granting of the relevant award(s) or (ii) the award(s) is to be granted to connected persons of the Company and Shareholders' approval is required under Chapter 14A of the Listing Rules.

(d) Restrictions on grants

Notwithstanding the Board's absolute discretion in granting an award, no awards shall be made under the following circumstances:

(i) where the requisite approval from any applicable regulatory authorities has not been granted;

(ii) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such award or the Share Award Scheme, unless the Board determines otherwise;

(iii) where such award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction; or

(iv) where such grant of award would result in a breach of the Scheme Limit (as defined below) or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders.

For the avoidance of doubt, any award made under the above circumstances shall be null and void.

(e) **Award Period**

The period commencing on the adoption date of the Share Award Scheme (i.e. 3 February 2021) (the "**Adoption Date**"), and shall expire on 2 February 2031, being the business day immediately prior to the tenth anniversary of the Adoption Date. The remaining life of the Share Award Scheme is approximately five and a half years, subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme.

(f) **Scheme Limit**

The Company shall not make any further grant of award which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding awarded Shares that have been forfeited in accordance with the Share Award Scheme) to exceed 15% of the entire issued share capital of the Company as at the Adoption Date without Shareholders' approval (the "**Scheme Limit**"). The Scheme Limit shall be refreshed automatically on each anniversary date of the Adoption Date during the Award Period, such that the Scheme Limit so refreshed shall not exceed 15% of the issued share capital of the Company as at the relevant anniversary date of the Adoption Date.

(g) **Appointment of Trustee**

The Company has entered into the Trust Deed with Upbest Securities Company Limited (the "**Trustee**") on 8 February 2021 to appoint it as the initial trustee under the Share Award Scheme. The Trustee is a company incorporated in Hong Kong and licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance. The Trustee is a wholly owned subsidiary of Upbest Group Limited, a company whose issued shares are listed on the Stock Exchange (Stock Code: 335). To the best knowledge, information and belief of the Board after making all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons. Further to all Awarded Shares as defined below being vested to Mr. Wang Yanghao ("**Mr. Wang**"), the Trustee account has been terminated on 31 October 2024.

(h) **Grant of Award**

On 20 April 2021, the Company has granted an award of 500,000 awarded shares (the "**Awarded Shares**") to Mr. Wang under the Share Award Scheme. Subject to the Lock-up Condition as set out below and the scheme rules of the Share Award Scheme, the Awarded Shares shall vest in Mr. Wang and Mr. Wang shall have the right to receive the Awarded Shares in accordance with the following vesting schedule:

(i) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the first anniversary of the date of grant;

(ii) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the second anniversary of the date of grant; and

(iii) as to 200,000 Awarded Shares, representing 40% of the Awarded Shares, on the third anniversary of the date of grant.

The vested Awarded Shares are subject to the condition that Mr. Wang will not dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the relevant vested Awarded Shares during a period of six (6) months commencing on the vesting date of the relevant Awarded Shares (the "**Lock-up Condition**").

On 7 May 2021, the 500,000 Awarded Shares were issued and allotted to the Trustee under the Share Award Scheme at nominal value under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 7 August 2020.

On 20 April 2022, 150,000 Awarded Shares have been vested in Mr. Wang and transferred from the Trustee to Mr. Wang, subject to the Lock-up Condition.

On 20 April 2023, additional 150,000 Awarded Shares have been vested in Mr. Wang and transferred from the Trustee to Mr. Wang, subject to the Lock-up Condition.

On 20 April 2024, 200,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

Details of Awarded Shares granted under the Share Award Scheme are as follows:

Name of Participant	Date of grant *(note i)*	Number of Awarded Shares granted on date of grant *(note ii)*	Number of Awarded Shares unvested as at 1 April 2024	Number of Awarded Shares vested during the year *(note iii)*	Lapsed/cancelled during the year *(note iv)*	Number of Awarded Shares unvested as at 31 March 2025 *(note v)*
Mr. Wang	20 April 2021	500,000	200,000	(200,000)	–	–

Notes:

(i) No Awarded Share was granted under Share Award Scheme during the year ended 31 March 2025 and up to the date of this annual report.

(ii) The Awarded Shares granted to the participant were satisfied by way of the issue and allotment of new Shares at the par value thereof under general mandate and no purchase price was payable by the Company or the participant to purchase the Awarded Shares under the Share Award Scheme.

(iii) The weighted average closing price of the Shares immediately before the date on which the Awarded Shares were vested was HK$0.18.

(iv) No Awarded Shares granted were cancelled, lapsed or forfeited in accordance with the terms of the Share Award Scheme during the year ended 31 March 2025.

(v) No Awarded Shares being unvested as at 31 March 2025 and the date of this annual report.

The maximum number of Shares available for issue under the Share Award Scheme is 150,000,000 Shares, being 15% of the issued share capital of the Company as at the Adoption Date and the date of this annual report. As at 1 April 2024 and 31 March 2025, a total of 500,000 awarded Shares were granted under the Share Award Scheme, leaving behind 149,500,000 awarded Shares being available for grant under the Scheme Limit, representing approximately 14.2% of the total number of Shares in issue as at the date of this annual report.

DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or the associated corporations

As at 31 March 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in the Model Code, were as follows:

Interests in the Company

Name	Capacity/Nature of interest	Number of Shares interested *(Note 1)*	Approximate percentage of the total issued share capital of the Company *(Note 2)*
Dr. Wong King Keung	Interest in a controlled corporation *(Note 3)*	602,100,000	57.32%
	Beneficial owner	108,300,000	10.30%
			67.62%

Notes:

(1) All interests stated are long positions.

(2) Total numbers of issued shares as at 31 March 2025 was 1,050,500,000.

(3) These Shares are held by Luxurious Bay Capital Limited, which is beneficially owned as to 50% by Knight Sky Holdings Limited and as to 50% by Newmark Group Limited, a company which is owned as to approximately 40.6% by Dr. Wong King Keung. Pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, Dr. Wong King Keung is deemed to have an interest in all Shares in which Newmark Group Limited has, or deemed to have, an interest.

Save as disclosed above, as at the date of this annual report, none of the Directors and the chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in the Model Code.

(b) Interests and short positions of the substantial shareholders in the shares and underlying shares

As at 31 March 2025, so far as is known to the Directors and the chief executives of the Company, the following corporation or persons (other than the Directors or the chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

Name	Capacity/Nature of interest	Number of Shares *(Note 1)*	Percentage of issued Shares
Luxurious Bay Capital Limited	Beneficial owner	602,100,000	57.32%
Newmark Group Limited *(Note 2)*	Interests of controlled corporation	602,100,000	57.32%
Knight Sky Holdings Limited *(Note 3)*	Interests of controlled corporation	602,100,000	57.32%
	Beneficial owner	41,700,000	3.97%
Ms. Wong Lau Sau Yee Angeli *(Note 4)*	Interests of spouse	710,400,000	67.62%
Mr. Cheng Kai Ming, Charles *(Note 5)*	Interests of controlled corporation	643,800,000	61.29%
Ms. Chim Mei Hing *(Note 6)*	Interests of spouse	643,800,000	61.29%

Notes:

(1) All interests stated are long positions.

(2) These Shares are held by Luxurious Bay Capital Limited, which is beneficially owned as to 50% by Knight Sky Holdings Limited and as to 50% by Newmark Group Limited.

(3) These Shares include 602,100,000 Shares held by Luxurious Bay Capital Limited, which is beneficially owned as to 50% by Knight Sky Holdings Limited and as to 50% by Newmark Group Limited, and 41,700,000 Shares held by Knight Sky Holdings Limited itself.

(4) Ms. Wong Lau Sau Yee Angeli is the spouse of Dr. Wong King Keung, a Director. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Wong Lau Sau Yee Angeli is deemed to have an interest in all Shares in which Dr. Wong King Keung has, or deemed to have, an interest.

(5) These Shares include 602,100,000 Shares held by Luxurious Bay Capital Limited, which is beneficially owned as to 50% by Newmark Group Limited and as to 50% by Knight Sky Holdings Limited, and 41,700,000 Shares held by Knight Sky Holdings Limited, a company which is in turn 100% owned by Mr. Cheng Kai Ming, Charles. Pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, Mr. Cheng Kai Ming, Charles is deemed to have an interest in all Shares in which Knight Sky Holdings Limited has, or deemed to have, an interest.

(6) Ms. Chim Mei Hing is the spouse of Mr. Cheng Kai Ming, Charles, the sole beneficial owner of Knight Sky Holdings Limited. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Chim Mei Hing is deemed to have an interest in all Shares in which Mr. Cheng Kai Ming, Charles has, or deemed to have, an interest.

Save as disclosed above, as at the date of this annual report, the Directors and the chief executives of the Company are not aware of any other person, not being a Director or a chief executive of the Company, who had, or was deemed or taken to have an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed in this annual report, at no time during the year ended 31 March 2025 was the Company, its holding company, or any of its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and the chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

DISCLOSURE OF INFORMATION PURSUANT TO RULE 13.51B(1) OF THE HONG KONG LISTING RULES

Ms. Ho Wing Shan, a non-executive Director, was appointed as a non-executive director of Harbour Equine Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8377), with effect from 6 September 2024 and as an independent non-executive director of Chi Ho Development Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8423), with effect from 2 December 2024.

Ms. Wu Hung Yu, an independent non-executive Director, was appointed as an independent non-executive director of Qianhai Health Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0911), with effect from 22 November 2024.

Mr. Lum Pak Sum, an independent non-executive Director, ceased to be an independent non-executive director of Imperial Pacific International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1076), with effect from 12 April 2024, and a non-executive director of Sunway International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0058), with effect from 15 January 2025. He was appointed as an independent non-executive Director of Wai Hung Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3321), with effect from 9 October 2024.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the year ended 31 March 2025.

SUFFICIENCY OF PUBLIC FLOAT

The Company is in compliance with the minimum public float requirement during the year ended 31 March 2025 and as at the date of this annual report based on the information publicly available to the Company and within the knowledge of the Directors.

RELATED PARTY TRANSACTIONS

The material related party transactions of the Company are set out in note 31 to the consolidated financial statements in this annual report. None of these related party transactions fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules. For the year ended 31 March 2025, the Group had not entered into any transactions constituting connected transactions (including continuing connected transactions) which are subject to the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as otherwise disclosed, no other transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2025.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme and the Share Award Scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2025 or subsisted at the end of the year or at any time during the year ended 31 March 2025.

MANAGEMENT CONTRACTS

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

REPORT OF THE DIRECTORS

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company, its holding company, or any of its subsidiaries was a party, and in which a controlling shareholder of the Company or any of its subsidiaries had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2025, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

RETIREMENT BENEFITS SCHEME

Particulars of retirement benefits scheme of the Group as at 31 March 2025 are set out in note 30 to the consolidated financial statements in this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors were independent during the year ended 31 March 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

TAX RELIEF

The Company is not aware of any relief from taxation available to its shareholders by reason of their holding of the Company's shares.

PERMITTED INDEMNITY

Pursuant to the Articles, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the Reviewing Year. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2025, none of the Company and its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 March 2025, the Company did not hold any treasury shares.

CHARITABLE DONATIONS

During the year ended 31 March 2025, no charitable donations made by the Group (2024: nil).

EVENTS AFTER THE REPORTING PERIOD

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

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 16 to 26 of this annual report.

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out in the financial summary on page 132 of this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 March 2025 have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the AGM.

By order of the Board

Wong King Keung
Chairman

Hong Kong, 20 June 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**") elaborates various initiatives of i-Control Holdings Limited (the "**Company**") and its subsidiaries (collectively referred as the "**Group**") to fully implement the concept of sustainable development and perform its corporate social responsibilities, and evaluate its ESG performance from 1 April 2024 to 31 March 2025 (the "**Year**").

Scope of ESG Report

The ESG Report focuses on the environmental and social performance of the Group's core business of provision of video conferencing and multimedia audiovisual ("**VCMA**") solution and maintenance services in Hong Kong during the Year. The key performance indicators ("**KPIs**") covered the performance of its head office in Hong Kong and are presented (if applicable) in the Appendix: Summary of Environmental and Social KPIs of the ESG Report.

Reporting Framework

The ESG Report was prepared based on the "Environmental, Social and Governance Reporting Guide" under Appendix C2 to the Listing Rules issued by the Stock Exchange.

In preparing this report, we follow the four reporting principles stipulated in the Guide – "materiality", "quantitative", "balance" and "consistency".

Materiality	The content of the ESG Report is determined based on stakeholder engagement and materiality assessment, which includes identifying ESG-related issues, gathering and reviewing opinions from internal management and various stakeholders, assessing the relevance and materiality of the issues, and preparing and validating information for the ESG Report. The ESG Report has provided comprehensive coverage of key ESG issues of concern to stakeholders.
Quantitative	The Group has disclosed quantitative environmental KPIs in the ESG Report. The criteria, methods and references used to calculate KPIs and the conversion factors used for the KPIs are intended to give stakeholders a comprehensive view of the Group's ESG performance.
Balance	The Group's performance during the reporting period has been presented in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.
Consistency	The Group uses consistent reporting and calculation methods as far as reasonably practicable. Details of significant changes in information or methodology in the relevant sections are disclosed to facilitate a comparison of ESG performance between years.

OUR APPROACH TO ESG

ESG Governance

The Group believes that well-established ESG principles and practices will increase its investment values and provide longterm returns to stakeholders. To ensure the establishment of appropriate ESG risk management measures and internal control system, the Board of Directors of the Company (the "**Board**") takes full responsibility for supervision of the Group's ESG governance and risk management. As an effort to ensure sustainable development, the Board identifies and manages ESG-related risks, and properly delegates authority to the management for the formulation and execution of ESG policies.

To manage the risks associated with sustainability and ESG matters, the Group has conducted a materiality assessment during the Year to effectively identify potential and significant ESG issues for the business and its stakeholders, details of which are set out in the "Stakeholder Engagement" section of the ESG Report. The Board is also involved as one of the internal stakeholders in the materiality assessment to advise on the ESG governance of the Group. The Board is fully aware of the results of the materiality assessment and will continue to review the engagement channels for the materiality assessment to ensure that the Group maintains effective communication with stakeholders.

To effectively lead the Group's ESG process, the Board continuously oversees ESG efforts and ensures close collaboration between departments to achieve operational compliance and social responsibility goals. The Group shares its ESG progress with various stakeholders through the ESG Report. During the Year, the Group set environmental targets, details of which are set out in the "Environmental Goals and Progress" section of the ESG Report. The Board will review the progress of achieving the targets on a regular basis to continuously improve the Group's environmental performance.

Stakeholder Engagement

Communication with Stakeholders

Stakeholder communication and engagement are important to the sustainable development of the Group. According to the features of the Group's business operation, the Group has identified its major stakeholders. To thoroughly understand stakeholders' expectations and strive to satisfy their diverse needs, the Group maintains regular communication with them through various channels. The Group will continue to deepen the breadth and depth of communication with stakeholders and report the Group's progress and plans to address the ESG related goals in the future.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government and Regulators	• Compliance with national policies, laws and regulations • Support for local economic growth • Contribution in local employment • Tax payment in full and on time • Ensure production safety	• Regular information reporting • Regular meetings with regulators • Dedicated reports • Examinations and inspections
Shareholders	• Returns • Compliant operation • Rise in company value • Transparency and effective communication	• Shareholders conferences • Announcements and circulars • Email, telephone communication and company website • Site visits • Dedicated report
Business Partners	• Operation with integrity • Equal rivalry • Performance of contracts • Mutual benefit and win-win result	• Review and appraisal meetings • Business communication • Discussion and exchange of opinions • Engagement and cooperation
Customers	• Outstanding products and services • Health and safety • Performance of contracts • Operation with integrity	• Customer service centre and hotline • Customer feedback survey • Social media platforms • Calling for feedback
Environmental Regulatory Authorities	• Energy saving and emission reduction	• Reporting

Stakeholders	Expectations and Requirements	Means of Communication and Response
Employees	• Protection of rights • Occupational health and safety • Remunerations and benefits • Career development • Humanity cares	• Employee communication meetings • Corporate journal and intranet • Employee mailbox • Training and workshop • Employee activities
Community and the Public	• Enhancement of community environment • Participation in charity • Information transparency	• Company website • Announcements • Interview with media • Social media platforms

Materiality Assessment

During the preparation of the ESG Report, the Group commissioned an independent third-party consultant to assist the Group in conducting a materiality assessment in a just and an unbiased manner.

The materiality assessment has been implemented in three main phases, namely:

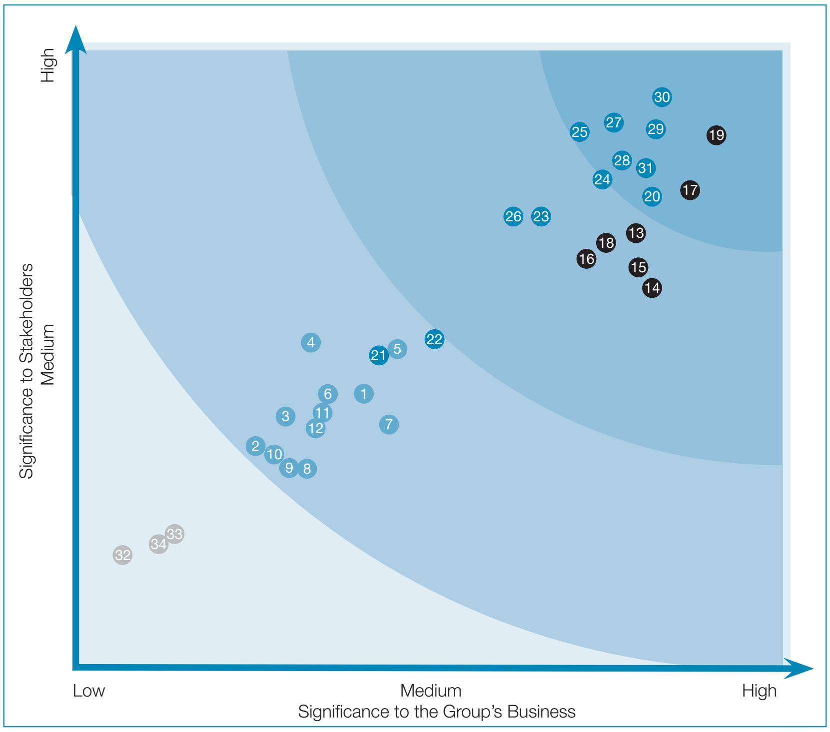
(i) identifying potential material ESG issues that might affect the Group's business or stakeholders;

(ii) conducting questionnaire survey to understand views and expectations of stakeholders (including employees, shareholders, the management, directors, clients and suppliers) on the Group's response and disclosures of ESG issues; and

(iii) prioritising potential material issues based on a total of 97 valid questionnaires received.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

By reviewing the results of the survey, the Group has mapped the key aspects and highlighted them in the ESG Report. Below is the materiality matrix derived from the results of the questionnaire survey.



Environment	Labour Practices	Operation Practices	Community Investment
1 Environmental Compliance	13 Employment Compliance	20 Operational Compliance	32 Charity
2 Fleet Emissions Management	14 Employees' Remuneration and Benefits	21 Managing Environmental Risks of Supply Chain	33 Promotion of Community Development
3 Greenhouse Gas Emission	15 Employees' Working Hours and Rest Period	22 Managing Social Risks of Supply Chain	34 Poverty Alleviation
4 Waste Management	16 Diversity and Equal Opportunity	23 Procurement Practices	
5 Energy Consumption	17 Occupational Health and Safety	24 Quality Management	
6 Use of Water Resources	18 Training and Education	25 Customer Health and Safety	
7 Green Office	19 Prevention of Child Labour and Forced Labour	26 Responsible Sales and Marketing	
8 Green Energy Project		27 Customer Service Management	
9 Green Building		28 Intellectual Property Protection	
10 Ecological Protection		29 Information Security	
11 Responding to Climate Change		30 Customer Privacy Protection	
12 Prevention and Handling of Environmental Incidents		31 Anti-corruption	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Through the assessment processes, the Group has identified 10 most material ESG aspects and decided to made relevant disclosure in the corresponding sections, covering the labour practices and operation management aspects of the Group's operation.

Material Aspect	Section with Corresponding Measures
17 Occupational Health and Safety	EMPLOYEES' RIGHT – Occupational Safety and Health
19 Prevention of Child Labour and Forced Labour	EMPLOYEES' RIGHT – Employment Policies
20 Operation Compliance	OPERATION MANAGEMENT
24 Quality Management	OPERATION MANAGEMENT – Quality Control
25 Customer Health and Safety	OPERATION MANAGEMENT – Quality Control
27 Customer Service Management	OPERATION MANAGEMENT – Customer Service
28 Intellectual Property Protection	OPERATION MANAGEMENT – Privacy and Intellectual Property Protection
29 Information Security	OPERATION MANAGEMENT – Privacy and Intellectual Property Protection
30 Customer Privacy Protection	OPERATION MANAGEMENT – Privacy and Intellectual Property Protection
31 Anti-corruption	OPERATION MANAGEMENT – Anti-corruption

The data collected is a summary of the environmental and social initiatives carried out by the Group during the Year and forms the basis for the Group to map out short-term and long-term sustainable development strategies.

ENVIRONMENTAL PROTECTION

Environmental Goals and Progress

The Group is committed to maintaining transparency and tracking the progress of the initiatives that address its goals set in the Year. The table below highlights our environmental-related goals in different aspects. The Group also ensures that its environmental impacts are minimised through continuous improvement and promises to constantly monitor the progress of its goals.

Aspect	Our Goals	Progress in the Year	Section with Corresponding Measures
Emissions	• Reducing the intensity of greenhouse gas ("**GHG**") emissions • Supporting Hong Kong's goal of achieving carbon neutrality by 2050	The Group has eliminated all emissions of air pollutants in the Year with the adoption of electric vehicles. The intensity of GHG emissions increased by 15% compared to the year ended 31 March 2024, mainly due to the decrease in number of employees during the Year. The total amount of GHG emissions decreased by 11% compared to the year ended 31 March 2024.	ENVIRONMENTAL PROTECTION – Emission Management
Waste	• Optimising resource efficiency where feasible and avoid waste • Recycling renewable resources where feasible • Ensuring that all waste is disposed of in a safe and legal manner	The amount of hazardous waste decreased by 46% compared to the year ended 31 March 2024. The amount of non-hazardous waste decreased by 23% compared to the year ended 31 March 2024.	ENVIRONMENTAL PROTECTION – Waste Management
Resources	• Reduce energy and water consumption as far as practical	Energy consumption remained unchanged compared to the year ended 31 March 2024, while water consumption increased by 6%.	ENVIRONMENTAL PROTECTION – Use of Resources

Emissions Management

As a responsible enterprise, the Group spares no effort in reducing emissions. The Group strictly complies with laws and regulations, including but not limited to the Air Pollution Control Ordinance. As a VCMA solution services provider, the Group is not involved in any manufacturing process and all water pollutants produces are handled properly. The Group has eliminated the major source of air pollutants from its daily business operation in the past. Through fully replacing the Group's old combustion engine vehicle with an electric vehicle, the Group has not emitted any air pollutant such as nitrogen oxides, sulphur oxides, and particulate matter in the Year.

The Group has taken the following measures to reduce the emissions from vehicles:

- Keeping company fleet properly tuned;
- Conducting regular inspection and inflation;
- Ensure no idling vehicles with running engines; and
- Replaced all old combustion engine vehicles with electric vehicles.

Waste Management

With the consistent goal of sustainable development, the Group complies with relevant laws and regulations, including but not limited to the Product Eco-responsibility Ordinance, the Waste Disposal Ordinance and the Water Pollution Control Ordinance. Non-hazardous waste produced by the Group comprises of general waste from daily operation, while hazardous waste includes batteries, toner cartridges, light bulbs and computers. Most of the non-hazardous wastes are disposed to landfill and hazardous wastes produced are collected and handled in a safe and legal manner to prevent environmental damage such as the computers and monitors have been recycled by the qualified units.

Also, as a registered supplier with the Environmental Protection Department, through paying a recycling levy for regulated electrical equipment ("**REE**") distributed in Hong Kong, the Group fulfilled its role as a supplier of REE of the Producer Responsibility Scheme on waste electrical and electronic equipment launched by the Hong Kong government.

To reduce the generation of both hazardous and non-hazardous waste, the Group has implemented the following measures:

- Use refills to reuse pen barrels, and avoid discarding the entire pen;
- Reusing envelops, folders, file cards and other stationery;
- Monitoring printing volume regularly and set print quota for users as far as practicable to reduce the use of ink and paper;
- Use electronic systems to substitute paper-based office administration systems (OA System); and
- Reduce the use of disposable and non-recyclable products.

Use of Resources

The Group is committed to reducing energy and water consumption. Energy consumption of the Group mainly attributes to purchased electricity, while water consumption mainly comes from toilet usage. Due to the Group's business nature, the water consumption is minimal and there has been no issue of sourcing water that is fit for purpose in the Year.

The Group takes the following measures in daily operation as a commitment to environmental protection and reduce energy and water consumption.

Energy Conservation

- Maximise the use of natural light, minimise the number of lighting fixtures for the areas with higher than required lighting level, and adopt energy-efficient lighting;
- Switch off lighting and air-conditioning systems when rooms are not in use;
- Seperate light switches for different light zones;
- Adopt energy efficient lighting (Apply LED lightening system); and
- Allow employees to wear casual clothes every Friday, in order to reduce the use of air-conditioning.

Water Conservation

- Fix dripping taps immediately; and
- Reduce water pressure to the lowest practical level.

Green Operation

- Apply office automation system to substitute the traditional paper-based office administration system;
- Monitor printing volume regulary and set print quota for users as far as practicable;
- Reuse envelopes, folders, file cards and other stationery;
- Publish and disseminate internal information and notice via email or internal network instead of printing hard copies;
- Encourage employees to reuse paper and print on both sides with smaller fonts and line spacing; and
- Use video conferencing for online presentations and conferences to substitute unnecessary overseas business travel.

Responding to Climate Change

Governance

The Board places significant emphasis on climate change and its implications for the business, integrating climate-related matters into the core strategic decision making process. The Board regularly reviews climate-related risks and opportunities, while the management, through a cross – departmental sustainable development team, is tasked with implementing mitigation strategies. This clear governance structure ensures effective oversight and execution of climate-related initiatives.

Strategy

Climate change presents two primary risks to the Group. Transition risks stem from changing consumer preferences favouring low-emission alternatives, which may require substantial capital for equipment upgrades and process improvements, driving up operational costs. Physical risks, as indicated by the Hong Kong Observatory's data on increasing extreme weather events (such as typhoons and heavy rainstorms), threaten supply chain stability, asset integrity, and employee safety.

In response, the Group has embedded low-carbon transformation into its long-term strategy. This includes phasing out high-emission equipment, investing in energy efficient assets and new energy transportation, developing low-carbon products and services, and establishing emergency plans to safeguard business continuity during extreme weather.

Risk Management

The Group has integrated climate-related risk management into its overall risk management framework, which encompasses a systematic process of identification, evaluation, and management. Risks are identified by linking them to business objectives and assigning ownership, evaluated through likelihood and impact analysis, and managed via mitigation strategies such as typhoon/black rainstorm guidelines. Regular updates on climate risks are communicated to the Board, with key metrics monitored to ensure effectiveness.

Metrics and Targets

The Group focuses on key metrics to track progress. Its primary GHG related goals are to reduce the intensity of GHG emissions and to support Hong Kong's ambition of achieving carbon neutrality by 2050. These targets guide the Group's efforts in monitoring and improving its environmental performance over time, ensuring alignment with broader sustainability objectives.

The Group is also committed to reducing GHG emissions directly caused by its business operation and employees' activities. The Group's GHG emissions include energy indirect emissions from purchased electricity and electricity used for charging the Group's electric vehicles, and other indirect emissions from methane gas generated at the landfill due to disposal of paper waste, electricity used for processing fresh water and sewage by government departments and employees' business travel.

To reduce GHG emissions, the Group has implemented the following measures:

- Encouraging employees to use public transportation;
- Communicating and educating employees about emission reduction measures through e-mail, posters and internal networks to enhance their environmental responsibility;
- Encouraging the use of video conferencing for online presentations and conferences to avoid unnecessary overseas business travel;
- Adopting energy efficient lighting such as LED; and
- Using electronic systems to substitute paper-based office administration systems to lower paper consumption.

EMPLOYEES' RIGHT

Employment Policies

The Group believes that its competitive strengths are attributed to its experienced and capable employees. The Group adheres to the Employment Ordinance, Minimum Wage Ordinance, Employment of Children Regulations and other relevant laws and regulations in Hong Kong.

The Group has developed a human resources policy with internal promotion and external recruitment to fill positions. The Group prioritises internal promotion over external hiring, and current employees are evaluated for promotion according to their qualification, experience and morality. When there is a need for external recruitment, vacancies will be advertised via public channels, such as social media platforms, newspapers and academic institutions. Recruitment and promotion should be fair and open for all candidates, and cannot be affected by age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation and other factors.

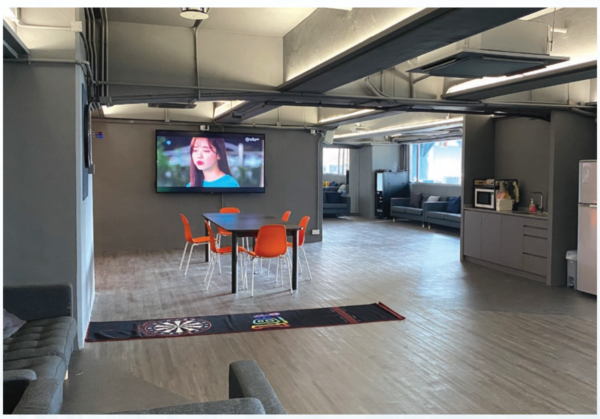
New employees are required to provide their identification documents to the human resources department for checking, so as to prevent child labour. A letter of appointment between the employee and the Group will be issued, in which the date of employment, commencing salary, workdays and working hours are stipulated to avoid forced labour. If child labour or forced labour is discovered, the Group will immediately stop his or her duties and investigate the incident. General employees work five days per week and eight hours per day. Overtime work is not encouraged. However, technical employees, due to their particular job duties, are eligible to claim overtime work upon obtaining an advance permission from the department head and their overtime hours will be compensated in lieu of annual leave. Whenever an employee resigns, the Group will issue a letter of resignation and arrange an interview to understand the reasons for resignation and identify potential problems.

The overall remuneration level is based on employees' performance, qualifications, competence displayed and market level. The Group offers a competitive remuneration package which comprises salaries, commission, contribution to retirement benefit schemes and discretionary bonuses. Salaries are reviewed and adjusted every year. Special year-end bonus may be distributed depending on the Group's profit level and the employees' performance. Promotion is determined through a collective evaluation of the employees' ability, ambition, diligence, experience, qualification, performance, morality and seniority. The Group treats all candidates and employees fairly in recruitment, promotion, transfer, reward and other employment activities.

Welfare and Benefits

The Group strictly complies with laws and regulations regarding employee welfare, including the Mandatory Provident Fund Schemes Ordinance. For employees employed before December 2000, the Retirement Benefits Scheme (ORSO Scheme) applies, while those joining on or after that date are covered by the Bank Consortium Mandatory Provident Fund Plan. All employees are entitled to paid statutory holidays as stipulated. In addition to that, benefits include annual leave, paid sick leave, casual/compassionate leave, marriage leave, birthday leave, and statutory maternity/paternity leave are also provided to our employees. The Group also provide allowances including sickness allowance, communication and travelling allowances, and study allowance.

In an attempt to improve team collaboration, working efficiency and team cohesion, create community and encourage connections, promote wellness and healthy living, and encourage a culture of work-life balance, the Group has set up a recreation centre for its employees with video watch equipment, a coffee place, game area and exercise machines. To further boost the employees' morale, recognise their contributions and provide networking opportunities, the Group has also organised an annual dinner and corporate picnic during the Year.



Development and Training

To promote the growth and development of employees, the Group devises training programme and plans for employees on an annual basis. The Group provides employees with internal training courses and encourages employees to attend external talks and seminars to enrich their job-related knowledge. To encourage employees to pursue continuing education and training, employees can apply to the Group for education allowance. When new products are launched, product training sessions are offered to technical employees, such as programmers and engineers. During the Year, the Group invited its major suppliers to provide technical employees with product training, such as training on integrated systems portfolio overview and certification, best practices for merging AV and IT systems, wireless basics and networking for AV professionals. Upon completing the training sessions, employees have also obtained certifications from the suppliers.

Occupational Safety and Health

The Group attaches great importance to the safety and health of the employees. The Group complies with relevant laws and regulation, including but not limited to the Occupation Safety and Health Ordinance. To maintain a safe working environment and minimise injuries and illnesses, the management is responsible for providing and maintaining a safe working environment. The Group has established an internal policy for reporting hazards, injuries and illnesses. The Group responds to all reports of unsafe and unhealthy working environment. Also, safety procedures were in place for identified dangerous work and potential risks. Employees are provided with necessary personal protective equipment to protect them from injuries and informed about the injury and illness statistics and other safety-related issues to increase their awareness of such issues. The Group strictly prohibits smoking on work premises, and arranges rescue, fire and evacuation rills regularly. To improve the indoor air quality, filters of air conditioners are regularly cleaned and green plants are placed in the office area.

During the Year, no lost day due to work injuries was reported. Also, there was no work-related fatality for the past 3 years.

OPERATION MANAGEMENT

Supply Chain Management

The Group's main suppliers are manufacturers of VCMA equipment. The quality of products from the suppliers directly affects the service quality of the Group. To increase efficiency and maintain the incoming product quality, the Group evaluates and manages supply chain on an open and fair basis.

For potential suppliers, the Group will ensure that they are in compliance with all laws and regulation relating to anti-corruption, employment, and health and safety. Also, the Group valuates the suppliers' product quality, delivery, production capacity, compliance and other factors during the supplier selection process. Only suppliers that meet the criteria may be added to the list of qualified suppliers

To meet the quality requirements and demands of customers as well as keeping pace with the latest equipment and technology, we conduct annual monitoring and evaluation on the performance of existing suppliers. If the products supplied are found to be defective on arrival, the Group will negotiate with the suppliers and arrange for returns. In respect of the outsourced projects, the Group will closely monitor the subcontractors' performance by evaluating their efficiency, service quality, responsiveness to the Group's requests and pricing. To maintain a positive, motivating and competitive environment, the Group continuously explores potential new subcontractors. When a supplier or subcontractor is found to be inconsistent with the Group's policies or contractual requirements, the Group will terminate future cooperation until the situation has been improved.

The Group attaches importance to environmental and social risks in the supply chain. The purchasing department reviews the updates of the supply chain-related policies to ensure the compliance with local policies, laws and regulations, and identifies potential environmental and social risks. To manage the related risks, the Group has implemented green procurement practices and ensured that the suppliers have listed the details on social-related issues in the agreement.

The Group integrates the concept of environmental conservation into its procurement. For example, it considers the environmental impact of those products it procures and gives priority to products that are eco-friendly or with less environmental impacts. We will also remind our employees to prioritise the use of products according to their expiry dates to avoid wastage.

During the Year, the number of suppliers divided by region are as follows:

Number of Suppliers	Year Ended March 2025	Year Ended March 2024
Hong Kong	**266**	317
Mainland China	**7**	4
Macau	**1**	0
Others	**14**	0

Quality Control

The Group places significant emphasis on quality control. Each step in the operating procedures is controlled and monitored to guarantee its adherence to the stringent quality standards. The Group has set up the inventory management system, which standardises the process of product inspection and storage, and has established an internal quality management procedure, which requires products to be tested before being launched. Also, upon completion of the installation work, the Group will further carry out a user acceptance test which generally comprises a series of performance checking to ensure that the installed equipment and installation services provided are up to the standards as agreed with the customers.

During the Year, no product sold or shipped subject was recalled for safety and health reasons.

Customer Service

The Group aims to deliver on-time and professional services. To this end, the Group has developed a customer-oriented service model for achieving customer satisfaction. The Group organises a team of expert engineers and technicians that cater for the various needs of the customers promptly and satisfactorily during the service process. The processes of the Group's service provided are as follows:

i. Initial enquiry with the purpose of understanding customers' needs and budgetary concerns;

ii. Feasibility assessment through on-site visit and evaluation of design and costs;

iii. Issue of quotation for project confirmation;

iv. Delivery and installation of equipment;

v. On-site testing and training provided to customers; and

vi. Ongoing maintenance and after-sales services.

At the beginning of the service, a design proposal concerning recommendations of equipment and descriptions of the features and functions of such equipment is provided for the customers. In certain cases, equipment demonstration is arranged to assist customers to better understand the operation and features of the proposed equipment. Upon customers' request, photos and catalogues of equipment may also be presented for their consideration. The design proposal may be refined multiple times based on the feedback from customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

After the equipment installed comes into operation, the Group will provide the customers with a set of user manuals listing the functions and operational details of the equipment for their future reference. Depending on the customers' needs and requests, the Group provides customers with one to three sessions of free training on daily operation of the equipment so that they can derive all capabilities and are comfortable to use the equipment. The Group monitors, tracks customer feedback and timely addresses potential product quality or safety issues, including recalling the product where considered necessary. Complaints received from customers would be handled and investigated independently.

Furthermore, in order to facilitate project management and allocation of manpower, the Group has established a computerised information management system, containing customers' information, specifications of equipment, tenders and quotations, inventories, invoices issued or received, payment schedules, delivery schedules and installation schedules.

During the Year, the Group did not received any major customer complaints.

Responsible Advertising

The Group carries out marketing activities generally through its website and advertisements in magazines. In line with the Trade Descriptions Ordinance, all public sales and marketing information are checked to ensure it complies with laws and regulations relating to advertisement and labelling and are not false or misleading in any way.

During the Year, no cases of violation of the laws of advertising and labelling were observed and there was no record of complaint from customers or violation of the Trade Descriptions Ordinance.

Privacy and Intellectual Property Protection

Protecting the privacy and intellectual property of both customers and the Group is important to the Group's business. The Group strictly follows laws and regulations related to privacy protection, including but not limited to the Personal Data (Privacy) Ordinance. The Group has formulated policies in protecting the confidentiality of the Group, such as inside information. For the protection of inside information, the access of information is restricted to limited employees on a need-to-know basis. To ensure that the employees are fully conversant with their obligations to preserve confidentiality, the Group provides regular training on related policies and procedures. A confidentiality agreement is in place when necessary, in order to ensure the undisclosed information not be leaked. If an employee discloses the Group's trade secrets, he or she will face disciplinary actions such as dismissal for gross misconduct. Also, the Group has taken a series of measures to guarantee information safety of customers, including safeguarding the computer database, and conducting ongoing monitoring and testing of privacy risks.

Apart from privacy protection, the Group also places emphasis on intellectual property protection through abiding by the relevant laws and regulations, including but not limited to the Copyright Ordinance and Trade Marks Ordinance. The Group has established an intellectual property policy setting out the rules for the ownership, protection and exploitation of intellectual property to ensure the benefits of any innovations. When entering into a contract with its suppliers and clients, the Group will specify the proprietary rights, including the use of trademark and tradename, during the period of the agreement. In addition, employees are required to apply for software installation to ensure the use of legitimate software and avoid infringement of others' intellectual property rights.

During the Year, no cases of violation of the laws of privacy and intellectual property were observed.

Anti-corruption

The Group abides by the laws and regulations relating to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance, and takes a zero-tolerance approach towards corruption and bribery. To prevent the occurrence of bribery, the Group has adopted the anti-corruption policy and whistle-blowing policy. The whistle-blowing policy provides employees with guidelines and specific email for reporting on fraud, malpractice or inappropriate behaviour. Also, the Group has provided employees with guidelines related to gifts and gratuities receiving and giving. Under no circumstances may any employee accept or offer gifts, gratuities or other benefits to or from outside parties for any transactions not authorised by the Group. An employee who breaches the anti-corruption policy will face disciplinary actions, which could result in dismissal for gross misconduct.

For projects obtained through tender, employees are prohibited from communicating with any individual other than the customer about the amount of any tender or otherwise collude with any other person to adjust the amount of any tender. During the Year, no corruption cases or internal whistle-blowing cases were recorded during our operation. The Group has included anti-corruption information for all employees during the quarterly meeting in the Year to enhance their awareness of corruption risks and corruption prevention.

COMMUNITY CONTRIBUTION

Apart from focusing on its business development, the Group also proactively fulfills its social responsibility through community contribution. Our executive Director, Mr. Tong Sai Wong, has been appointed as a director of Charles K. Kao Foundation for Alzheimer's Disease Limited since 2010, dedicating his efforts to helping those patients suffering from Alzheimer's disease.

In addition, the Group actively encourages employees to participate in public welfare events and volunteering activities, so as to make contribution to the community. During the Year, the Group's community investment does not involve resource contribution.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX: SUMMARY OF ENVIRONMENTAL AND SOCIAL KPIS

Environmental Indicators	Year Ended March 2025	Year Ended March 2024
Air Emissions[1]		
Nitrogen oxides (kg)	–	–
Sulphur oxides (kg)	–	–
Particulate matters (kg)	–	–
GHG Emissions[2]		
Total GHG emissions (tonnes of carbon dioxide equivalent)	70	78
GHG emissions intensity (tonnes of carbon dioxide equivalent/employee)	1.27	1.10
Scope 1 – Direct emissions (tonnes of carbon dioxide equivalent)	–	–
Scope 2 – Energy indirect emissions[3] (tonnes of carbon dioxide equivalent)	65	66
Scope 3 – Other indirect emissions[4] (tonnes of carbon dioxide equivalent)	5	12
Waste		
Total non-hazardous waste generated[5] (kg)	1,375	1,775
Non-hazardous waste intensity (kg/employee)	25.00	25.00
Total hazardous waste generated[6] (kg)	32	58
Hazardous waste intensity (kg/employee)	0.58	0.82
Use of Resources[7]		
Total energy consumption (MWh)	169	169
Energy consumption intensity (MWh/employee)	3.07	2.38
Direct energy consumption[8] (MWh)	–	–
Indirect energy consumption[9] (MWh)	169	169
Total water consumption[10] (m^3)	129	121
Water consumption intensity (m^3/employee)	2.34	1.70

1 The emission factors used are based on the Appendix II "Reporting Guidance on Environmental KPIs" ("**Appendix II**") published by the Stock Exchange. The Group has replaced all old combustion engine vehicles with electric vehicles and therefore does not emit any air pollutants.

2 GHG emissions are calculated in accordance with the Appendix II published by the Stock Exchange, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and are presented in tonnes of carbon dioxide equivalent for easy reading and understanding.

3 The data includes the GHG emissions from purchased electricity and electricity used for electric vehicles charging. Due to the Group's vehicles fully converted to electric vehicles, the electricity used for electric vehicles charging is included and calculated through dividing the mileage driven by the vehicles' efficiency. The conversion factors used for the vehicle charging volume calculation are from Tesla Inc, while the emission factor used is from the 2024 Sustainability Report published by CLP Holdings Limited.

4 The Group considered emissions from water treatment, disposal of paper waste and business air travel by employees as its other indirect emissions with reference to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The emission factors for water treatment and disposal of paper waste are provided by the Water Supplies Department and the Drainage Services Department and Appendix II published by the Stock Exchange. The calculation method of greenhouse gas emissions from business travel by employees refer to the Carbon Emission Calculator issued by the International Civil Aviation Organisation (ICAO).

5 The Group's non-hazardous waste is estimated based on its daily office operation situation.

6 The Group's hazardous waste is calculated based on the actual amount of the waste.

7 Due to the business nature, the Group does not involve any product packaging.

8 Fuel consumption of vehicles is calculated based on the actual consumption. The Group has replaced its combustion engine vehicle with an electric vehicle hence no fuel consumption.

9 The data includes purchased electricity and electricity used for electric vehicles charging. Due to the Group's vehicles fully converted to electric vehicle, the electricity used for electric vehicles charging is included and calculated through dividing the mileage driven by the vehicles' efficiency. The purchased electricity is calculated based on the actual amount consumed. The conversion factors used for the vehicle charging volume calculation are from Tesla Inc.

10 Water consumption is calculated based on the actual amount consumed.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Indicators[11]	Year Ended March 2025	Year Ended March 2024
Number of Employees		
Total employees	**55**	71
By gender		
Male	**37**	48
Female	**18**	23
By employment type		
Full-time	**52**	71
Part-time	**3**	0
By age group		
Aged below 30	**12**	19
Aged 30 to 50	**30**	40
Aged above 50	**13**	12
By geographical region		
Hong Kong	**53**	69
Mainland China	**1**	1
Singapore	**1**	1
Employee Turnover Rate	**%**	**%**
Overall turnover rate	**49**	49
By gender		
Male	**54**	52
Female	**39**	43
By age group		
Aged below 30	**77**	78
Aged 30 to 50	**37**	47
Aged above 50	**48**	19
By geographical region		
Hong Kong	**51**	50
Mainland China	**–**	–
Singapore	**–**	–
Average Hours of Training per Employee and Percentage of Employees who Received Training	**Hours (%)**	**Hours (%)**
Overall average training hours (percentage of trained employees)	**3 (13)**	6 (20)
By gender		
Male	**4 (16)**	8 (27)
Female	**1 (6)**	1 (4)
By employee category		
Senior	**9 (25)**	6 (19)
Middle	**2 (14)**	4 (13)
Junior	**0 (4)**	7 (23)

[11] The social KPIs are calculated in accordance with the Appendix III "Reporting Guidance on Social KPIs" published by the Stock Exchange.

CONTENT INDEX OF ESG REPORTING GUIDE

KPI	Description	Chapters	Page No.
Environment			
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Emission Management; Waste Management	45-46
KPI A1.1	The types of emissions and respective emissions data.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A1.2	Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A1.5	Description of emissions target set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Emission Management	45-46
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Waste Management	45-46
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Use of Resources	45, 47
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A2.2	Water consumption in total and intensity.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI A2.3	Description of energy use efficiency target set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Use of Resources	45, 47

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI	Description	Chapters	Page No.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Environmental Goals and Progress; Use of Resources	45, 47
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	APPENDIX: Summary of Environmental and Social KPIs	54-55
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL PROTECTION – Use of Resources; Responding to Climate Change	47-48
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Use of Resources; Responding to Climate Change	47-48
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENTAL PROTECTION – Responding to Climate Change	47-48
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Responding to Climate Change	47-48
Social			
Employment and Labour Practices			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	EMPLOYEES' RIGHT – Employment Policies; Welfare and Benefits	48-49
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX: Summary of Environmental and Social KPIs	54-55

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI	Description	Chapters	Page No.
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYEES' RIGHT – Occupational Safety and Health	50
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	EMPLOYEES' RIGHT – Occupational Safety and Health	50
KPI B2.2	Lost days due to work injury.	EMPLOYEES' RIGHT – Occupational Safety and Health	50
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYEES' RIGHT – Occupational Safety and Health	50
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	EMPLOYEES' RIGHT – Development and Training	50
KPI B3.1	The percentage of employees trained by gender and employee category.	APPENDIX: Summary of Environmental and Social KPIs	54-55
KPI B3.2	The average training hours completed per employee by gender and employee category.	APPENDIX: Summary of Environmental and Social KPIs	54-55
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	EMPLOYEES' RIGHT – Employment Policies	48-49
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYEES' RIGHT – Employment Policies	48-49
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	EMPLOYEES' RIGHT – Employment Policies	48-49

KPI	Description	Chapters	Page No.
Operating Practices			
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	OPERATION MANAGEMENT – Supply Chain Management	50-51
KPI B5.1	Number of suppliers by geographical region.	OPERATION MANAGEMENT – Supply Chain Management	50-51
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	OPERATION MANAGEMENT – Supply Chain Management	50-51
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	OPERATION MANAGEMENT – Supply Chain Management	50-51
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	OPERATION MANAGEMENT – Supply Chain Management	50-51
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	OPERATION MANAGEMENT – Quality Control; Customer Service; Responsible Advertising; Privacy and Intellectual Property Protection	51-52
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	OPERATION MANAGEMENT – Quality Control	51
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	OPERATION MANAGEMENT – Customer Service	51-52
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	OPERATION MANAGEMENT – Privacy and Intellectual Property Protection	52
KPI B6.4	Description of quality assurance process and recall procedures.	OPERATION MANAGEMENT – Quality Control; Customer Service	51-52
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	OPERATION MANAGEMENT – Privacy and Intellectual Property Protection	52

KPI	Description	Chapters	Page No.
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	OPERATION MANAGEMENT – Anti-corruption	53
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	OPERATION MANAGEMENT – Anti-corruption	53
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	OPERATION MANAGEMENT – Anti-corruption	53
KPI B7.3	Description of anti-corruption training provided to directors and staff.	OPERATION MANAGEMENT – Anti-corruption	53
Community			
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	COMMUNITY CONTRIBUTION	53
KPI B8.1	Focus areas of contribution.	COMMUNITY CONTRIBUTION	53
KPI B8.2	Resources contributed to the focus area.	COMMUNITY CONTRIBUTION	53

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF i-CONTROL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of i-Control Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 64 to 130, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the 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 issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

IMPAIRMENT OF TRADE RECEIVABLES AND CONTRACT ASSETS

Refer to note 20 to the consolidated financial statements and the accounting policies on pages 84 to 86.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2025, the Group had trade receivables and contract assets of approximately HK$20,330,000 which are significant to the consolidated financial statements. We have identified the impairment of trade receivables and contract assets as a key audit matter because the carrying amount of trade receivables and contract assets is significant to the consolidated financial statements and the provision of expected credit loss ("**ECL**") involves significant judgements and estimates on internal credit ratings and selection of forward-looking information.	Our audit procedures were designed to review management's assessment and judgement in determining credit loss allowance by grouping of debtors into different categories in provision matrix. We also reviewed the provision matrix based on the individual groups of debtor's default rates and forward-looking information. We have also challenged the reasonableness of estimation and assessed the appropriateness of the input data used by the management in the calculation of the ECL.

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, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- 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 of the Company.

- Conclude on the appropriateness of the Company's 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Hon Kei, Anthony.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591

Hong Kong
20 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2025

	Notes	**2025 HK$'000**	2024 HK$'000 (Restated)
Continuing operations			
Revenue	*7*	**122,223**	121,876
Cost of sales		**(81,422)**	(78,237)
Staff cost		**(33,549)**	(34,294)
Depreciation		**(3,167)**	(3,133)
Other income and net gain (loss)	*7*	**643**	(692)
Impairment losses on trade receivables and contract assets	*20*	**–**	(716)
Impairment loss on loan to an investee	*18*	**(6,933)**	(752)
Other operating expenses		**(9,173)**	(7,774)
Finance costs	*9*	**(710)**	(988)
Loss before taxation from continuing operations		**(12,088)**	(4,710)
Income tax (expenses) credit	*10*	**(106)**	23
Loss for the year from continuing operations	*12*	**(12,194)**	(4,687)
Discontinued operation			
Loss for the year from discontinued operation, net of taxation	*11*	**(6,620)**	(9,641)
Loss for the year		**(18,814)**	(14,328)
Other comprehensive (expenses) income			
Item that will not be reclassified subsequently to profit or loss:			
Net change in fair value of financial asset at fair value through other comprehensive income ("**FVTOCI**")		**(6,634)**	(7,076)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**1,079**	(619)
		(5,555)	(7,695)
Total comprehensive expenses for the year		**(24,369)**	(22,023)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2025

	2025 HK$'000	2024 HK$'000 (Restated)
Loss for the year attributable to owners of the Company:		
– from continuing operations	(12,193)	(4,686)
– from discontinued operation	(6,126)	(8,196)
	(18,319)	(12,882)
Loss for the year attributable to non-controlling interests:		
– from continuing operations	(1)	(1)
– from discontinued operation	(494)	(1,445)
	(495)	(1,446)
	(18,814)	(14,328)
Other comprehensive (expenses) income for the year attributable to owners of the Company:		
– from continuing operations	(6,618)	(7,144)
– from discontinued operation	901	(485)
	(5,717)	(7,629)
Other comprehensive (expenses) income for the year attributable to non-controlling interest:		
– from continuing operations	–	(1)
– from discontinued operation	162	(65)
	162	(66)
	(5,555)	(7,695)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2025

	Note	**2025 HK$'000**	2024 HK$'000 (Restated)
Total comprehensive expenses for the year attributable to owners of the Company:			
– from continuing operations		**(18,811)**	(11,830)
– from discontinued operation		**(5,225)**	(8,681)
		(24,036)	(20,511)
Total comprehensive expenses for the year attributable to non-controlling interest:			
– from continuing operations		**(1)**	(2)
– from discontinued operation		**(332)**	(1,510)
		(333)	(1,512)
		(24,369)	(22,023)
Loss per share	*13*		
From continuing and discontinued operations			
Basic and diluted		**HK (1.74) cents**	HK (1.23) cents
From continuing operations			
Basic and diluted		**HK (1.16) cents**	HK (0.45) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property and equipment	16	**74,603**	78,916
Intangible assets	17	**–**	6,562
Financial assets at FVTOCI	18	**–**	6,634
Deferred tax assets	26	**980**	955
		75,583	93,067
Current assets			
Inventories	19	**3,315**	9,960
Trade receivables and contract assets	20	**20,330**	39,496
Prepayments, deposits and other receivables	21	**2,830**	4,099
Loan to an investee	18	**–**	6,801
Tax recoverables		**606**	905
Bank balances and cash	22	**48,829**	35,819
		75,910	97,080
Current liabilities			
Trade payables	23	**9,212**	12,237
Other payables and accruals	24	**13,096**	19,892
Lease liabilities	27	**–**	602
Bank borrowings	25	**10,239**	14,335
		32,547	47,066
Net current assets		**43,363**	50,014
Total assets less current liabilities		**118,946**	143,081
Non-current liabilities			
Deferred tax liabilities	26	**1,736**	1,616
Lease liabilities	27	**–**	691
		1,736	2,307
Net assets		**117,210**	140,774

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Capital and reserves			
Share capital	28	10,505	10,505
Reserves		106,705	130,729
Total equity attributable to equity shareholders of the Company		117,210	141,234
Non-controlling interests		–	(460)
Total equity		117,210	140,774

The consolidated financial statements on pages 64 to 130 were approved and authorised for issue by the board of directors on 20 June 2025 and are signed on its behalf by:

Wong King Keung
Director

Chan Wing Yiu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2025

	Attributable to the equity shareholders of the Company											
	Share capital HK$'000	Shares held under share award scheme HK$'000	Share premium HK$'000	Merger reserve HK$'000 *(note 29)*	Employee share-based compensation reserve HK$'000	Translation reserve HK$'000 *(note 29)*	Statutory surplus reserve HK$'000 *(note 29)*	Investment revaluation reserve HK$'000 *(note 29)*	Retained profits HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2024	**10,505**	**(3)**	**24,669**	**10,817**	**799**	**(1,089)**	**208**	**(1,952)**	**97,280**	**141,234**	**(460)**	**140,774**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,319)**	**(18,319)**	**(495)**	**(18,814)**
Other comprehensive expenses for the year:												
Net change in fair value of financial asset at FVTOCI	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,634)**	**–**	**(6,634)**	**–**	**(6,634)**
Exchange differences arising on translating foreign operations	**–**	**–**	**–**	**–**	**–**	**917**	**–**	**–**	**–**	**917**	**162**	**1,079**
Total comprehensive expenses for the year	**–**	**–**	**–**	**–**	**–**	**917**	**–**	**(6,634)**	**(18,319)**	**(24,036)**	**(333)**	**(24,369)**
Equity-settled share-based payment transactions *(note 32)*	**–**	**3**	**–**	**–**	**9**	**–**	**–**	**–**	**–**	**12**	**–**	**12**
Lapse of share options *(note 32)*	**–**	**–**	**–**	**–**	**(808)**	**–**	**–**	**–**	**808**	**–**	**–**	**–**
Deregistration of subsidiaries	**–**	**–**	**–**	**–**	**–**	**9**	**–**	**–**	**(9)**	**–**	**(135)**	**(135)**
Disposal of subsidiaries *(note 33)*	**–**	**–**	**–**	**–**	**–**	**–**	**(208)**	**8,586**	**(8,378)**	**–**	**928**	**928**
At 31 March 2025	**10,505**	**–**	**24,669**	**10,817**	**–**	**(163)**	**–**	**–**	**71,382**	**117,210**	**–**	**117,210**
At 1 April 2023	10,505	(43)	42,528	10,817	678	(536)	208	5,124	110,162	179,443	1,052	180,495
Loss for the year	–	–	–	–	–	–	–	–	(12,882)	(12,882)	(1,446)	(14,328)
Other comprehensive expenses for the year:												
Net change in fair value of financial asset at FVTOCI	–	–	–	–	–	–	–	(7,076)	–	(7,076)	–	(7,076)
Exchange differences arising on translating foreign operations	–	–	–	–	–	(553)	–	–	–	(553)	(66)	(619)
Total comprehensive expenses for the year	–	–	–	–	–	(553)	–	(7,076)	(12,882)	(20,511)	(1,512)	(22,023)
Equity-settled share-based payment transactions *(note 32)*	–	40	–	–	121	–	–	–	–	161	–	161
2023 special dividend paid *(note 15)*	–	–	(12,606)	–	–	–	–	–	–	(12,606)	–	(12,606)
2023 final dividend paid *(note 15)*	–	–	(5,253)	–	–	–	–	–	–	(5,253)	–	(5,253)
At 31 March 2024	10,505	(3)	24,669	10,817	799	(1,089)	208	(1,952)	97,280	141,234	(460)	140,774

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	(18,708)	(14,351)
Adjustments for:		
Bank interest income	(288)	(51)
Depreciation	3,461	3,781
Amortisation	495	1,197
Finance costs	720	1,037
Impairment losses on trade receivables and contract assets	–	716
Impairment loss on loan to an investee	6,933	752
Impairment losses on intangible assets	–	3,155
Impairment loss on amount due from a former subsidiary	701	–
Loss on disposal of subsidiaries	3,332	–
Unrealised exchange (gain) losses	(135)	448
Equity-settled share-based payment transactions *(note 32)*	12	161
Operating cash flows before movements in working capital	(3,477)	(3,155)
Decrease in inventories	6,645	9,860
Decrease in trade receivables and contract assets	17,007	9,401
Increase in prepayments, deposits and other receivables	(139)	(1,252)
Decrease in trade payables	(1,076)	(3,013)
(Decrease) increase in other payables and accruals	(1,189)	126
Cash generated from operations	17,771	11,967
Income taxes refund	700	32
Income taxes paid	(412)	(1,437)
NET CASH FROM OPERATING ACTIVITIES	18,059	10,562
INVESTING ACTIVITIES		
Bank interest received	288	51
Net cash inflow on disposal of subsidiaries *(note 33)*	58	–
Acquisitions of property and equipment	(206)	(583)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	140	(532)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2025

	2025 HK$'000	2024 HK$'000
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(4,096)**	(4,096)
Interest paid	**(710)**	(988)
Capital element of repayment of lease liabilities	**(236)**	(552)
Interest element of repayment of lease liabilities	**(10)**	(49)
Dividend paid	**–**	(17,859)
NET CASH USED IN FINANCING ACTIVITIES	**(5,052)**	(23,544)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**13,147**	(13,514)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**35,819**	49,437
Effect of foreign exchange rate changes	**(137)**	(104)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Represented by bank balances and cash	**48,829**	35,819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i-Control Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 21 August 2014 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered office of the Company is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its headquarters and principal place of business in Hong Kong is Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The Company's shares ("**Shares**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). During the year ended 31 March 2025, the immediate holding company was changed from Phoenix Time Holdings Limited, incorporated in the British Virgin Islands (the "**BVI**"), to Luxurious Bay Capital Limited, incorporated in the BVI. The ultimate holding companies were changed from Phoenix Time Holdings Limited to Knight Sky Holdings Limited and Newmark Group Limited, both incorporated in the BVI. The ultimate controlling parties were changed from Mr. Zhong Naixiong to Mr. Cheng Kai Ming Charles and Dr. Wong King Keung.

The Company is engaged in investment holding while its principal subsidiaries are principally engaged in provision of video conferencing and multimedia audiovisual ("**VCMA**") solution and maintenance services. An operating segment regarding the provision of cloud-based Information Technology and Operational Technology ("**IT+OT**") managed services was discontinued during the year ended 31 March 2025, details of which are further described in note 11.

In accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the financial results of this segment for the years ended 31 March 2025 and 2024 were presented as a loss for discontinued operation in the Group's consolidated statement of profit or loss. Certain comparative amounts of the provision of cloud-based IT+OT managed services segment have been restated to conform with current year presentation.

Items included in the financial statements of each of the Company and its subsidiaries (collectively referred to as the "**Group**") are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollars (the "**HK$**" or "**HKD**"), which is the Company's functional and presentation currency. Other than the subsidiaries established in the People's Republic of China (the "**PRC**") and Singapore whose functional currency is Renminbi ("**RMB**") and Singapore dollar ("**SGD**") respectively, the functional currency of the Company and other subsidiaries is HK$.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning on 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

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

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 Effective for annual periods beginning on or after a date to be determined

The directors of the Company (the "**Directors**") anticipate that except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values, at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRS Accounting Standards).

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

- The Group's performance creates and enhances an asset that the customer controls as the asset is created and enhanced; or

- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Warranties

If a customer has the option to purchase a warranty separately, the Group accounts for the warranty as a separate performance obligation and allocates a portion of the transaction price to that performance obligation.

If a customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" unless the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications (i.e. service-type warranties).

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

For service-type warranties, the promised service is a performance obligation. In that case, the Group allocates a portion of the transactions price to the warranty.

Contract assets and contract liabilities

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from the following major sources:

- Provision of VCMA solution services

- Provision of VCMA maintenance services

- Provision of Artificial Intelligence of Things ("**AIoT**") operation and other services

- Provision of security services

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contract assets and contract liabilities (Continued)

(i) Provision of VCMA solution services

Revenue from provision of VCMA solution services comprised two performance obligations (i.e. sales of goods and provision of installation service). Sale of goods is recognised at the point when the control of the products is transferred to the customers (generally on delivery of products). Revenue from the service rendered is recognised at a point in time when service is rendered to customers with customer's acceptance.

(ii) Provision of VCMA maintenance services

Revenue from provision of VCMA maintenance services is recognised over time on a straight-line basis over the contract period.

(iii) Provision of AIoT operation and other services

Revenue from provision of AIoT operation and other services comprised three performance obligations (i.e. sales of goods, provision of system development service and provision of maintenance service). Sale of goods is recognised at the point when the control of the products is transferred to the customers (generally on delivery of products). Revenue from provision of system development service rendered is recognised at a point in time when service is rendered to customers with customer's acceptance. Revenue from provision of maintenance service rendered is recognised over time on a straight-line basis over the contract period.

(iv) Provision of security services

Revenue from provision of security services comprised two performance obligations (i.e. sales of goods and provision of installation service). Sale of goods is recognised at the point in time when the control of the products is transferred to the customers (generally on delivery of products). Revenue from provision of security service is recognised at a point in time when service is rendered to customers with customer's acceptance.

Government grants

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

Property and equipment

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

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

Right-of-use asset for property is depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible assets arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible assets and use or sell it;
- the ability to use or sell the intangible assets;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible assets during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Lease liability

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate;

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use asset in "property and equipment" in the consolidated statements of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments, including any lump-sum upfront payments, are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statements of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

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

Equity-settled share-based payment transactions

Share options granted to employees under the share option scheme and share award scheme

The fair value of services received determined by reference to the fair value of share options granted at the date of grants is expected on a straight-line basis over the vesting period, with a corresponding increase in equity (employee share-based compensation reserve).

At the end of the reporting period, the Group reviews its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to employee share-based compensation reserve.

When share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will continue to be held in employee share-based compensation reserve.

Share awards granted to employees under the share award scheme

The fair value of services received determined by reference to the fair value of share awards granted at the date of grants is expected on a straight-line basis over the vesting period, with a corresponding increase in equity (shares held under share award scheme).

At the end of the reporting period, the Group reviews its estimates of the number of share awards that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that cumulative expense reflects the revised estimate, with a corresponding adjustment to shares held under share award scheme.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Retirement benefits costs

Payments to state-managed retirement benefit schemes, schemes established under Occupational Retirement Scheme Ordinance and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contribution.

Taxation

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

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments.

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and FVTOCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Amortised cost and effective interest method (Continued)

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and it included in the “Other income and net gain (loss)” line item (note 7).

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income/revaluation reserve.

Dividends from investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated individually of debtors with significant balances and/or collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes various external sources of actual and forecast economic information that relate to the Group's operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Significant increase in credit risk

Despite the foregoing, the Group assumes that the credit risk on a financial instrument have not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

To the best knowledge of the Directors, sizeable clients normally have more stringent internal procedure and would require a longer period of time to go through their own internal procedures before they could make payment to us. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 12 months past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Generally, the expected credit loss is estimated 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, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities subsequently measured at amortised cost (Continued)

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position

Impairment losses on property and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets 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 and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generation units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value-in-use, the estimated future cash flows 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 a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on property and equipment, right-of-use assets and intangible assets (Continued)

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 cash-generating units, 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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

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

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of tangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, 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.

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

Estimated impairment of property and equipment and intangible assets

Property and equipment are depreciated and intangible assets are amortised on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual value and the useful life of the property and equipment and intangible assets and if the expectation differs from the original estimate, such a difference may impact the depreciation or amortisation in the year and the estimate will be changed in the future period.

The Group determines whether the property and equipment and intangible assets are impaired whenever there is indication of impairment presented. The impairment loss for property and equipment and intangible assets are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of property and equipment have been determined based on higher of the fair value less costs of disposal and value-in-use calculations. These calculations require the use of judgements and estimations. As at 31 March 2025, the carrying values of property and equipment were approximately HK$74,603,000 (2024: HK$78,916,000) and intangible assets were nil (2024: HK$6,562,000). During the year ended 31 March 2024, impairment losses of approximately HK$3,155,000 (2025: nil) have been recognised for intangible assets. No impairment losses have been recognised for certain property and equipment and right-of-use assets to the relevant CGUs for the years ended 31 March 2025 and 2024.

Estimated provision for write-down of inventories

The management of the Group reviews an ageing analysis at the end of each reporting period and makes provision for obsolete and slow-moving items identified that are no longer suitable for sale or use. The Group makes provision for write-down of inventories based on the assessment of the net realisable value. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 March 2025, the carrying amount of inventories of the Group was approximately HK$3,315,000 (2024: HK$9,960,000), net of accumulated provision for write-down of inventories of approximately HK$2,551,000 (2024: HK$2,551,000). No provision for write-down of inventories was recognised for the years ended 31 March 2025 and 2024.

Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

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4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

Impairment of trade receivables and contract assets (Continued)

As at 31 March 2025, the carrying amount of trade receivables and contract assets were approximately HK$19,721,000 (2024: HK$38,950,000) and HK$609,000 (2024: HK$546,000) respectively. During the year ended 31 March 2025, impairment loss of trade receivables and contract assets of nil (2024: approximately HK$698,000) and nil (2024: approximately HK$18,000) were recognised respectively.

Impairment of loan to an investee

The impairment provision for loan to an investee is based on assumptions about ECL. The Group uses judgement in determinating the ECL, based on industry average, adjusted as appropriate to reflect current conditions and estimates of future economic conditions at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 March 2025, the financial conditions of the investee was changed, resulting in an impairment in its ability to make payments. The Group has adopted various measures in recovering the loan to an investee including negotiation with the investee and conducting legal proceedings against the investee. Impairment on loan to an investee was considered necessary with significant financial difficulty of the investee.

At as 31 March 2025, the carrying amount of loan to an investee was nil (2024: approximately HK$6,801,000). During the year ended 31 March 2025, impairment loss of loan to an investee of approximately HK$6,933,000 (2024: HK$752,000) was recognised.

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the bank borrowings disclosed in note 25, net of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the redemption of borrowings.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Financial assets at amortised cost	**68,771**	82,234
Financial asset at FVTOCI	**–**	6,634
	68,771	88,868
Financial liabilities		
Financial liabilities at amortised cost	**25,322**	36,782

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTOCI, trade receivables, deposits and other receivables, loan to an investee, bank balances and cash, trade payables, other payables and accruals and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group's exposure to foreign currency risk relates principally to its trade receivables, bank balances and trade payables denominated in foreign currencies other than the functional currency of relevant group entity.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK$'000	2024 HK$'000	2025 HK$'000	2024 HK$'000
United States dollar ("**USD**")	**975**	753	**1,606**	1,919
Euro ("**EUR**")	**35**	34	**30**	30

The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The Group is mainly exposed to the currency risk of USD and EUR.

As HK$ is pegged to USD, the Directors do not expect any significant movements in the USD/HKD exchange rate.

Management of the Group considers the currency risk of the Group is insignificant for the years ended 31 March 2025 and 2024, hence no sensitivity analysis is presented.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (note 25). It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk. Cash flow interest rate risk in relation to variable-rate bank balances (note 22) is considered insignificant as all of them are short-term in nature.

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A 50 (2024: 50) basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower for the year ended 31 March 2025 and all other variables were held constant, the Group's post-tax profit would decrease/increase by approximately HK$43,000 (2024: HK$60,000). This is mainly attributable to the Group's exposure to cash flow interest rate risk on its variable-rate bank borrowings.

Equity price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTOCI for the year ended 31 March 2024. For unquoted equity securities designated as FVTOCI, the investees are mainly operating in software and information technology service industry sector. In addition, the Group has monitored the price risk and considered hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks for the year ended 31 March 2024.

If the prices of the respective equity instruments had been 10% higher/lower, investment valuation reserve would increase/decrease by approximately HK$663,000 for the Group as a result of the net changes in fair value of equity investment at FVTOCI.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 March 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from bank balances and cash, trade receivables and contract assets, deposits and other receivables and loan to an investee. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL individually for debtors with significant balances and/or collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

For other non-traded related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's exposure to credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Internal credit rating	12-month or lifetime ECL	As at 31 March 2025 Gross carrying amount HK$'000	As at 31 March 2025 Net carrying amount HK$'000
Trade receivables	*Note i*	Lifetime ECL (simplified approach)	20,419	19,721
Deposits and other receivables	Performing *(note ii)*	12-month ECL	221	221
Amount due from a former subsidiary *(note 21)*	Default *(note iii)*	Lifetime ECL – credit impaired	701	–
Bank balances and cash	Performing *(note ii)*	12-month ECL	48,829	48,829
			70,170	68,771
Contract assets	*Note i*	Lifetime ECL (simplified approach)	627	609

	Internal credit rating	12-month or lifetime ECL	As at 31 March 2024 Gross carrying amount HK$'000	As at 31 March 2024 Net carrying amount HK$'000
Trade receivables	*Note i*	Lifetime ECL (simplified approach)	39,648	38,950
Deposits and other receivables	Performing *(note ii)*	12-month ECL	664	664
Loan to an investee	Performing *(note iv)*	Lifetime ECL (simplified approach)	7,553	6,801
Bank balances and cash	Performing *(note ii)*	12-month ECL	35,819	35,819
			83,684	82,234
Contract assets	*Note i*	Lifetime ECL (simplified approach)	564	546

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's exposure to credit risk (Continued)

Note i: For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by ageing of trade receivables and contract assets. Given the strong credit profiles of its customers and historically low default rates, the Group considers the credit risk arising from trade receivables and contract asses to be immaterial as at 31 March 2025 and 2024.

Loss allowance of trade receivables and contract assets of nil (2024: approximately HK$698,000) and nil (2024: approximately HK$18,000) was recognised during the year ended 31 March 2025 respectively.

Note ii: As at 31 March 2025 and 2024, the credit rating of deposit and other receivables and bank balances and cash were performing and the expected loss rate are assessed to be close to zero. Thus, no loss allowance has been made.

Note iii: For the amount due from a former subsidiary, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determine the expected credit loss based on the former subsidiary's current financial position, adjusted for factors that are specific to the former subsidiary, general economic condition of the industry in which the former subsidiary operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. As at 31 March 2025, the amount due from a former subsidiary is assessed as credit impaired due to the financial uncertainty of the former subsidiary. Loss allowance of HK$701,000 was recognised during the year ended 31 March 2025 (2024: nil).

Note iv: For the loan to an investee, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determine the expected credit loss based on industry average, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Loss allowance of approximately HK$6,933,000 (2024: HK$752,000) was recognised during the year ended 31 March 2025.

Included in the Group's trade receivables and contract assets balance as at 31 March 2025, approximately HK$8,677,000 (2024: HK$6,157,000) and HK$9,804,000 (2024: HK$16,975,000), representing approximately 43% (2024: 16%) and 48% (2024: 43%) of the total trade receivables and contract assets were due from the Group's largest customer and the five largest customers respectively. There are no other customers who represent more than 5% of the total trade receivables and contract assets balance as at the end of the reporting periods.

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6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and ensures compliance with terms of loan.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of each reporting period.

	Weighted average interest rate	On demand or within 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2025				
Trade payables	–	9,212	9,212	9,212
Other payables and accruals	–	5,871	5,871	5,871
Bank borrowings	5.69%	10,822	10,822	10,239
		25,905	25,905	25,322

	Weighted average interest rate	On demand or within 1 year HK$'000	Within 1 to 2 year HK$'000	Over 2 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2024						
Trade payables	–	12,237	–	–	12,237	12,237
Other payables and accruals	–	10,210	–	–	10,210	10,210
Bank borrowings	5.99%	15,194	–	–	15,194	14,335
		37,641	–	–	37,641	36,782
Lease liabilities		641	521	189	1,351	1,293

Bank borrowings with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. At 31 March 2025, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK$10,239,000 (2024: HK$14,335,000). Taking into account the Group's financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$10,997,000 (2024: HK$15,849,000).

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Interest rate benchmark reform

As at 31 March 2025, The Group has several Hong Kong Interbank Offered Rate bank loans which may be subject to interest rate benchmark reform. The Group has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the regulators.

(c) Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period, grouped into Level 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	2025 Level 3 HK$'000	2024 Level 3 HK$'000
Financial assets at FVTOCI		
– Unlisted equity investments	**–**	6,634

Reconciliation of Level 3 fair value measurements of financial assets on recurring basis:

	Unlisted equity investments HK$'000
As at 1 April 2023	13,710
Exchange realignment recognised in other comprehensive income	(1,272)
Fair value change through other comprehensive income	(5,804)
As at 31 March 2024 and 1 April 2024	6,634
Fair value change through other comprehensive income *(note 18)*	(6,634)
As at 31 March 2025	–

(d) Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The valuation techniques and inputs used in the fair value measurements of each financial instruments on a recurring basis are set out below:

Financial Instruments	Fair value hierarchy	Fair value as at 31 March 2025 HK$'000	Fair value as at 31 March 2024 HK$'000	Valuation technique	Significant unobservable inputs	Range	Relationship of significant unobservable inputs to fair value
Unlisted equity investments	Level 3	**N/A**	6,634	Cost approach	Discount for lack of control ("**DLOC**")	23.3%	The higher the DLOC, the lower the fair value
					Discount for lack of marketability ("**DLOM**")	20.5%	The higher the DLOM, the lower the fair value

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy for the year ended 31 March 2024, if the DLOC and DLOM to the valuation model were 10% higher/lower while all the other variables were held constant, the carrying amount of the unlisted equity investments would decrease/increase by HK$201,000 and decrease/increase by HK$171,000 respectively.

7. REVENUE AND OTHER INCOME AND NET GAIN (LOSS)

Revenue represents the amounts received and receivable for services rendered in the normal course of business, net of discounts and sales related taxes. Analysis of the Group's revenue and other income and net gain (loss) is as follows:

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations:		
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service line		
– VCMA solution services	104,866	104,613
– VCMA maintenance services	17,357	17,263
	122,223	121,876

Disaggregation of revenue by timing of recognition

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations:		
Timing of revenue recognition		
At a point in time	104,866	104,613
Over time	17,357	17,263
Total revenue from contracts with customers	122,223	121,876

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations:		
Other income and net gain (loss)		
Net exchange gain (loss)	355	(740)
Bank interest income	288	48
	643	(692)

8. SEGMENT INFORMATION

During the year ended 31 March 2025, an operating segment regarding the provision of cloud-based IT+OT managed services was classified as discontinued operation, which are described in more details in note 11. Since then, the Directors consider that there is only one operating and reportable business segment for the Group, being the provision of video conferencing and multimedia audiovisual solutions, and maintenance services. This operating segment is reported in a manner consistent with the information reported to the board of directors, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

(a) Geographical information

The Group's operations are located in Hong Kong (place of domicile), the PRC and Singapore. The Group's customers are mainly located in Hong Kong, the PRC and Macau.

An analysis of the Group's revenue from external customers under continuing operations is presented based on the location of customers as below:

	Revenue from external customers	
	2025	2024
	HK$'000	HK$'000
		(Restated)
Hong Kong (place of domicile)	**120,783**	118,622
The PRC	**341**	1,272
Macau	**705**	1,842
Singapore	**394**	140
	122,223	121,876

The Group's information about its non-current assets, other than those related to discontinued operation, is presented based on location of the assets as below:

	Non-current assets	
	2025	2024
	HK$'000	HK$'000
Hong Kong (place of domicile)	**74,603**	77,577

Note: Non-current assets excluded deferred tax assets and financial assets at FVTOCI.

(b) Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2025	2024
	HK$'000	HK$'000
Customer A	**16,268**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2024.

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9. FINANCE COSTS

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations:		
Interest expenses on bank borrowings	710	988

10. INCOME TAX EXPENSES (CREDIT)

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations:		
Hong Kong Profits Tax:		
– Current year	11	160
– Under provision in prior year	–	18
	11	178
Deferred taxation *(note 26)*	95	(201)
Total income tax expenses (credit) for the year	106	(23)

(i) Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. For the years ended 31 March 2025 and 2024, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

(ii) The Singapore subsidiary is in loss-making position for the current year and accordingly does not have any provision for Singapore Corporate Tax at 17% for the years ended 31 March 2025 and 2024.

(iii) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

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10. INCOME TAX EXPENSES (CREDIT) (Continued)

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

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations		
Loss before taxation	(12,088)	(4,717)
Tax at domestic income tax rate of 16.5% (2024: 16.5%)	(1,995)	(778)
Effect of different tax rate of subsidiaries operating in other jurisdictions	(99)	(23)
Tax effect of two-tiered profits tax rates regime	(17)	(66)
Tax effect of expense not deductible for tax purposes	2,064	1,099
Tax effect of income not taxable for tax purposes	(462)	(403)
Tax effect of tax loss not recognised	618	136
Under provision in prior year	–	18
Tax exemption *(note)*	(3)	(6)
Income tax expenses (credit) for the year	106	(23)

Note: Tax exemption represented: i) a reduction of Hong Kong Profits Tax for the year of assessment 2024/2025 by 100%, subject to a ceiling of HK$1,500 (year of assessment 2023/2024: by 100%, subject to a ceiling of HK$3,000); and ii) Under relevant PRC EIT Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB3 million and thin-profit enterprises with an annual taxable income of RMB1 million or less are applicable to the effective tax rate of 5%. Where their annual taxable income exceeds RMB1 million but does not exceed RMB3 million, the RMB1 million portion will be subject to an effective tax rate of 5%, whereas the excess portion will be subject to the effective tax rate of 10%.

Details of the deferred taxation are set out in note 26.

11. DISCONTINUED OPERATION

In August 2024, the Company entered into a sale and purchase agreement to dispose of (the "**Disposal**") the entire shareholding in its subsidiaries, Perfect Mark Investments Limited ("**Perfect Mark**") and Top Luck Development Limited ("**Top Luck**") (collectively referred as the "**Disposal Companies**") and the receivables in the aggregate amount of approximately HK$36.2 million due by the Disposal Companies to the Group (other than the Disposal Companies and their subsidiaries) (the "**Sale Loan**") at the consideration of HK$100,000 to Amber Strong International Limited, an independent third party. The Disposal was completed on 30 August 2024. Details are further set out in the Company's announcement dated 30 August 2024.

Perfect Mark is an investment holding company and its subsidiary is engaged in provision of cloud-based IT+OT managed services.

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FOR THE YEAR ENDED 31 MARCH 2025

11. DISCONTINUED OPERATION (Continued)

Following the completion of the Disposal, the Group discontinued all its operation in the provision of cloud-based IT+OT managed services. The loss for the period/year from the discontinued operation and the results of the discontinued operation for the year ended 31 March 2025, which had been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2025 **HK$'000**	2024 HK$'000
Loss for the period/year from discontinued operation	**(3,288)**	(9,641)
Loss on disposal of subsidiaries *(note 33)*	**(3,332)**	–
	(6,620)	(9,641)

	2025 **HK$'000**	2024 HK$'000
Revenue	**236**	8,305
Cost of sales	**(127)**	(5,836)
Staff cost	**(2,531)**	(6,240)
Depreciation and amortisation	**(789)**	(1,845)
Impairment losses on intangible assets	**–**	(3,155)
Other income	**76**	15
Other operating expenses	**(143)**	(836)
Finance costs	**(10)**	(49)
Loss before taxation	**(3,288)**	(9,641)
Income tax expense	**–**	–
Loss for the period/year from discontinued operation	**(3,288)**	(9,641)

11. DISCONTINUED OPERATION (Continued)

Loss for the period/year from discontinued operation included the following:

	2025 HK$'000	2024 HK$'000
Depreciation and amortisation		
Depreciation of equipment	**294**	648
Amortisation of intangible assets	**495**	1,197
	789	1,845
Other income		
Bank interest income	**–**	3
Sundry income	**76**	12
	76	15
Finance costs		
Interest expense on lease liabilities	**10**	49

During the year ended 31 March 2025, the cloud-based IT+OT managed services business generated approximately HK$310,000 (2024: used approximately HK$5,745,000) of the Group's operating cash flows, incurred nil (2024: approximately HK$98,000) in respect of investing activities and incurred approximately HK$246,000 (2024: approximately HK$601,000) in respect of financing activities.

12. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2025 HK$'000	2024 HK$'000 (Restated)
Continuing operations		
Loss for the year has been arrived at after charging:		
Directors' emoluments *(note 14)*	**5,574**	6,074
Salaries (excluding Directors' emoluments)	**26,804**	27,043
Retirement benefit scheme contributions (excluding Directors' emoluments)	**1,171**	1,177
Total staff costs	**33,549**	34,294
Cost of inventories sold including system development cost and installation cost	**81,422**	78,237
Depreciation for property and equipment	**3,167**	3,133
Auditor's remuneration	**800**	780
Impairment losses on trade receivables and contract assets	**–**	716
Impairment loss on loan to an investee	**6,933**	752
Impairment loss on amount due from a former subsidiary	**701**	–

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13. LOSS PER SHARE

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

	2025 HK$'000	2024 HK$'000
Loss		
Loss for the purpose of basic and diluted loss per share		
– from continuing operations	(12,193)	(4,686)
– from discontinued operation	(6,126)	(8,196)
	(18,319)	(12,882)

	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share from continuing and discontinued operations	1,050,500	1,050,500

	2025	2024
Basic and diluted loss per share (in HK cents per share)		
– from continuing operations	(1.16)	(0.45)
– from discontinued operation	(0.58)	(0.78)
	(1.74)	(1.23)

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for Shares for the years ended 31 March 2025 and 2024.

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FOR THE YEAR ENDED 31 MARCH 2025

14. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executives' emoluments

The emoluments paid or payable to the executive directors who are also chief executives and other directors as follows:

For the year ended 31 March 2025

	Notes	Fees HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors:						
Dr. Wong King Keung	*(i)*	209	–	–	–	209
Mr. Chan Wing Yiu		–	821	695	–	1,516
Mr. Tong Sai Wong		–	821	695	–	1,516
Mr. Chan Wing Lun		–	447	1,298	13	1,758
Mr. Zhong Naixiong	*(ii), (iii)*	–	–	–	–	–
Mr. Yau Wing Keung	*(ii), (iii)*	–	–	–	–	–
Non-executive director:						
Ms. Ho Wing Shan	*(iv)*	75	–	–	–	75
Independent non-executive directors:						
Mr. Lum Pak Sum		150	–	–	–	150
Mr. Fong Chi		150	–	–	–	150
Ms. Wu Hung Yu		150	–	–	–	150
Mr. Lai Ka Ming Ricky	*(iii)*	50	–	–	–	50
		784	2,089	2,688	13	5,574

For the year ended 31 March 2024

	Notes	Fees HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors:						
Mr. Zhong Naixiong	*(ii), (iii)*	120	–	–	–	120
Mr. Yau Wing Keung	*(ii), (iii)*	–	–	–	–	–
Mr. Chan Wing Yiu		–	805	867	–	1,672
Mr. Tong Sai Wong		–	805	867	–	1,672
Mr. Chan Wing Lun		–	871	930	18	1,819
Non-executive director:						
Dr. Wong King Keung	*(i)*	191	–	–	–	191
Independent non-executive directors:						
Mr. Lum Pak Sum		150	–	–	–	150
Mr. Fong Chi		150	–	–	–	150
Ms. Wu Hung Yu		150	–	–	–	150
Mr. Lai Ka Ming Ricky	*(iii)*	150	–	–	–	150
		911	2,481	2,664	18	6,074

14. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executives' emoluments (Continued)

Notes:

(i) Redesignated from non-executive director to executive director on 30 July 2024.

(ii) During the year ended 31 March 2025, Mr. Zhong Naixiong and Mr. Yau Wing Keung waived emoluments of approximately HK$40,000 and HK$59,000 respectively (2024: Mr. Yau Wing Keung waived emoluments of approximately HK$180,000).

(iii) Resigned on 30 July 2024.

(iv) Appointed on 2 October 2024.

Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics for such financial year.

The executive directors' emoluments shown above were for their service in connection with the management of the affairs of the Company and its subsidiary undertakings. The non-executive director or independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2024: three) were the Directors. Their emoluments are included in the disclosures in note 14(a) above. The emoluments of the remaining two (2024: two) individuals for the years ended 31 March 2025 and 2024 were as follows:

	2025 HK$'000	2024 HK$'000
Salaries	**2,516**	2,460
Performance related incentive payments	**509**	480
Retirement benefit scheme contributions	**153**	92
	3,178	3,032

Their emoluments were within the following bands:

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

No emoluments were paid by the Group to the Directors, chief executives or the five highest paid individuals as inducements to join or upon joining the Group or as a compensation for loss of office during the years ended 31 March 2025 and 2024.

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15. DIVIDEND

	2025 HK$'000	2024 HK$'000
Dividend recognised as distribution during the year		
2023 Special dividend – HK1.20 cents per share	–	12,606
2023 Final dividend – HK0.50 cents per share	–	5,253
	–	17,859

Dividend of approximately HK$17,859,000 was paid during the year ended 31 March 2024. No dividend was proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

16. PROPERTY AND EQUIPMENT

	Land and buildings HK$'000	Right-of-use asset – properties HK$'000	Furniture and fixtures HK$'000	Computer equipment HK$'000	Leasehold improvement HK$'000	Motor vehicle HK$'000	Total HK$'000
COST							
At 1 April 2023	102,895	669	1,833	1,560	2,847	781	110,585
Additions	–	1,387	262	205	116	–	1,970
Elimination	–	(235)	–	–	–	–	(235)
At 31 March 2024 and 1 April 2024	102,895	1,821	2,095	1,765	2,963	781	112,320
Additions	–	–	106	100	–	–	206
Disposal of subsidiaries *(note 33)*	–	(1,821)	(76)	(47)	(45)	–	(1,989)
At 31 March 2025	102,895	–	2,125	1,818	2,918	781	110,537
ACCUMULATED DEPRECIATION							
At 1 April 2023	23,960	222	1,468	1,352	2,701	155	29,858
Provided for the year	2,670	611	165	89	90	156	3,781
Elimination	–	(235)	–	–	–	–	(235)
At 31 March 2024 and 1 April 2024	26,630	598	1,633	1,441	2,791	311	33,404
Provided for the year	2,670	262	176	110	87	156	3,461
Disposal of subsidiaries *(note 33)*	–	(860)	(23)	(32)	(16)	–	(931)
At 31 March 2025	29,300	–	1,786	1,519	2,862	467	35,934
CARRYING VALUES							
At 31 March 2025	73,595	–	339	299	56	314	74,603
At 31 March 2024	76,265	1,223	462	324	172	470	78,916

16. PROPERTY AND EQUIPMENT (Continued)

(i) The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	Over the shorter of term of the lease or 2%
Right-of-use asset – properties	Over the lease term
Furniture and fixtures	10-20%
Computer equipment	20%
Leasehold improvement	20-33%
Motor vehicle	20%

(ii) As at 31 March 2025, land and buildings with carrying amounts of approximately HK$72,261,000 (2024: HK$74,892,000) have been pledged to secure bank borrowings of approximately HK$10,239,000 (2024: HK$14,335,000).

(iii) All of the land and buildings are located in Hong Kong.

(iv) Additions to the right-of-use assets for the year ended 31 March 2024 amounted to HK$1,387,000 (2025: nil), due to enter into a new lease agreement for its office properties.

17. INTANGIBLE ASSETS

	Intellectual property rights Total HK$'000
COST	
At 1 April 2023	12,570
Exchange realignment	(704)
At 31 March 2024 and 1 April 2024	11,866
Disposal of subsidiaries *(note 33)*	(12,096)
Exchange realignment	230
As at 31 March 2025	–
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
At 1 April 2023	1,047
Provided for the year	1,197
Impairment losses recognised in profit and loss	3,155
Exchange realignment	(95)
At 31 March 2024 and 1 April 2024	5,304
Provided for the year	495
Disposal of subsidiaries *(note 33)*	(5,911)
Exchange realignment	112
As at 31 March 2025	–
CARRYING AMOUNTS	
At 31 March 2025	–
At 31 March 2024	6,562

17. INTANGIBLE ASSETS (Continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Intellectual property rights	10 years

These intangible assets are used in the Group's provision of cloud-based IT+OT managed services reportable segment. During the year ended 31 March 2024, there is an impairment indicator of cloud-based IT+OT managed services segment, the Group carried out a review of the recoverable amount of those intangible assets.

During the year ended 31 March 2024, management measured this cloud-based IT+OT managed services reportable segment due to change of market environment. For the purpose of impairment testing, intangible assets, certain property and equipment and right-of-use assets for its cloud-based IT+OT managed services reportable segment have been allocated to the respective CGU with impairment assessment performed.

The recoverable amount of the respective CGU has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and pre-tax discount rate of 15%. The CGU' cash flows beyond the 5-year period are assumed zero growth rate. Other key assumptions applied in the cash flow projections are budgeted sales and gross margin, such estimation is based on the management's expectations for the market development, which are subject to higher degree to estimation uncertainties.

During the year ended 31 March 2024, the management determines that an impairment losses of intangible assets of approximately HK$3,155,000 is recognised in the respective CGU.

Following the Disposal, the Group no longer held the intangible assets as at 31 March 2025.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND LOAN TO AN INVESTEE

Financial assets at FVTOCI comprise:

	2025 HK$'000	2024 HK$'000
Equity instrument designated as FVTOCI		
– Unlisted	**–**	6,634

On 25 March 2021, Top Luck, a wholly-owned subsidiary of the Company, has entered into a shareholders' agreement with two independent third parties of the Group (the "**Independent Third Parties**") and an ex-related company, which is controlled and substantially owned by Mr. Zhong Naixiong, a former director of the Company (the "**Ex-related Company**"), in relation to a commitment of capital contribution of RMB2,000,000 in Top Luck's investment in 4% equity interest of Changzhou Guoyun Green Data Technology Co., Limited*（常州國雲綠色數據技術有限公司）("**Changzhou Guoyun**").

In August 2021, the registered capital of Changzhou Guoyun increased from RMB50,000,000 to RMB350,000,000 for the purpose of funding the development of the IDC center in the PRC and Top Luck and the Ex-related Company entered into a new shareholders' agreement (the "**New Shareholders' Agreement**") pursuant to which the commitment of capital contributions of the Ex-related Company and Top Luck has been increased to RMB168,000,000 and RMB7,000,000 respectively (the "**Committed Capital Contributions**"). The timing for payment of the balance of the registered capital of Changzhou Guoyun in the sum of RMB175,000,000 is subject to further agreement between Top Luck and the Ex-related Company. The Committed Capital Contributions in respect of Top Luck's 4% investment in Changzhou Guoyun in the sum of RMB7,000,000 (equivalent to approximately HK$8,586,000) was fully paid and recognised as financial assets at FVTOCI in the consolidated statement of financial position as it is held for long-term investment purpose. The fair value of above investment is disclosed in note 6(c).

Pursuant to the New Shareholders' Agreement, any further capital contributions provided by the shareholders of Changzhou Guoyun in addition to the Committed Capital Contributions shall not be regarded as paid-up capital of Changzhou Guoyun but in the form of shareholders' loans to Changzhou Guoyun, unless and until a further agreement is made between the Ex-related Company and Top Luck to convert the same into paid-up capital.

During the year ended 31 March 2025, the Directors observed several indicators indicating that Changzhou Guoyun had encountered serious financial difficulties and has defaulted in repayment of the loan to an investee stated below. In view of the ongoing lawsuits and legal risks compounded with Changzhou Guoyun's inability to secure new financing to continue its projects, ultimately hindering its business operations and causing it to be unable to meet its debt obligations as they fall due, the Directors do not expect that the investment costs of the Company in Changzhou Guoyun would be recoverable, and considered that the fair value of financial assets at FVTOCI dropped to zero and the change in fair value of approximately HK$6,634,000 is recognised in other comprehensive income.

Following the Disposal, the Group no longer held the financial assets at FVTOCI as at 31 March 2025.

* *English name for identification purpose only*

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND LOAN TO AN INVESTEE (Continued)

	2025 **HK$'000**	2024 HK$'000
Loan to an investee	**–**	6,801

The movements in loan to an investee were as follows:

	2025 **HK$'000**	2024 HK$'000
COST		
As at 1 April	**7,553**	8,001
Unrealised exchange loss recognised in profit or loss	**132**	(448)
Disposal of subsidiaries *(note 33)*	**(7,685)**	–
As at 31 March	**–**	7,553
IMPAIRMENT		
As at 1 April	**752**	–
Impairment allowance recognised in profit or loss	**6,933**	752
Disposal of subsidiaries *(note 33)*	**(7,685)**	–
As at 31 March	**–**	752
CARRYING VALUES		
As at 31 March	**–**	6,801

As at 31 March 2024, Top Luck has made a shareholder loan of RMB7,000,000 equivalent to approximately HK$7,553,000 (2025: nil), which was in proportion to its 4% equity interest in Changzhou Guoyun, to Changzhou Guoyun which is unsecured, interest-free and repayable on demand. During the year ended 31 March 2025, the Group has not entered into any further agreement to convert the shareholder loan into paid-up capital of Changzhou Guoyun.

The carrying amount of loan to an investee as at 30 August 2024 included accumulated impairment loss of approximately HK$7,685,000 (31 March 2024: HK$752,000).

In determining the expected credit losses for this asset, the Directors have taken into account the historical default experience, the financial position of the counterparty as well as the future prospects of the industry in which the investee operate obtained from economic expert reports, financial analyst reports, considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of this financial asset occurring within its respective loss assessment time horizon, as well as the loss upon default in each case.

As stated above, in light of the significant financial difficulty of Changzhou Guoyun, the Directors considered that the recoverability of the loan to an investee was remote and accordingly an impairment loss of approximately HK$6,933,000 of the loan to an investee was recognised in profit or loss during the year ended 31 March 2025.

Following the Disposal, the Group no longer held the loan to an investee as at 31 March 2025.

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FOR THE YEAR ENDED 31 MARCH 2025

19. INVENTORIES

	2025 HK$'000	2024 HK$'000
Finished goods	**3,315**	9,960

20. TRADE RECEIVABLES AND CONTRACT ASSETS

	2025 HK$'000	2024 HK$'000
Trade receivables	**20,419**	39,648
Less: impairment allowance	**(698)**	(698)
	19,721	38,950
Contract assets	**627**	564
Less: impairment allowance	**(18)**	(18)
	609	546
	20,330	39,496

As at 31 March 2025, the net amount of trade receivables and contract assets arising from contracts with customers amounted to approximately HK$20,330,000 (2024: HK$39,496,000) of which approximately HK$609,000 (2024: HK$546,000) represented contract assets.

Contract assets are initially recognised for certain amount of revenue earned from the provision of VCMA solution services as receipt of consideration is conditional on successful completion of retention period ranged from 1-5 years. The contract assets are transferred to trade receivables when the rights become unconditional. Upon completion of retention period, the amounts recognised as contract assets are reclassified to trade receivables. At 31 March 2025, contract assets of approximately HK$398,000 (2024: HK$126,000) are expected to be recovered after one year from the end of the reporting period.

The Group generally allows credit periods ranged from 30 days to 180 days to the customers. The followings are ageing analysis of net amount of trade receivables and contract assets, presented based on date of acknowledgement of receipt of goods by customers, which approximated the respective revenue recognition dates, at the end of the reporting period.

20. TRADE RECEIVABLES AND CONTRACT ASSETS (Continued)

Ageing analysis of net amount of trade receivables:

	2025 HK$'000	2024 HK$'000
0 to 30 days	**5,140**	8,722
31 to 60 days	**2,993**	5,598
61 to 120 days	**6,104**	3,098
121 to 365 days	**2,852**	10,935
Over 365 days	**2,632**	10,597
	19,721	38,950

The movements in the allowance for impairment on trade receivables are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**698**	–
Impairment losses recognised during the year	**–**	698
At the end of the year	**698**	698

Ageing analysis of the net amount of contract assets:

	2025 HK$'000	2024 HK$'000
0 to 30 days	**–**	–
31 to 60 days	**88**	–
61 to 120 days	**31**	173
121 to 365 days	**195**	247
Over 365 days	**295**	126
	609	546

The movements in the allowance for impairment on contract assets are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**18**	–
Impairment losses recognised during the year	**–**	18
At the end of the year	**18**	18

20. TRADE RECEIVABLES AND CONTRACT ASSETS (Continued)

Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limit. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime ECL. The expected credit losses on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience and creditworthiness of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Prepayments	**2,609**	2,935
Deposits	**181**	209
Other receivables	**40**	955
Amount due from a former subsidiary *(note)*	**701**	–
	3,531	4,099
Impairment allowance	**(701)**	–
	2,830	4,099

The movement in the loss allowance for impairment of other receivables are as follows:

	2025 **HK$'000**	2024 HK$'000
At the beginning of the year	**–**	–
Impairment losses recognised during the year	**701**	–
At the end of the year	**701**	–

Note: The amount was secured, interest-free and repayable on demand.

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22. BANK BALANCES AND CASH

For the purpose of the consolidated statement of cash flow, cash and cash equivalents include the following:

	2025 HK$'000	2024 HK$'000
Bank balances and cash on the consolidated statement of financial position	**48,829**	35,819

(i) Bank balances carry interest at prevailing market interest rate as at 31 March 2025 and 2024.

(ii) As at 31 March 2025, the Group's bank balances and cash denominated in RMB amounted to approximately HK$1,224,000 (2024: HK$1,684,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

23. TRADE PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**9,212**	12,237

An ageing analysis of trade payables presented based on the date of recognition at the end of the reporting period is as follows:

	2025 HK$'000	2024 HK$'000
0 to 60 days	**1,997**	1,943
61 to 90 days	**868**	378
Over 90 days	**6,347**	9,916
	9,212	12,237

The general credit periods on purchase of goods ranged from 30 days to 180 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

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FOR THE YEAR ENDED 31 MARCH 2025

24. OTHER PAYABLES AND ACCRUALS

	2025 HK$'000	2024 HK$'000
Accrued salary	**3,736**	6,601
Commission payable	**989**	1,407
Contract liabilities	**7,225**	9,682
Accrued expenses and other payables	**1,146**	2,202
	13,096	19,892

Contract liabilities represented advance payments from customers pursuant to the respective sales contracts.

The following table sets out the revenue recognised that was included in the contract liabilities balance at the beginning of the year. There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

	2025 HK$'000	2024 HK$'000
VCMA solution services	**4,915**	4,348
VCMA maintenance services	**4,767**	4,715
	9,682	9,063

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25. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Secured mortgage loans	**10,239**	14,335
Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	**4,096**	4,096
More than one year but not exceeding two years	**6,143**	4,096
More than two years but not exceeding five years	**–**	6,143
	10,239	14,335
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**6,143**	10,239
Carrying amount repayable within one year	**4,096**	4,096
Amounts shown under current liabilities	**10,239**	14,335

Bank borrowings comprise:

	Maturity Date	Effective interest rate	Carrying amount 2025 HK$'000	Carrying amount 2024 HK$'000
Floating-rate borrowings:				
– HKD mortgage loans (i)	25/9/2027	5.69% (2024: 5.99%)	**7,823**	10,952
– HKD mortgage loans (ii)	25/9/2027	5.69% (2024: 5.99%)	**2,416**	3,383
			10,239	14,335

(i) During the year ended 31 March 2025, the floating rate is the lower of Hong Kong Interbank Offered Rate ("**HIBOR**") plus 1.4% (2024: 1.4%) or 2.25% (2024: 2.25%) below best lending rate. Repayable in 155 monthly installments commencing from the drawdown of the borrowings.

(ii) During the year ended 31 March 2025, the floating rate is the lower of HIBOR plus 1.4% (2024: 1.4%) or 2.25% (2024: 2.25%) below best lending rate. Repayable in 146 monthly installments commencing from the drawdown of the borrowings.

Notes:

(a) The bank borrowings are all denominated in HK$.

(b) All borrowings were guaranteed by the Company and its subsidiaries in Hong Kong for both years.

(c) As at 31 March 2025, bank borrowings of approximately HK$10,239,000 (2024: HK$14,335,000) were secured by land and buildings of the Group with carrying amounts of approximately HK$72,261,000 (2024: HK$74,892,000).

(d) Pursuant to the Group's bank facilities letters, none of the bank loans contain financial covenants.

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26. DEFERRED TAXATION

The following is the analysis of the deferred tax (liabilities) assets, before set off certain deferred tax assets against deferred tax liabilities of the same taxable entity, for financial reporting purposes:

	2025 HK$'000	2024 HK$'000
Deferred tax assets	**980**	955
Deferred tax liabilities	**(1,736)**	(1,616)
	(756)	(661)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current year and prior year:

	Accelerated depreciation allowance HK$'000	**Provision for write-down of inventory** HK$'000	**Impairment loss on trade receivables and contract assets** HK$'000	**Tax losses** HK$'000	**Total** HK$'000
At 1 April 2023	1,284	(422)	–	–	862
Charged (credited) to profit or loss during the year *(note 10)*	274	–	(118)	(357)	(201)
At 31 March 2024 and 1 April 2024	1,558	(422)	(118)	(357)	661
Charged to profit or loss during the year *(note 10)*	95	–	–	–	95
At 31 March 2025	1,653	(422)	(118)	(357)	756

At 31 March 2025, the Group had unused tax losses of approximately HK$7,969,000 (2024: HK$4,773,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$2,164,000 (2024: HK$2,164,000) of such losses, which represent tax losses incurred by certain of the Company's subsidiaries as it is considered by the management that future taxable profits will be available against which the tax losses can be utilised. No deferred tax asset has been recognised in respect of approximately HK$5,805,000 (2024: HK$2,609,000) due to the unpredictability of future profit streams. Except for the unused tax losses of approximately HK$2,580,000 (2024: HK$1,562,000) which will expire during the period from 2026 to 2029 (2024: 2025 to 2028), the remaining unused tax losses may be carried forward indefinitely.

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27. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Current	–	602
Non-current	–	691
	–	1,293

	2025 HK$'000	2024 HK$'000
Amounts payable under lease liabilities		
Within one year	–	602
After one year but within two years	–	503
After two years but within five years	–	188
	–	1,293
Less: Amount due for settlement within 12 months	–	(602)
Amount due for settlement after 12 months	–	691

During the year ended 31 March 2024, the weighted average incremental borrowing rate is 3.83% (2025: nil).

During the year ended 31 March 2024, the Group entered into a new lease agreement in respect of renting property and recognised lease liability of approximately HK$1,387,000 (2025: nil).

	2025 HK$'000	2024 HK$'000
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	262	611
Interest expense on lease liabilities	10	49
Expense relating to short-term leases	214	409

During the year ended 31 March 2025, the total cash outflow for lease amount to approximately HK$460,000 (2024: HK$1,010,000).

Following the Disposal, the Group no longer is party to lease contracts, except for short-term leases, as at 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

28. SHARE CAPITAL

	Number of share '000	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,000,000	20,000
Issued and fully paid		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,050,500	10,505

29. RESERVES

Merger reserve

Merger reserve represented the difference between share capital of the new holding company and the aggregate of the share capital of the then holding company of the Group and the companies comprising the Group, pursuant to the group reorganisation in prior year.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 3.

Statutory surplus reserve

In accordance with the Company Law of the PRC, domestic enterprises in the PRC are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC, to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital.

The statutory surplus reserve can be used to reduce previous years' losses, if any, and may be converted into paid-up capital, provided that the balance after such conversion is not less than 25% of the registered capital of the subsidiaries.

Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising from net changes in fair value of investments in equity instruments designated as at FVTOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. RETIREMENT BENEFIT SCHEME

Defined benefit plan

The Group participates in a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the "**ORSO Scheme**") and a Mandatory Provident Fund Scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group are required to join the MPF Scheme. For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which contribution is matched by the employee. The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 10% of the employee's basic salary, depending on the length of service with the Group.

Pursuant to the regulations of the relevant authorities in the PRC, the subsidiaries of the Company in this country participate in respective government retirement benefit scheme (the "**Scheme**") whereby the subsidiaries are required to contribute to the Scheme to fund the retirement benefits of the eligible employees. Contributions made to the Scheme are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

The retirement benefit scheme contributions represent gross contributions by the Group to the defined contribution schemes operated in Hong Kong and the Scheme operated by the relevant authorities of the PRC.

The total cost charged to profit or loss of approximately HK$1,732,000 (2024: HK$2,498,000 represents contributions payable to those schemes by the Group in respect of the current accounting period.

During the year ended 31 March 2025, the Group had no forfeited contributions (2024: nil) that may be used by the Group to reduce the existing level of contributions under the defined contribution schemes operated in Hong Kong and the Scheme operated by the relevant authorities of the PRC.

Long Service Payment Liabilities

*Obligation to long service payments ("**LSP**") under Hong Kong Employment Ordinance*

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) × 2/3 × Years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "**Eligible Offset Amount**"), for the purpose of offsetting LSP payable to an employee (the "**Offsetting Arrangement**").

30. RETIREMENT BENEFIT SCHEME (Continued)

Long Service Payment Liabilities (Continued)

Obligation to long service payments ("LSP") under Hong Kong Employment Ordinance (Continued)

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment Ordinance will come into effect prospectively from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

The Group has considered the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. Historically, the Group accounted for the offsetting mechanism by applying the practical expedient in HKAS 19.93(b). Based on the HKICPA guidance, upon the enactment of the Amendment Ordinance in June 2022, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying HKAS 19.93(a).

The abolishment of this Offsetting Arrangement has no material impact on the consolidated financial statements.

31. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of the directors and key management personnel is determined by the board of directors having regard to the performance of individuals and market trends.

The related party transactions including remuneration for key management personnel of the Group are as follows:

	2025 **HK$'000**	2024 HK$'000
Short-term benefits	**9,691**	11,139
Equity-settled share-based payment expenses	**12**	161
Retirement benefit scheme contributions	**210**	374
	9,913	11,674

32. EQUITY-SETTLED SHARE OPTION SCHEMES OF THE COMPANY

(a) Share Option Scheme

On 20 April 2021, the Company granted share options (the "**Options**") under the share option scheme of the Company (the "**Share Option Scheme**") to Mr. Wang Yanghao ("**Mr. Wang**"), being a senior management of the Company, to subscribe for a total of 3,000,000 shares as disclosed in the announcement of the Company dated 20 April 2021. The 3,000,000 Options granted to Mr. Wang are exercisable from the respective dates set out below until 20 April 2028 (the "**Option Period**") at the subscription price of HK$0.54 per Share, which is equivalent to the closing price of the shares on the date immediately before the date of grant:

(i) as to 900,000 Options, exercisable at any time commencing from the date falling between the first anniversary of the date of grant up to and including the last day of the Option Period;

(ii) as to 900,000 Options, exercisable at any time commencing from the date falling between the second anniversary of the date of grant up to and including the last day of the Option Period; and

(iii) as to 1,200,000 Options, exercisable at any time commencing from the date falling on the third anniversary of the date of grant up to and including the last day of the Option Period.

The exercise price of HK$0.54 per Share was determined in accordance with the scheme rules of the Share Option Scheme, being the highest of:

(i) the closing price of HK$0.54 per Share as quoted in the Stock Exchange's daily quotation sheet on the date of grant;

(ii) the average closing price of HK$0.536 per Share as quoted in the Stock Exchange's daily quotation sheet for the five (5) business days immediately preceding the date of grant; and

(iii) the nominal value of HK$0.01 per Share.

The following table discloses movements of the Company's Options held by Mr. Wang.

Date of grant	Exercise period	Exercise price HK$	Balance as at 1 April 2024	Lapsed during the year	Balance as at 31 March 2025
20 April 2021	20 April 2022 – 20 April 2028	0.54	900,000	(900,000)	–
	20 April 2023 – 20 April 2028	0.54	900,000	(900,000)	–
	20 April 2024 – 20 April 2028	0.54	1,200,000	(1,200,000)	–
			3,000,000	(3,000,000)	–

As at 1 April 2024, 3,000,000 Options are exercisable at any time during the Option Period, subject to the terms and conditions of the Share Option Scheme. The 3,000,000 Options, which have not been exercised prior to the close of the mandatory unconditional cash offers (i.e. 30 July 2024), have lapsed during the year ended 31 March 2025, the Company has no outstanding Options under the Share Option Scheme. Other than disclosed above, there were no Options granted, exercised, lapsed or cancelled under the Share Option Scheme during the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. EQUITY-SETTLED SHARE OPTION SCHEMES OF THE COMPANY (Continued)

(a) Share Option Scheme (Continued)

The fair value on the date of grant is estimated using a binomial pricing model, taking into account the terms and conditions upon which the Options were granted. The contractual life of the Options granted is 7 years. There is no cash settlement of the Options. The fair value of Options granted during the year ended 31 March 2022 was estimated on the date of grant using the following assumptions:

Dividend yield:	3.03%
Expected volatility:	70%
Risk-free interest rate:	0.86%

The fair value of the Options granted during the year ended 31 March 2022 was HK$808,000. During the year ended 31 March 2025, the Company has recognised approximately HK$9,000 (2024: HK$121,000) of equity settled share-based payment expenses in respect of the Options in the consolidated statement of profit or loss and other comprehensive income.

(b) Share Award Scheme

The Company adopted a share award scheme (the "**Share Award Scheme**") on 3 February 2021. The purpose of the Share Award Scheme is to recognise the contributions by certain employees and persons to the Group, to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

On 20 April 2021, the Company has granted an award of 500,000 Shares (the "**Awarded Shares**") to Mr. Wang under the Share Award Scheme. Subject to the lock-up condition as set out below and the scheme rules of the Share Award Scheme, the Awarded Shares shall vest in Mr. Wang and Mr. Wang shall have the right to receive the Awarded Shares in accordance with the following vesting schedule:

(i) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the first anniversary of the date of grant;

(ii) as to 150,000 Awarded Shares, representing 30% of the Awarded Shares, on the second anniversary of the date of grant; and

(iii) as to 200,000 Awarded Shares, representing 40% of the Awarded Shares, on the third anniversary of the date of grant.

The vested Awarded Shares (and the vesting of the remaining Awarded Shares) are subject to the condition that Mr. Wang will not dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the relevant vested Awarded Shares during a period of six (6) months commencing on the vesting date of the relevant Awarded Shares (the "**Lock-Up Condition**").

On 7 May 2021, the 500,000 new Shares were issued and allotted to the trustee under the Share Award Scheme at nominal value under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 7 August 2020.

32. EQUITY-SETTLED SHARE OPTION SCHEMES OF THE COMPANY (Continued)

(b) Share Award Scheme (Continued)

On 20 April 2022, 150,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

On 20 April 2023, an additional 150,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

On 20 April 2024, 200,000 Awarded Shares became vested in Mr. Wang and were transferred to him from the trustee under the Share Award Scheme, subject to the Lock-Up Condition.

Details of the Awarded Shares granted under the Share Award Scheme are as follows:

		Number of shares				
Name of grantee	**Date of grant** *(note i)*	**Number of Awarded Shares granted on date of grant** *(note ii)*	**As at 1 April 2024**	**Vested during the year** *(note iii)*	**Lapsed/ cancelled during the year** *(note iv)*	**As at 31 March 2025**
Mr. Wang	20 April 2021	500,000	200,000	(200,000)	–	–

Notes:

(i) No Awarded Share was granted under the Share Award Scheme from 1 April 2024 and up to the date of this announcement.

(ii) The Awarded Shares granted to the participant were satisfied by way of the issue and allotment of new Shares at the par value thereof under general mandate and no purchase price was payable by the Company or the participant to purchase the Awarded Shares under the Share Award Scheme.

(iii) The weighted average closing price of the Shares immediately before the date on which the Awarded Shares were vested during the year ended 31 March 2025 was HK$0.18.

(iv) No Awarded Shares granted were cancelled, lapsed or forfeited in accordance with the terms of the Share Award Scheme during the year ended 31 March 2025.

During the year ended 31 March 2025, the Company has recognised approximately HK$3,000 (2024: HK$40,000) of equity-settled share-based payment expenses in respect of the Awarded Shares in consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

33. DISPOSAL OF SUBSIDIARIES

As described in note 11, the Company entered into the sale and purchase agreement in respect of the disposal of its entire shareholding in the Disposal Companies and the Sale Loan and the Disposal was completed on 30 August 2024. The net liabilities of the Disposal Companies as at the date of disposal were as follows:

	HK$'000
Analysis of assets and liabilities over which control was lost as at the date of disposal:	
Equipment	1,058
Intangible assets	6,185
Trade receivables and contract assets	2,159
Prepayments, deposits and other receivables	707
Bank balances and cash	42
Amount due to immediate holding company	(36,063)
Amounts due to fellow subsidiaries	(98)
Trade payables	(1,949)
Other payables and accruals	(5,607)
Lease liabilities	(1,057)
Non-controlling interests	928
Net liabilities disposed of	(33,695)

	HK$'000
Loss on disposal of Disposal Companies:	
Consideration	100
Net liabilities disposed of	33,695
Sales Loan	(36,161)
Cumulative translation reserve of the subsidiaries reclassified to profit or loss on loss on control of the subsidiaries	(966)
Loss on disposal of subsidiaries	(3,332)
Net cash inflow arising on disposal:	
Cash consideration received	100
Less: bank balances and cash disposed of	(42)
	58

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34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

			Non-cash changes		
	1 April 2024 HK$'000	Financing cash flows HK$'000	Disposal of subsidiaries HK$'000 *(note 33)*	Interest expense incurred HK$'000	31 March 2025 HK$'000
Lease liabilities *(note 27)*	1,293	(246)	(1,057)	10	–
Interest payables	–	(710)	–	710	–
Bank borrowings *(note 25)*	14,335	(4,096)	–	–	10,239
	15,628	(5,052)	(1,057)	720	10,239

			Non-cash changes		
	1 April 2023 HK$'000	Financing cash flows HK$'000	Additions of lease HK$'000 *(note)*	Interest expense incurred HK$'000	31 March 2024 HK$'000
Lease liabilities *(note 27)*	458	(601)	1,387	49	1,293
Interest payables	–	(988)	–	988	–
Bank borrowings *(note 25)*	18,431	(4,096)	–	–	14,335
	18,889	(5,685)	1,387	1,037	15,628

Note: During the year ended 31 March 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of approximately nil (2024: HK$1,387,000) and nil (2024: HK$1,387,000), respectively, in respect of the lease arrangement for its office property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of subsidiaries	Place and date of incorporation/ establishment	Issued ordinary shares/ registered and paid-up capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company		Principal activities
			Directly		Indirectly				
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %	
i-Control ITAV Limited	The BVI	Ordinary shares USD7	100	100	-	–	100	100	Investment holding
i-Control Consultancy Limited	The BVI	Ordinary share USD1	-	–	100	100	-	–	Corporate consultancy and support
i-Control Limited	Hong Kong	Ordinary shares HK$2,500,000	-	–	100	100	-	–	Professional audio visual system integrator
I-CONTROL (ITAV) PTE. LTD.	Singapore	Ordinary shares SGD1,000	-	–	100	100	-	–	Professional audio visual system integrator
Eduserve International Limited	Hong Kong	Ordinary shares HK$3,000,000	-	–	100	100	-	–	Professional audio visual system integrator
i-Control (China) Limited	Hong Kong	Ordinary shares HK$1,800,000	-	–	100	100	-	–	Professional audio visual system integrator
i-Control (Shanghai) Information Technology Co. Ltd 愛港超(上海)信息科技有限公司(i)(iii)	The PRC	Registered and paid-up capital: RMB1,000,000	-	–	100	100	-	–	Professional audio visual system integrator
View Mark Limited	Hong Kong	Ordinary shares HK$10,000	-	–	100	100	-	–	Property holding
Billion Peace Limited	Hong Kong	Ordinary shares HK$10,000	-	–	100	100	-	–	Property holding
Modern China Business Consultants Limited	Hong Kong	Ordinary shares HK$4,500,000	-	–	100	100	-	–	Property holding
Deluxe Peace Limited	Hong Kong	Ordinary shares HK$10,000	-	–	100	100	-	–	Property holding
Wise Union Holdings Limited(vii)	Hong Kong	Ordinary shares HK$1	100	100	-	–	100	100	Investment holding
Great Prosper Investments Limited	Hong Kong	Ordinary shares HK$1	100	100	-	–	100	100	Investment holding
Perfect Mark Investments Limited(vi)	Hong Kong	Ordinary shares HK$1	-	100	-	–	-	100	Investment holding
Top Luck Development Limited(vi)	Hong Kong	Ordinary shares HK$1	-	100	-	–	-	100	Investment holding
Beijing National Greenfield Technology Co. Ltd 北京能興國雲信息科技有限公司(ii)(iii)(vi)	The PRC	Registered capital: RMB10,000,000 Paid-up capital: RMB10,000,000	-	–	-	85	-	–	Provision of cloud-based IT+OT managed services
Nenking DataSolutions (Changzhou) Co., Limited 能興數據服務(常州)有限公司(ii)(iii)(iv)	The PRC	Registered Capital: RMB15,000,000 Paid-up capital: RMB300,000	-	–	-	85	-	–	Inactive
Shenzhen i-Control Technology The PRC Co., Limited 深圳市超智聯科技有限公司(v)	The PRC	Registered Capital: RMB1,000,000 Paid-up capital: nil	-	–	-	100	-	–	Professional audio visual system integrator

None of the subsidiaries had any debt securities issued at the end of both years or anytime during both years.

(i) The company is a wholly foreign-owned enterprise with limited liability in the PRC.

(ii) The company is a sino-foreign joint venture with limited liability in the PRC.

(iii) English name for identification purpose only.

(iv) The company has been deregistered on 18 April 2024 with no material impact.

(v) The company has been deregistered on 3 June 2024 with no material impact.

(vi) The company has been disposed on 30 August 2024.

(vii) The company has been deregistered on 2 May 2025 with no material impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current asset		
Investments in subsidiaries	21,171	21,159
Current assets		
Other receivables	136	141
Amounts due from subsidiaries *(note (i))*	58,298	93,729
Tax recoverable	11	19
Bank balances and cash	1,514	899
	59,959	94,788
Current liabilities		
Other payables	3,095	3,966
Amounts due to subsidiaries *(note (i))*	78,020	73,958
	81,115	77,924
Net current assets	(21,156)	16,864
Net assets	15	38,023
Capital and reserves		
Share capital *(note 28)*	10,505	10,505
Reserves *(note (ii))*	(10,490)	27,518
Total equity	15	38,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(i) The amounts due from (to) subsidiaries are unsecured, interest-free and repayable on demand.

(ii) Movement in reserves

	Shares held under Share Award Scheme HK$'000	Share premium HK$'000	Employee share-based compensation reserve HK$'000	Merger reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	(43)	42,528	678	20,093	(18,071)	45,185
2023 special dividend paid *(note 15)*	–	(12,606)	–	–	–	(12,606)
2023 final dividend paid *(note 15)*	–	(5,253)	–	–	–	(5,253)
Equity-settled share-based payment transactions *(note 32)*	40	–	121	–	–	161
Profit for the year and total comprehensive income for the year	–	–	–	–	31	31
At 31 March 2024 and 1 April 2024	(3)	24,669	799	20,093	(18,040)	27,518
Equity-settled share-based payment transactions *(note 32)*	3	–	9	–	–	12
Lapse of share option	–	–	(808)	–	808	–
Loss for the year and total comprehensive loss for the year	–	–	–	–	(38,020)	(38,020)
At 31 March 2025	–	24,669	–	20,093	(55,252)	(10,490)

PARTICULARS OF PROPERTIES

1. PROPERTIES HELD FOR SELF USE

Location	Existing Use	Category of lease	Group's interest	Market Value as at 31 March 2025 (HK$'000) *(Note)*
Unit A, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Office	Medium term lease	100%	25,310
Unit B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Office	Medium term lease	100%	13,994
Unit L, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Office	Medium term lease	100%	11,649
Unit K, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Office	Medium term lease	100%	11,990
Units Nos. 32-40 & flat roofs Nos. 39-40, 5/F, Pacific Trade Centre, No.2 Kai Hing Road, Kowloon Bay, Kowloon	Warehouse and service centre	Medium term lease	100%	33,490
Car parking space P52, 2/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Carpark	Medium term lease	100%	1,000
Car parking space P53, 2/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Carpark	Medium term lease	100%	1,000
Car parking space P54, 2/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Carpark	Medium term lease	100%	1,000
Car parking space P85, 2/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Carpark	Medium term lease	100%	1,000
Car parking space L22, Basement, Pacific Trade Centre, No.2 Kai Hing Road, Kowloon	Carpark	Medium term lease	100%	2,600
Car parking space P27, 2/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon	Carpark	Medium term lease	100%	1,000
TOTAL				104,033

Note:

The market values of above properties were estimated by the Directors by using market comparable approach that reflects recent transaction prices for similar properties, adjusted for differences in the nature, location and conditions of the properties under review.

FINANCIAL SUMMARY

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from continuing operations	**122,223**	121,876	157,844	171,448	145,380
(Loss) profit before taxation from continuing operations	**(12,088)**	(4,710)	6,884	8,706	14,667
(Loss) profit for the year from continuing operations	**(12,194)**	(4,687)	5,240	6,685	12,724
Loss for the year from discontinued operation	**(6,620)**	(9,641)	–	–	–
Total comprehensive (expenses) income for the year	**(24,369)**	(22,023)	9,495	7,043	12,855

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**151,493**	190,147	236,158	243,796	207,668
Total liabilities	**(32,483)**	(49,373)	(55,663)	(68,708)	(62,753)
	117,210	140,774	180,495	175,088	144,915
Equity attributable to equity shareholders of the Company	**117,210**	141,234	179,443	174,304	144,978
Non-controlling interests	**–**	(460)	1,052	784	(63)
Total equity	**117,210**	140,774	180,495	175,088	144,915

Note:

The consolidated results of the Group and the consolidated assets and liabilities of the Group were extracted from the published audited financial statements of the Company.

Such summary was prepared if the current structure of the Group had been in existence throughout these financial years.