



Envision Greenwise Holdings Limited 晉景新能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1783)

2025
Annual Report



CONTENTS

CORPORATE INFORMATION	2
FINANCIAL HIGHLIGHTS	4
CHAIRMAN'S STATEMENT	5
MANAGEMENT DISCUSSION AND ANALYSIS	7
BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT	18
REPORT OF THE DIRECTORS	23
CORPORATE GOVERNANCE REPORT	37
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	52
INDEPENDENT AUDITOR'S REPORT	90
AUDITED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	97
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	98
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	100
CONSOLIDATED STATEMENT OF CASH FLOWS	101
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	103
FIVE YEAR FINANCIAL SUMMARY	188



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Kwok Chun Sing (*Chairman*)
Mr. Zhan Zhi Hao (*Chief Executive Officer*)
Mr. Tang Chi Kin
Ms. Kwok Ho Yee (*Chief Operating Officer*)

Independent Non-executive Directors

Mr. Hau Wing Shing Vincent
Mr. Lam John Cheung-wah
Prof. Sit Wing Hang
Mr. Yu Chung Leung

AUDIT COMMITTEE

Mr. Yu Chung Leung (*Chairman*)
Mr. Hau Wing Shing Vincent
Mr. Lam John Cheung-wah
Prof. Sit Wing Hang

REMUNERATION COMMITTEE

Prof. Sit Wing Hang (*Chairman*)
Mr. Zhan Zhi Hao
Ms. Kwok Ho Yee
Mr. Lam John Cheung-wah
Mr. Yu Chung Leung

NOMINATION COMMITTEE

Mr. Kwok Chun Sing (*Chairman*)
Mr. Hau Wing Shing Vincent
Prof. Sit Wing Hang

COMPANY SECRETARY

Mr. Chu Pui Ki Dickson

AUTHORISED REPRESENTATIVES

Mr. Kwok Chun Sing
Mr. Zhan Zhi Hao

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2901 & 09-10, 29/F.
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

71 Fort Street
P.O. Box 500
George Town,
Grand Cayman KY1-1106
Cayman Islands

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation
Limited
Nanyang Commercial Bank Limited
Bank of China (Hong Kong) Limited
Shanghai Commercial Bank Limited

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman, KY1-1106
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

<https://www.evsgreenwise.com/>
(the content of which do not form part of this report)

STOCK CODE

1783

FINANCIAL HIGHLIGHTS

	2025 HK\$'000	2024 HK\$'000
Revenue	869,730	452,192
Loss before tax	(13,739)	(78,915)
Loss attributable to owners of the Company	(15,741)	(78,875)
Loss per share		
– basic and diluted (HK cent)	(1.22 cents)	(6.61 cents)

CHAIRMAN'S STATEMENT

Over the past year, the complex changes in the international landscape and the intensive adjustments in economic policies have introduced numerous uncertainties to the global markets. In the face of these challenges, the Group has adhered to the philosophy of sustainable development, proactively responded to changes in the external environment, and continuously strengthened its core competitiveness through prudent operational strategies and optimized resource allocation. For the year ended 31 March 2025, the Group recorded revenue of HK\$869.7 million, an increase of 92.3% from the previous financial year; gross profit of HK\$102.7 million, up by 266.8% year-on-year; and adjusted annual EBITDA profit of HK\$44.8 million, achieving a turnaround from loss to profit. This represents a significant achievement in our business transformation and a solid step forward in the Group's pursuit of green development.

In addition to acting as the Hong Kong main contractor for superstructure building and repair, maintenance, alteration, and addition works, the Group has vigorously expanded its green business in recent years, particularly in the development of a global power battery recycling system, where its related operations have achieved breakthrough progress. Moving forward, the Group will continue to leverage green business as a driving force to promote efficient resource utilization and low-carbon transformation, steadily creating growing value returns for shareholders while contributing to the establishment of a green industrial ecosystem in the Guangdong-Hong Kong-Macao Greater Bay Area and the development of a global circular economy.

GOING FORWARD

Global electric vehicle sales have repeatedly hit record highs, driving a simultaneous surge in demand for lithiumion batteries and retired battery processing. Since initiating its transformation in 2023, the Group has adopted the strategic direction of "anchoring in Hong Kong while expanding globally" and proactively positioned itself in key areas amid the electrification trend, focusing on developing sustainable solutions for power batteries and other related businesses.

Rooted in Hong Kong, its subsidiary was officially approved to build "Hong Kong's First EV Battery Processing Plant" in June 2024, and construction is currently progressing steadily. Leveraging the Group's extensive technical expertise and comprehensive certifications in battery recycling, the facility will utilize advanced equipment and technology to meet local demand for retired lithiumion battery processing while serving as a hub in the Guangdong-Hong Kong-Macao Greater Bay Area to collaborate with industry partners in expanding a green recycling economy system. The Group is also actively engaged in advancing green infrastructure initiatives. This includes promoting batteries energy storage systems to provide safe, reliable, and low-carbon power solutions for construction sites and commercial and industrial applications; providing infrastructure support for the widespread adoption of electric vehicles in communities by complementing the EV-charging at Home Subsidy Scheme (EHSS) and supporting the development of its EV charging facilities business; additionally, the Group is exploring innovative pathways for retired battery repurposing in energy storage, aiming to establish a closed-loop battery lifecycle management system. These efforts not only strengthen Hong Kong's low-carbon transition but also unlock substantial business growth opportunities for the Group.

CHAIRMAN'S STATEMENT

Meanwhile, the Group continues to strengthen its global footprint, establishing over 70 service locations across Europe, the Americas, and Asia, regions with mature electrification markets to build an internationally connected recycling network, providing customers with one-stop green energy management solutions. Key global markets such as Europe have recently introduced new regulations on battery traceability management and recycling, significantly raising industry compliance thresholds. In the future, compliance licenses and professional expertise will become critical intangible assets and core competitive barriers in the sector. With its comprehensive licensing coverage for power battery recycling across major global markets, the Group has established a differentiated competitive advantage in rapidly responding to regional demands, reinforcing its leading position in global business expansion; additionally, its locally embedded operational teams are deeply attuned to regional market characteristics, providing crucial support for technology implementation and service responsiveness. These dual advantages continue to serve as strategic engines for advancing the standardization of global power battery recycling and regeneration chains, delivering strong momentum for the Group's business growth.

In terms of resource collaboration, the Group also deepened strategic partnerships with leading domestic and overseas industry players, including renowned automakers, core battery suppliers, and energy storage service providers. With the accelerating adoption of commercial electric vehicles, such as electric trucks and electric ferries, coupled with technological breakthroughs and favorable policies, the momentum toward the full electrification of transportation is expected to intensify. This will drive the maturation of the retired battery recycling industry and other energy utilization value chains, presenting vast prospects for future development.

APPRECIATION

On behalf of the Board, I would like to express our deepest gratitude to all employees for their hard work, shareholders for their continued trust, business partners for their close collaboration, and the broader community for their unwavering support. We will continue to drive growth through innovation, respond to market changes with agility, and deepen our sustainable development strategy centred on renewable energy and low-carbon solutions to deliver steady growth and enhance long-term competitiveness for our shareholders. At the same time, through close collaboration with our partners, we will promote the green transformation of our industries and collaborate with the community to advance towards a net-zero future.

Kwok Chun Sing
Chairman

Hong Kong, 25 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group principally provides superstructure building and RMAA works service as a main contractor in Hong Kong. It also engages in the business of reverse supply chain management and environmental-related service.

Superstructure building works refer to the building works in relation to the parts of the structure above the ground level and the scope of the Group's superstructure building works contracts mostly consist of development projects for residential and commercial buildings. RMAA works refer to the repair, maintenance, alteration and addition works for an existing structure. Reverse supply chain management and environmental-related service refers to the trading of industrial materials and the recycling of materials including but not limited to retired EV batteries, and using self-developed technologies to re-engineer the batteries to battery energy storage system to provide electricity for the equipment in construction sites.

The Group's revenue for the year ended 31 March 2025 amounted to approximately HK\$869.7 million, representing an increase of approximately HK\$417.5 million, or 92.3% compared to approximately HK\$452.2 million for the year ended 31 March 2024. The increase in total revenue was mainly attributable to the increase from reverse supply chain management and environmental-related service of approximately HK\$467.0 million, which was offset by the decrease from superstructure building and RMAA works of approximately HK\$49.5 million.

Superstructure building and RMAA works service

During the year ended 31 March 2025, there were 2 (2024: 6) superstructure building works projects and 1 (2024: 3) RMAA projects contributing revenue of approximately HK\$174.0 million (2024: approximately HK\$223.5 million) to this business segment.

Reverse supply chain management and environmental-related service

During the year ended 31 March 2025, revenue of approximately HK\$695.7 million (2024: approximately HK\$228.7 million) was generated from this business segment.

Looking ahead, the Group is optimistic about our future development, especially in reverse supply chain management and environmental related service, which the Group commenced this business segment during the financial year ended 31 March 2023. The Group's revenue increased from HK\$228.7 million for the year ended 31 March 2024 to HK\$695.7 million for the year ended 31 March 2025. As disclosed in previous announcements related to our business updates, including but not limited to the proposed cooperation with European collaborators and future operations at EcoPark, the Group would seize these opportunities and anticipates that the business scale will continue to expand.

Excluding certain one-off expenses that do not reflect the ongoing operating performance of the business, the Group's results indicate a turnaround, with a transition from a loss of approximately HK\$40.1 million for the year ended 31 March 2024 to a profit of approximately HK\$44.8 million for the year ended 31 March 2025 under Adjusted EBITDA, resulting in an improvement of approximately HK\$84.9 million. In the long run, the Group believes reverse supply chain management and environmental related services, where green business and environmental protection are in line with global carbon reduction policy, will be an essential segment for the Group. In addition to the existing superstructure building and RMAA works service, both segments could contribute significantly to the Group's performance in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2025 amounted to approximately HK\$869.7 million, representing an increase of approximately HK\$417.5 million, or 92.3% as compared to approximately HK\$452.2 million for the year ended 31 March 2024. The increase in revenue was mainly attributable to (i) a significant rise in reverse supply chain management and environmental-related service of approximately HK\$467.0 million, and (ii) a decrease in revenue from superstructure building and RMAA works of approximately HK\$49.5 million. The reverse supply chain management and environmental-related services segment remains the key contributor to revenue. The decline in revenue from superstructure building and RMAA works was primarily due to a reduction in recognised revenue, with two sizeable projects for the year ended 31 March 2025 as compared to six sizeable projects for the year ended 31 March 2024, of which five were at the completion stage. Going forward, the Group will continue to explore various business opportunities in both segments to enhance future growth and increase revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 31 March 2025 amounted to approximately HK\$102.7 million, representing an increase of approximately HK\$74.7 million, or approximately 266.8% as compared to approximately HK\$28.0 million for the year ended 31 March 2024. The overall gross profit margin for the year ended 31 March 2025 increased to approximately 11.8% as compared to approximately 6.2% for the year ended 31 March 2024. The increase in gross profit margin was primarily due to the profitable gross profit generated from the reverse supply chain management and environmental-related service segment with a profitable margin. Additionally, a significant decrease in costs was achieved through the adoption of better cost control measures in superstructure building and RMAA segment, resulting in an overall improvement in gross margin.

Other Income, Gains and Losses

The other income, gains and losses of the Group for the year ended 31 March 2025 amounted to a gain of approximately HK\$9.9 million, representing an increase of approximately HK\$4.5 million or 83.3% compared to approximately HK\$5.4 million for the year ended 31 March 2024, which was mainly attributable to the (i) gain on disposal of property, plant and equipment of approximately HK\$5.2 million; (ii) interest income from loans to independent third parties of approximately HK\$3.3 million; and (iii) the interest income from fixed deposit with licensed bank in Hong Kong of approximately HK\$1.2 million. The details of other income, gains and losses were disclosed in Note 8 to the consolidated financial statements in this annual report.

Operating Expenses

Total operating expenses of the Group for the year ended 31 March 2025 amounted to approximately HK\$121.2 million, representing an increase of approximately HK\$11.2 million or 10.2% as compared to approximately HK\$110.0 million for the year ended 31 March 2024, which comprised mainly (i) salaries and benefits of employees (including Directors' remuneration) of approximately HK\$30.1 million; (ii) depreciation on property, plant and equipment and right-of-use assets of approximately HK\$18.1 million; and (iii) the equity-settled share-based payment expenses of approximately HK\$38.9 million in relation to the grant of share awards by the Company under the share award scheme adopted by the Company on 28 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss Attributable to Owners of the Company

The Group reported loss attributable to owners of the Company for the year ended 31 March 2025 decreased by approximately HK\$63.2 million to approximately HK\$15.7 million, as compared to that of approximately HK\$78.9 million for the year ended 31 March 2024. The main reasons for the decrease in net loss were primarily attributable to the combined effect of the reason as stated in the section "FINANCIAL REVIEW" above.

Non-HKFRS measures

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, the Company also assesses the operating performance based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (the "EBITDA") as additional financial measures. By means of these financial measures, the management of the Group is able to evaluate the Group's financial performance regardless of the items that are not indicative of performance.

Adjusted EBITDA

During the year ended 31 March 2025, the Group incurred some one-off expenses, which are not indicative of the operating performance of its business. Therefore, the Group arrives at an Adjusted EBITDA by eliminating the effects of certain non-cash or non-recurring items of the Group, which include (i) equity-settled share-based payment expenses; (ii) depreciation of plant and equipment and right-of-use assets; (iii) amortisation of intangible assets; (iv) provision for impairment loss in respect of receivables; and (v) finance costs.

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(13,739)	(78,915)
Adjustments:		
Equity-settled share-based payment expenses	38,914	20,665
Depreciation of plant and equipment	4,248	5,490
Depreciation of right-of-use assets	13,865	8,341
Amortisation of intangible assets	1,400	2,055
Gain on disposal of property, plant and equipment	(5,206)	(50)
Provision of impairment loss in respect of trade receivables	1,450	1,567
(Reversal of)/provision of impairment loss in respect of contract assets	(235)	44
Share of results of associates	42	(102)
Finance costs	3,928	757
Exchange loss, net	97	92
Adjusted EBITDA	44,764	(40,056)

MANAGEMENT DISCUSSION AND ANALYSIS

As shown above, the Group's Adjusted EBITDA achieved a significant turnaround, with an increase of approximately HK\$84.9 million from a loss of approximately HK\$40.1 million for the year ended 31 March 2024 to a profit of approximately HK\$44.8 million for the year ended 31 March 2025.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2025, the Group had cash and cash equivalents, and pledged bank deposits amounting to approximately HK\$186.0 million (2024: approximately HK\$67.6 million).

Current ratio (total current assets: total current liabilities) increased from approximately 1.1 as at 31 March 2024 to approximately 1.7 as at 31 March 2025. The increase was primarily due to decrease in trade and retention money payable and accruals and other payables. Gearing ratio was 1.7% as at 31 March 2025 (2024: 3.9%).

The capital structure of the Group consisted of equity of approximately HK\$467.1 million (31 March 2024: approximately HK\$234.0 million) and debts of approximately HK\$7.9 million as at 31 March 2025 (31 March 2024: approximately HK\$9.1 million).

Treasury Policy

The Group adopts a prudent approach in cash management. Apart from certain debts including bank borrowing and lease liabilities, the Group did not have any material outstanding debts as at 31 March 2025. Surplus cash is generally placed in short term deposits with licensed bank in Hong Kong.

Foreign Exchange Exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group is minimal so long as the Hong Kong SAR Government's policy to link the Hong Kong dollars to the US dollars remains in effect. The Board is of the view that the Group's foreign exchange rate risks are insignificant during the year ended 31 March 2025.

Capital Expenditures

Total capital expenditure for the year ended 31 March 2025 was approximately HK\$45.5 million (2024: approximately HK\$6.4 million) on acquisition of property, plant and equipment. The Group funds its capital expenditure through the net proceeds from subscription of new shares and cash flows from operations.

Contingent Liabilities and Claims

The Group had no other contingent liabilities and claims as at 31 March 2025.

Capital Commitments

As at 31 March 2025, the Group had capital commitments in respect of property, plant and equipment and additions in construction in progress which are contracted for but not provided for in the amount of HK\$172.7 million (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments Held, Acquisition and Disposal

Except for investment in its subsidiaries, the Group did not hold any significant investments during the year ended 31 March 2025.

There were no acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 March 2025.

Charges on Assets

As at 31 March 2025, the Group had bank facilities which were pledged by the bank deposits as a security for issuance of a non-interest bearing surety bond for construction contract of the Group.

Segment Information

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

Employees and Remuneration Policies

As at 31 March 2025, the Group employed a total of 54 employees (including executive Directors) compared to a total of 45 employees as at 31 March 2024. The total salaries and related costs (including Directors' remuneration) for the year ended 31 March 2025 were approximately HK\$60.1 million (2024: approximately HK\$45.6 million). The remuneration package of the Group offered to our employees includes salary, bonuses and other cash subsidies. In general, the Group would determine the salaries of each employee based on their qualifications, position and seniorities. The Group has devised an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, distribution of bonuses and promotions.

The emoluments of the Directors are decided by the Board and recommended by the remuneration committee of the Company, having considered the factors such as the Group's financial performance and the individual performance of the Directors, etc.

The Company has adopted a share option scheme (which was terminated on 28 September 2023) and share award scheme (which was adopted on 28 September 2023) as an incentives and rewards to Directors and eligible employees for their contribution to the Group.

DIVIDEND

No dividend was paid or proposed to the ordinary shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

ACQUISITION OF RIGHT-OF-USE ASSET FOR LEASE OF LOTS T2 AND T3 IN ECOPARK

On 13 May 2024, Chun Yang International (HK) Company Limited, a wholly-owned subsidiary of the Company, has entered into the lease (the “Lease”) with the Chief Executive on behalf of the Government of the Hong Kong Special Administrative Region pursuant to an award of tender lease for Lots T2 and T3 in EcoPark in April 2024. Pursuant to the Lease, the term of the Lease is 20 years and the leased area is approximately 9,420m².

EcoPark, Hong Kong’s first green recycling-business park, is a facility of the Environmental Protection Department of Hong Kong specially constructed for green recycling industry. The Lease of 20 years will provide business continuation for the Group in green industry and is in the ordinary and usual course of business of the Group. Considering the business and development strategy of the Group with regard to environmental-related businesses, the Board considers that it is a justifiable business decision to enter into the Lease under the terms thereof.

Pursuant to HKFRS 16, the Company recognised a right-of-use asset in connection with the Lease in its consolidated financial statements of approximately HK\$79.1 million for the year ended 31 March 2025.

For details, please refer to the Company’s announcement dated 13 May 2024.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

- (i) On 20 September 2024, to broaden the shareholder base of the Company and provide funds to implement the startup works and to purchase building materials for the construction of the processing plant at Lots T2 and T3 in EcoPark (the “EcoPark Project”), and to support the general working capital of the Group, the Company and Wan Yan Metal Co., Limited and Mr. Yu Kai Yip (collectively, the “1st Subscribers”) entered into the subscription agreements (the “1st Subscription Agreements”) respectively. Pursuant to which the Company has conditionally agreed to allot and issue, and the 1st Subscribers have conditionally agreed to subscribe for, an aggregate of 19,668,000 new Shares at the subscription price of HK\$4.20 per subscription share (the “1st Subscription”). The subscription price of HK\$4.20 per subscription share represents a discount of approximately 18.92% to the closing price of HK\$5.18 per Share as quoted on the Stock Exchange on 20 September 2024, the date of the 1st Subscription Agreements. The aggregate nominal value of the subscription shares is HK\$196,680 and the market value of the subscription shares is approximately HK\$101.88 million, based on the closing price of HK\$5.18 per Share on the date of the 1st Subscription Agreements. The net subscription price (after deduction of all professional fees and related expenses), is approximately HK\$4.19 per subscription share. The subscription shares, when fully paid and allotted and issued, ranked pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares.

Completion of the 1st Subscription took place on 30 September 2024. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) each of the 1st Subscribers and its ultimate beneficial owner are Independent Third Parties; and (ii) each of the 1st Subscribers are independent from, not connected or associated with, and not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong) with one another.

MANAGEMENT DISCUSSION AND ANALYSIS

The aggregate net proceeds of the 1st Subscription, after the deduction of all professional fees and related expenses, is approximately HK\$82.48 million. The Company intends to apply HK\$41.24 million, representing 50% of the net proceeds from the 1st Subscription for the EcoPark Project, and HK\$41.24 million, representing 50% of the net proceeds from the 1st Subscription for general working capital of the Group.

For details, please refer to the announcement of the Company dated 20 September 2024.

The following table set forth the utilisation of the net proceeds from the 1st Subscription for the year ended 31 March 2025:

	Planned use of net proceeds as stated HK\$'000	Actual use of net proceeds up to 31 March 2025 HK\$'000	Unutilised net proceeds as at 31 March 2025 HK\$'000
EcoPark Project	41,241	41,241	–
General Working Capital	41,241	41,241	–
	82,482	82,482	

- (ii) On 16 December 2024, to broaden the shareholder base of the Company and provide funds to implement the startup works and to purchase building materials for the construction of the processing plant for the EcoPark Project, and to support the general working capital of the Group, the Company and CMB International Global Products Limited ("CMBI") and Victoria Sight Capital Limited ("VSC") (collectively, the "2nd Subscribers") entered into the subscription agreements (the "2nd Subscription Agreements") respectively. Pursuant to which the Company has conditionally agreed to allot and issue, and the 2nd Subscribers have conditionally agreed to subscribe for, an aggregate of 21,553,000 new Shares at the subscription price of HK\$6.00 per subscription share (the "2nd Subscription"). The subscription price of HK\$6.00 per subscription share represents a discount of approximately 14.53% to the closing price of HK\$7.02 per Share as quoted on the Stock Exchange on 16 December 2024, the date of the 2nd Subscription Agreements. The aggregate nominal value of the subscription shares HK\$215,530 and the market value of the subscription shares is approximately HK\$151,302,060, based on the closing price of HK\$7.02 per Share on the date of the 2nd Subscription Agreements. The net subscription price (after deduction of all professional fees and related expenses), is approximately HK\$5.995 per subscription share. The subscription shares, when fully paid and allotted and issued, ranked pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares.

Completion of the 2nd Subscription took place on 24 December 2024. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the 2nd Subscribers and its ultimate beneficial owner are Independent Third Parties; and (ii) each of the 2nd Subscribers are independent from, not connected or associated with, and not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong) with one another.

MANAGEMENT DISCUSSION AND ANALYSIS

The aggregate net proceeds of the 2nd Subscription, after the deduction of all professional fees and related expenses, is approximately HK\$129.2 million. The Company intends to apply approximately HK\$64.6 million, representing 50% of the net proceeds from the 2nd Subscription, for the EcoPark Project, approximately HK\$38.8 million, representing 30% of the net proceeds, for the Company's RMAA business, and approximately HK\$25.8 million, representing 20% of the net proceeds, for general working capital of the Group.

For details, please refer to the announcements of the Company dated 16 December 2024 and 27 December 2024.

The following table set forth the utilisation of the net proceeds from the 2nd Subscription for the year ended 31 March 2025:

	Planned use of net proceeds as stated HK\$'000	Actual use of net proceeds up to 31 March 2025 HK\$'000	Unutilised net proceeds as at 31 March 2025 HK\$'000	Date by which net proceeds are expected to be fully utilised
EcoPark Project	64,597	–	64,597	September 2025
RMAA business	38,758	–	38,758	September 2025
General Working Capital	25,839	25,839	–	–
	129,194	25,839	103,355	

- (iii) On 18 and 20 June 2025, to broaden the shareholder base of the Company and provide funds to implement the startup works and to purchase building materials for the construction of the processing plant for the EcoPark Project, and to support the general working capital of the Group, the Company, CMBI and VSC entered into the subscription agreements (the "3rd Subscription Agreements") respectively. Pursuant to which the Company has conditionally agreed to allot and issue, and CMBI and VSC have conditionally agreed to subscribe for, an aggregate of 12,263,000 new Shares at the subscription price of HK\$8.10 per subscription share (the "3rd Subscription").

The subscription price of HK\$8.10 per subscription share represents (i) a discount of 1.22% to the closing price of HK\$8.20 per Share as quoted on the Stock Exchange on 18 June 2025, the date of the subscription agreement (the "CMBI Subscription Agreement") entered into between the Company and CMBI; and (ii) a premium of 2.66% to the closing price of HK\$7.89 per Share as quoted on the Stock Exchange on 20 June 2025, the date of the subscription agreement (the "VSC Subscription Agreement") entered into between the Company and VSC. The aggregate nominal value of the subscription shares is HK\$112,630.00. The market value of the CMBI subscription shares is approximately HK\$49,938,000.00, based on the closing price of HK\$8.20 per Share on the date of the CMBI Subscription Agreement. The market value of the VSC subscription shares is approximately HK\$48,704,970.00, based on the closing price of HK\$7.89 per Share on the date of the VSC Subscription Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

The net subscription price (after deduction of all professional fees and related expenses) is estimated to be approximately HK\$8.09 per subscription share. The subscription shares, when fully paid and allotted and issued, ranked pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of CMBI and VSC and its ultimate beneficial owner are Independent Third Parties; and (ii) each of CMBI and VSC are independent from, not connected or associated with, and not acting in concert (as defined under the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong) with one another.

The aggregate gross proceeds of the 3rd Subscription will be approximately HK\$99,330,300.00 and the aggregate net proceeds of the 3rd Subscription, after the deduction of all professional fees and related expenses, is estimated to be approximately HK\$99,230,300.00. The Company intends to apply approximately HK\$59,538,180.00, representing 60% of the net proceeds from the 3rd Subscription, for the EcoPark Project, approximately HK\$29,769,090.00, representing 30% of the net proceeds, for the Company's RMAA business, and approximately HK\$9,923,030.00, representing 10% of the net proceeds, for general working capital of the Group.

For details, please refer to the Company's announcement dated 20 June 2025. The 3rd Subscription has not yet been completed as at the date of this report.

SHARE TRANSACTION

On 10 April 2025, the Company (the "Purchaser") and Jade Destiny Holdings Limited (the "Vendor") entered into the sale and purchase agreement (the "Agreement"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the one share representing the entire share capital of Green Jade Reverse Logistics Limited (the "Target Company") at the consideration of HK\$35,000,000.00, which will be satisfied by the issue of 4,545,455 new Shares at HK\$7.7 per Share in accordance with the terms and conditions of the Agreement (the "Acquisition").

On 13 May 2025, the Company completed the Acquisition. The consideration for the Acquisition was settled by an allotment and issuance of 4,545,455 new shares of the Company, amounting to approximately HK\$39,318,000 based on the Company's closing share price on 13 May 2025.

The principal reason for the Acquisition was to bring potential synergies with the Group's existing reverse supply chain management and green energy solutions business, as it adds technology, human resources, and business relations advantages that the Group already possesses. Meanwhile, it will expedite the Group's global footprint. The Target Company and its subsidiaries, with their facility in Singapore, will serve as the Group's second battery handling hub in Asia.

The Target Company became a wholly owned subsidiary of the Company after the Acquisition. The Company is still in the process of preparing the initial accounting for the business combination up to the date of this report.

For details, please refer to the announcements of the Company dated 10 April 2025 and 30 April 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Lending Transactions

During the year ended 31 March 2025, the Group had entered into a facility agreement (the “**Facility Agreement**”) and an addendum to the Facility Agreement (the “**Addendum**”) with an independent third party (the “**Borrower**”) on normal commercial terms with the details as below:

- (i) On 6 January 2025, the Company entered into the Facility Agreement with the Borrower, pursuant to which, the Company as the lender and the Borrower as the borrower agreed that, the Company shall provide an advance to the Borrower, in the total principal amount of USD7,000,000 (equivalent to approximately HK\$54,411,000) at the simple interest rate of 5% per annum. The loan is unsecured and matures 3 years from the date of advancement.
- (ii) On 23 January 2025, the Company entered into the Addendum with the Borrower, pursuant to which, the Company and the Borrower agreed to increase the total principal amount under the Facility Agreement by USD3,000,000 (equivalent to approximately HK\$23,319,000), while the other terms and conditions shall remain unchanged.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Borrower and its ultimate beneficial owners are third parties independent from the Company and its connected persons (as defined in the Listing Rules).

As at 31 March 2025, the loan to the Borrower amounted to approximately HK\$68,402,000, and the full principal loan amounts under the Facility Agreement and the Addendum remained outstanding as they have not yet become due. The Group monitors the exposures and manages the loans based on historical settlement records and past experience, current conditions and forecasts of future economic conditions. Pursuant to HKFRS 9’s expected credit losses model, the credit risk on the loans has not increased significantly since initial recognition, and the management of the Group considered that no impairment allowance was required.

The purpose of the loan to the Borrower is limited to working capital of the Borrower. The Borrower is a business partner of the Company whose business is involved in the collection and exportation of industrial materials, such as battery black mass and copper. The Company believes that the long-term growth of a reverse supply chain network hinges on the healthy development of market participants, and is desirous of enhancing and diversifying the Company’s upper stream supply chain, to create better value for the Company’s clients. Hence, the Directors were of the view that the Facility Agreement and the Addendum were entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

MANAGEMENT DISCUSSION AND ANALYSIS

The Facility Agreement, the Addendum and the transactions contemplated thereunder constituted advances to an entity under Rules 13.13 and 13.15 of the Listing Rules and discloseable transactions for the Company under Chapter 14 of the Listing Rules. However, the Company had inadvertently overlooked to comply with the requirements under Rules 13.13 and 13.15 and Chapter 14 of the Listing Rules. The Board recognizes the need to enhance its internal control and compliance measures. To prevent similar non-compliance from reoccurring, the management of the Company undertakes to take steps to strengthen the internal controls over the procedures for all transactions under Chapters 13 and 14 of the Listing Rules.

The announcement in relation to the Facility Agreement and the Addendum, and the remedial measures to be taken by the Company, will be published by the Company in due course.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Kwok Chun Sing (郭晉昇), *M.H., J.P.*, ("**Mr. Kwok**"), aged 51, is the chairman of the Board and an executive Director. He was appointed as vice-chairman of the Board and executive Director on 12 August 2022. He was redesignated as the chairman of the Board on 11 January 2023. He is also the chairman of nomination committee of the Company (the "**Nomination Committee**"). He has been awarded EMBA degree in Macau University of Science and Technology and has over 25 years of experience in the environmental technology and new energy industries. He founded the Hong Kong Recycling Chamber of Commerce in 2015 and has been serving as its chairman. Since 2021, he has been a director of CR Environmental Protection Technology Research (Shenzhen) Co., Ltd.* (華潤環保應用技術研究(深圳)有限公司).

In addition, Mr. Kwok currently also participates in community associations such as the co-founder of the Hong Kong Coalition, a member of the Chinese General Chamber of Commerce and a member of the Chinese People's Political Consultative Conference of Qingyuan City, Guangdong Province. He was also a member of the 6th Election Committee for Chief Executive of Hong Kong. Mr. Kwok was awarded the Medal of Honor by the Government of the HKSAR and was appointed as a Justice of the Peace.

Mr. Zhan Zhi Hao (詹志豪) ("**Mr. Zhan**"), aged 35, was appointed as an executive Director on 23 December 2022 and chief executive officer on 11 January 2023. He is also the member of the remuneration committee of the Company (the "**Remuneration Committee**"). He graduated from Chongqing University with a Bachelor of Economics in 2012 and obtained a Master of Science in Applied Economics from the City University of Hong Kong in 2013. Mr. Zhan is a member of the CFA Institute.

Mr. Zhan has over 10 years of experience in operations and ESG investment research in the green technology industry. From 2013 to 2019, Mr. Zhan held corporate positions in a subsidiary of Chiho Environmental Group Limited (stock code: 976), a company listed on the Main Board of the Stock Exchange, with his last position as the assistant general manager. He joined Chun Yang International (HK) Company Limited ("**Chun Yang**") in 2019 as the vice president. During the period from May 2020 to September 2022, Mr. Zhan founded Dr. Green Technology Ltd., which is engaged in development and operation of carbon tracking systems and green environmental protection facilities. He subsequently rejoined Chun Yang as the deputy chief executive officer in September 2022. Chun Yang was indirectly wholly-owned by Mr. Kwok until the Company acquired 40% and 60% of the equity interests in Chun Yang in April and August 2022, respectively.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Tang Chi Kin (鄧志堅) ("Mr. Tang"), aged 62, was appointed as an executive Director on 24 January 2022. Mr. Tang is the director of Well Brand Development Limited and Smart Mind Construction Limited, companies incorporated in Hong Kong, which are principally engaged in construction. Mr. Tang is also serving as the chairman of the Hong Kong Industrial and Commercial Association Limited – Tai Po Branch and the vice-president of Hong Kong Hakka Associations.

Mr. Tang has over 30 years' experience in working in the field of construction industry and he is responsible for broadening the business network and exploring new opportunities of development of the Group. Mr. Tang graduated from his secondary school in the Mainland China.

Ms. Kwok Ho Yee (郭可兒) ("Ms. Kwok"), aged 47, was appointed as an executive Director on 12 December 2023. She is also the member of the Remuneration Committee. She has been appointed as the chief operating officer of the Group and Ms. Kwok also serves as a director of Chun Yang, a subsidiary of the Group. Her responsibilities in the Group include formulating and determining corporate and business strategies and development, making major operation decisions, and monitoring business operations. Ms. Kwok obtained a Master's Degree in Business Administration from Glasgow Caledonian University in the United Kingdom.

Ms. Kwok has over 15 years of sales, marketing, and operation management experience in the green technology and environmental industry with a wide business network in Hong Kong and worldwide. She was elected as the Vice-chairman of the FHKI Group 26 (Environmental Industries Council) and will take office on 7 August 2025, Honorary Advisor of the Hong Kong Recycling Chamber of Commerce, advisor of the Gerson Lehrman Group, honorary advisor of Eco City Foundation and member of the Small and Medium Enterprises Committee of Trade and Industry Department of the Government of the Hong Kong Special Administrative Region. The Green Achiever Award under the Hong Kong Awards for Environmental Excellence for 2021 and 2023 recognised her efforts in improving the environment.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hau Wing Shing Vincent (侯穎承) ("Mr. Hau"), aged 52, was appointed as an independent non-executive Director on 24 July 2018. He is also a member of the audit committee of the Company (the "**Audit Committee**") and the Nomination Committee. He is primarily responsible for providing independent judgement on issues of strategy, policy, performance, accountability, resource, key appointments and standard of conduct of the Group.

Mr. Hau obtained his Bachelor's Degree in Laws from The University of Hong Kong in December 1994. Mr. Hau was admitted in August 1997 as a solicitor of the High Court of the Hong Kong Special Administrative Region and is still currently practising as a solicitor. He served as an assistant solicitor in Joseph S.C. Chan & Co. Solicitors from August 1997 and later served as a partner from September 2000 to May 2006. Since May 2006, Mr. Hau has been serving as a senior partner in Messrs. V. Hau & Chow. He is now the honorary legal advisors of Hong Kong Chinese Civil Servants' Association.

Mr. Hau focuses his practice on commercial transactions, litigation, banking and insolvency. He has experience in advising on compliance matters for listed companies and handling criminal cases involving directors of a wholly-owned subsidiary of a company listed on the Stock Exchange. Since November 2015, Mr. Hau has been a director through his service company of WLS Limited which is engaged in retailing of spa and wellness products and running spa business. Mr. Hau is in charge of the business operation, cash flow and compliance matters for WLS Limited and assists to prepare and review the commercial documents for WLS Limited.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Lam John Cheung-wah (藍章華) ("Mr. Lam"), aged 70, was appointed as an independent non-executive Director on 2 June 2023. He is also a member of the Audit Committee and the Remuneration Committee. He has substantial experience and extensive network in the banking and property development and property investment industries. From 1991 to 2005, he held various senior positions at Hongkong Bank of Canada (currently known as HSBC Bank Canada), HSBC California and Hang Seng Bank Limited. He subsequently worked at Dah Sing Bank, Limited from September 2005 to February 2012 with his last position as an executive director, head of retail banking. After that, Mr. Lam acted as the vice chairman and an executive director of Nan Fung Property Holdings Limited in China Property Division between February 2013 and December 2021, and he has served as their consultant since January 2022. Mr. Lam possesses extensive experiences in property development and property investment and has deep understanding of property industry trends.

He graduated from Ryerson Polytechnical Institute (currently known as Toronto Metropolitan University) in Toronto, Canada in June 1988 where he received his bachelor of business management degree. He is a fellow of The Institute of Canadian Bankers and a fellow of the Royal Institution of Chartered Surveyors. He was a member of the Chinese People's Political Consultative Conference Guangzhou Committee.

Mr. Lam has been an independent non-executive director of Wing Lee Property Investments Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 864), since February 2013, an independent non-executive director of Blue River Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 498), since August 2022 and an independent non-executive director of Oshidori International Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 622), since August 2022 a non-executive director of Lincoln Minerals Limited (a company listed on Australian Securities Exchange, stock code: AXN:LML) since September 2023. He was a non-executive director of Hong Kong Aerospace Technology Group Limited (now known as USPACE Technology Group Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 1725), from October 2021 to July 2022, an independent non-executive director of Samson Paper Holdings Limited (currently known as C&D Newin Paper & Pulp Corporation Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 731), from May 2022 to October 2024.

Prof. Sit Wing Hang, GBS, JP, (薛永恒) ("Prof. Sit"), aged 64, was appointed as an independent non-executive Director on 20 October 2023. He is also the chairman of the Remuneration Committee and member of each of the Audit Committee and the Nomination Committee. He joined the Hong Kong Government in 1984 and was promoted to the Director of Electrical and Mechanical Services and Electrical & Mechanical Services Trading Fund General Manager in 2017. He was in charge of electrical and mechanical safety and promotion of energy efficiency and conservation in Hong Kong, as well as the provision of engineering services for electrical and mechanical assets of the Hong Kong SAR Government. He served as the Secretary for Innovation and Technology of the Hong Kong SAR Government from April 2020 to 30 June 2022. Prof. Sit was awarded the Gold Bauhinia Star and was appointed as a Justice of the Peace by the Hong Kong SAR Government.

Prof. Sit is currently the Chief Executive and Secretary of the Hong Kong Institution of Engineers. He also serves as a Senior Advisor to the President and Vice-Chancellor and Honorary Professor of the Hong Kong Baptist University, and a Professor of Practice of the Hong Kong Polytechnic University.

Prof. Sit is an electrical engineer by profession and has over 40 years of experience in public administration. He is a fellow member of the Hong Kong Institution of Engineers. He was the President of the Hong Kong Institution of Facility Management and Chairman of the Biomedical Division of the Hong Kong Institution of Engineers.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Prof. Sit is also currently serving as an independent non-executive director of Regal Partners Holdings Limited (formerly known as Morris Home Holdings Limited), a company listed on the main board of the Stock Exchange (stock code: 1575) since July 2023, an independent non-executive director of Wai Yuen Tong Medicine Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 897) since December 2023, an independent non-executive director of Xiamen Jihong Co., Ltd, a company listed on the main board of the Stock Exchange (stock code: 2603) since February 2024, an independent non-executive director of China State Construction Development Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 830) since April 2025.

Mr. Yu Chung Leung (余仲良) (“Mr. Yu”), aged 54, was appointed as an independent non-executive Director on 12 December 2023. He is also the chairman of the Audit Committee and a member of the Remuneration Committee. He has over 29 years of experience in auditing and accounting. He holds a Master of Arts in international accounting from City University of Hong Kong. Mr. Yu is a member and an authorised supervisor of the Hong Kong Institute of Certified Public Accountants. He is a fellow member of The Association of Chartered Certified Accountants, a chartered tax adviser of The Taxation Institute of Hong Kong and a practising certified public accountant in Hong Kong. He is also a member of the Process Review Panel for the Accounting and Financial Reporting Council. Mr. Yu is a partner of Lee & Yu Certified Public Accountants. He was awarded the Chief Executive’s Commendation for Community Service in 2022.

Mr. Yu is currently an independent non-executive director of Oshidori International Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 622) since July 2022, an independent nonexecutive director of Blue River Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on Main Board of the Stock Exchange (stock code: 498) since August 2022, an independent non-executive director of Esprit Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on Main Board of the Stock Exchange (stock code: 330) since January 2025. Mr. Yu was an independent non-executive director of Narnia (Hong Kong) Group Company Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM of the Stock Exchange (stock code: 8607) from January 2019 to April 2025.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Ho Chi Lai, Johnny (何志禮) (“Mr. Ho”), aged 62, is a project manager of the Group. Mr. Ho joined the Group in March 2006 as a project manager of Head Fame. Mr. Ho is responsible for the overall monitoring the construction projects, cost estimating, managing the quality management system and administrating tendering works of the Group.

Mr. Ho has over 36 years of experience in the construction and building works industry. Prior to joining the Group, Mr. Ho had participated in numerous residential, commercial and ASD projects in Hong Kong. He had served many construction companies, including but not limited to, WMKY Limited as an assistant engineer from April 1987 to April 1988, Lee Shing Yue Construction Company Limited as a projects manager from June 1998 to September 2000, and Hong Kong Wai Yip Building Materials Limited (now known as Hong Kong Wai Yip Building Construction Limited) as a site agent, from September 2003 to May 2005.

Mr. Ho obtained an Honours Diploma in Civil Engineering from Hong Kong Baptist College in January 1986, a Higher Diploma in Applied Statistics from City Polytechnic of Hong Kong in November 1992 and a Master of Science in Engineering Management from City University of Hong Kong in November 2001. He then obtained a Bachelor of Engineering Degree in Civil Engineering from The Queen’s University of Brighton in October 2003.

Mr. Chu Pui Ki Dickson (朱沛祺) (“Mr. Chu”), aged 40, is a company secretary of the Company (the “**Company Secretary**”). Mr. Chu was appointed as the Company Secretary on 12 January 2022. Mr. Chu is a member of the Hong Kong Institute of Certified Public Accountants since February 2011. He has over 10 years of relevant experience in accounting and auditing and has experience in tax, internal control matters and is holding position of company secretary in other companies listed on the Stock Exchange.

He is currently serving as the company secretary and providing professional corporate services to companies listed in the main board and GEM of the Stock Exchange.

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its subsidiaries are the provision of superstructure building and RMAA works service as a main contractor in Hong Kong and the provision of reverse supply chain management and environmental-related service.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 are set out in the financial statements on pages 97 to 187 of this annual report. The Board does not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 March 2025 and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 5 to 6 of this annual report. The financial risk management objectives and policies of the Group can be found in the Note 38 to the consolidated financial statements. An analysis of the Group's performance during the year ended 31 March 2025 using financial key performance indicators is provided in the management discussion and analysis on pages 7 to 17 of this annual report. In addition, discussions on the Group's environmental policies, relationship with its key stakeholders, key risks and uncertainties and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Report of the Directors on pages 23 to 25 of this annual report.

ENVIRONMENTAL POLICY

The Group strives to mitigate the impact of its operations on environmental and natural resources. The Group's operation does make an impact on water, air and land, and therefore on the ecosystem. Therefore, the Group implements a range of measures for environmental protection and sustainable development, complies with applicable environmental-related laws and regulations and strives to operate in a responsible manner which balances the need for operation with minimising its environmental impact.

The Group continuously introduces measures to source control and end treatment with the purpose of fulfilling targets for reducing, reusing, recycling and renewing raw materials, reducing emissions and waste, improving the utilisation efficiency of water and energy resources, and minimising the effect of the operation on the environment and natural resources.

Moving forward, the Group also endeavours to meet the requirements of certain industry's codes of practice such as the BEAM Plus New Buildings issued by the Hong Kong Green Building Council and the BEAM Society.

REPORT OF THE DIRECTORS

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, as far as the Group is aware, there was no material breach or non-compliance with applicable laws and regulation by the Group that has a significant impact on its business and operations.

KEY RISKS AND UNCERTAINTIES

The Group believes that there are certain risks and uncertainties involved in its operations but the Group uses its best endeavors to ensure its sufficient to mitigate the risks present in our operations and financial position.

- Our revenue relies on successful tenders of our projects which are not recurrent in nature, and there is no guarantee that our customers will provide us with new business or that we will secure new customers;
- The Group makes estimation of our project costs in our tenders and any failure to accurately estimate the costs involved and/or delay in completion of any project may lead to cost overruns or even result in losses;
- The Group relies on subcontractors to help complete our contracts;
- The Group is exposed to our customers' credit risks and our liquidity position may be adversely affected if our customers fail to make payment on time or in full;
- Our performance depends on market conditions and trends in the construction industry and in the overall economy and there is no assurance that if the property market in Hong Kong further deteriorates, there will be no material adverse impact on the Group's operation or at all, or the Group will be able to take appropriate measures to minimise the adverse impact on it; and
- The Group operates in a highly competitive market.

RELATIONSHIPS WITH STAKEHOLDERS

The Directors recognises that the Group's employees, customers, suppliers and subcontractors are the keys to its sustainable development.

Employees

The Group has maintained good relationship with its employees. The Group provides the remuneration package, including salary, bonuses and other cash subsidies to attract and retain appropriate and suitable personnel to serve the Group. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to an increase in salary, distribution of bonuses and promotions.

REPORT OF THE DIRECTORS

Customers

The Group has established a stable customer base within the private sector. Its customers in the private sector include private property developers and commercial enterprises which require superstructure building and/or RMAA works services. The Group believes that the established working relationships with its major customers have enhanced its market recognition and enabled the Group to attract more business opportunities.

Suppliers and subcontractors

The Group has established long-term and close working relationships with its major suppliers and subcontractors, some of whom have working relationships with the Group for 10 years. The performance of subcontractors and the quality of superstructure building and RMAA works contracted by the Group can be assured by the close relationship with its subcontractors.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years, as extracted from the published annual reports and audited financial statements of the Company for the year ended 31 March 2025 are set out on page 188. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements during the year ended 31 March 2025 in the share capital of the Company are set out in Note 33 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association ("**Articles**") of the Company or the laws of Cayman Islands, which oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float as required under the rules governing the listing of securities on the Stock Exchange (the "**Listing Rules**").

REPORT OF THE DIRECTORS

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

RESERVES

Details of movements in the reserves of the Group and the Company as at 31 March 2025 are set out in page 100 and Note 33 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company as at 31 March 2025 are set out in Note 33 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2025, the Group's largest customer and the five largest customers accounted for approximately HK\$156,751,000 and HK\$440,769,000 of the Group's total revenue respectively.

For the year ended 31 March 2025, the Group's largest supplier and five largest suppliers accounted for approximately HK\$247,966,000 and HK\$526,315,000 of the Group's total of cost of sales respectively.

None of the Directors, their close associates or any Shareholders (which to the knowledge of the Directors who owned more than 5% of the Company's share capital) had any interest in the five largest customers or suppliers during the year ended 31 March 2025.

DIRECTORS

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

Executive Directors:

Mr. Kwok Chun Sing (*Chairman*)

Mr. Zhan Zhi Hao (*Chief Executive Officer*)

Mr. Tang Chi Kin

Ms. Kwok Ho Yee (*Chief Operating Officer*)

REPORT OF THE DIRECTORS

Independent Non-executive Directors ("INEDs"):

Mr. Hau Wing Shing Vincent
Mr. Lam John Cheung-wah
Prof. Sit Wing Hang
Mr. Yu Chung Leung

The Company has received written annual confirmation of independence from all INEDs. The Group considers all INEDs to be independent under the Listing Rules.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the directors and senior management of the Company are set out on pages 18 to 22 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has or is proposed to have a service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than the statutory compensation.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and the five highest paid employees of the Group are set out in Note 12 to the consolidated financial statements.

EMOLUMENT POLICY

The emolument policy of the Group is based on the merit, qualification and competence and are reviewed by the Remuneration Committee periodically. The emolument of the Directors are decided by the Board after recommendation from the Remuneration Committee in accordance with the performance of the Group and individual performance and comparable market statistics.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or controlling shareholders of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted 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 Group was entered into or existed during the year ended 31 March 2025.

REPORT OF THE DIRECTORS

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules during the year ended 31 March 2025 and up to the date of this annual report.

NON-COMPETITION UNDERTAKING

Each of the controlling shareholders of the Company has made an annual declaration to the Company that during the year ended 31 March 2025 and up to date of this annual report, he/it has complied with the term of non-competition undertakings ("**Non-Competition Undertakings**") given in favour of the Company. The INEDs have also reviewed the status of compliance by each of the controlling shareholders of the Company with the undertakings stipulated in the Non-Competition Undertakings and have confirmed that, as far as the INEDs can ascertain, there is no breach of any of such undertakings.

RELATED PARTY TRANSACTIONS

Details of material related party transactions entered into by the Group during the year ended 31 March 2025 are set out in Note 36 to the consolidated financial statements. For the year ended 31 March 2025, none of these related party transactions are connected transaction which are subject to the disclosure requirements of Chapter 14A of the Listing Rules in respect of such transactions.

CONNECTED TRANSACTIONS

For the year ended 31 March 2025, there were no connected transactions or continuing connected transactions of the Company which require compliance with any of the reporting, announcement, annual review or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PERMITTED INDEMNITY PROVISION

In accordance with article 191 of the Articles, the Directors or other officers of the Company shall be indemnified out of the assets and profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

DONATIONS

During the year ended 31 March 2025, no charitable and other donations made by the Group (2024: HK\$14,000).

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

As at 31 March 2025, save as the Share Award Scheme, there was 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.

SHARE AWARD SCHEME

The share award scheme of the Company (the **"Share Award Scheme"**) was adopted by the Company at the annual general meeting of the Company held on 28 September 2023 (the **"Adoption Date"**).

Purpose of the Share Award Scheme

The purposes of the Share Award Scheme is to recognise and acknowledge the contributions which the Eligible Participants have made or may make to the Group.

The Share Award Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company, with the view to achieving the following principal objectives:

- (1) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
- (2) attracting and retaining or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or, will be or are expected to be, beneficial to the Group.

Participants

The following persons are eligible to participate in, and be granted share award under, the Share Award Scheme (each such person being an **"Eligible Participant"**):

- (i) any Director (excluding independent non-executive Directors) and employee of the Company and any of its Subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with the respective company of the Group (each such person being an **"Employee Participant"**);
- (ii) any Director and employee of the Affiliate (each such person being a **"Related Entity Participant"**); and
- (iii) any Service Providers whom the Board or the Committee, in its sole discretion, determines that have contributed or will contribute to the Group (each such person being a **"Service Provider Participant"**).

REPORT OF THE DIRECTORS

Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be awarded in respect of all awards and options under the Share Award Scheme and any other schemes of the Company shall be no more than 10% of the total number of Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”). Within the Scheme Mandate Limit, the total number of new Shares which may be issued in respect of all awards and options to be granted to Service Providers under the Share Award Scheme and any other schemes of the Company must not in aggregate exceed 4% of the total number of Shares in issue as at the Adoption Date (the “**Service Provider Sublimit**”).

The number of awards available for grant under the scheme mandate limit as of 1 April 2024 and 31 March 2025 was 38,562,750 and 38,562,750, respectively. The number of awards available for grant under the service provider sublimit as of 1 April 2024 and 31 March 2025 was 25,361,100 and 25,361,100, respectively.

Maximum Entitlement of Each Participant

The Share Award Scheme imposes an individual limit on the total number of Shares that may be issued to each Eligible Participant in any 12-month period, such that the aggregate number of shares issued and to be issued in respect of all options and awards granted to each Eligible Participant shall not exceed 1% of the Shares in issue for the time being (the “**Individual Limit**”). Where any grant of option or award to a Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant must be separately approved by Shareholders in a general meeting with such Eligible Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The Company will send a circular to the Shareholders containing all those information and terms as required under Rule 17.03(D)(2) of the Listing Rules.

Vesting Period

Subject to the satisfaction of all vesting conditions applicable to the vesting of awarded shares to each grantee, the awarded shares held by the trustee on behalf of such grantee pursuant to the provision hereof shall vest in such grantee in accordance with the applicable vesting schedule as set out in the award letter, and the trustee shall cause the awarded shares to be transferred to such grantee in accordance with the rules relating to the Share Award Scheme.

In any event, the awards granted under the Share Awards Scheme shall be held for not less than twelve (12) months before being vested on the Eligible Participant.

No purchase price is required to be paid by the Eligible Participant upon the acceptance or vesting of the share awards under the Share Award Scheme. As such, the period within which payments or calls must or may be made or loans for such purposes must be repaid is not applicable.

REPORT OF THE DIRECTORS

Performance Targets

Any grant of awards under the Share Award Scheme may be subject to a performance target (if any) so as to achieve the purpose of the Share Award Scheme. The performance target, if any, shall be imposed on a case-by-case basis with reference to the performance of the Eligible Participant and/or the operating or financial performance of the Group and/or such other performance target to be determined by the Board or the Committee in its absolute discretion from time to time, which shall be set out in the award letter in relation to the grant of the award to each relevant Eligible Participant. Factors to be taken into account include but are not limited to (i) annual, half-yearly or quarterly results and performance of the Group, with reference to revenue, profits (before or after tax), earnings per share, market value or economic value added, cash flow, return on assets, return on equity, return on investment, share price etc.; (ii) for Employee Participants, the key performance indicators of the individual or the respective department(s) and/or business unit(s) that the Eligible Participant belongs to, and for Related Entity Participants and Service Provider Participants, their contribution to the financial and operating results of the Company; and (iii) individual position, annual appraisal result and other factors relevant to the Eligible Participant. Unless otherwise determined by the Board or the Committee, there is no performance target stipulated under the Scheme Rules that is required to be achieved by the Grantee before an Award can be granted.

Clawback Mechanism

Subject to compliance with the Listing Rules and the provisions hereof, the Board or the Committee shall have the right and power to determine clawback provisions, namely to forfeit all the outstanding awards granted (where applicable) to the relevant grantee but not yet vested and exercised without the approval of the relevant grantee in the occurrence of events as set out under the section headed "CLAWBACK" in Appendix IV to the circular of the Company dated 6 September 2023.

Rights Attaching to the Awards and the Awarded Shares

An awarded share shall not carry any voting right unless and until the trustee has transferred and vested the legal and beneficial ownership of such awarded shares to and in the grantee in accordance with the rules of the Share Award Scheme.

Voting Rights of the Trustee of the Share Award Scheme

A trustee will be appointed to administer the Share Award Scheme. The trustee holding unvested Shares of the Share Award Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Administration of the Share Award Scheme

The Share Award Scheme shall be subject to the administration of the Board and the trustee, and the decision of the Board and the trustee regarding the administration and operation of the Share Award Scheme shall be final and binding on all parties.

Duration

The Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

The remaining life of the Share Award Scheme is approximately 8.27 years as at the date of this annual report.

REPORT OF THE DIRECTORS

General

None of the Directors is a trustee of the Share Award Scheme nor has a direct or indirect interest in the trustees of the Share Award Scheme.

For more details on the Share Award Scheme, please refer to Appendix IV to the circular of the Company dated 6 September 2023.

During the year ended 31 March 2025, the details of the changes in the Award Shares granted under the Share Award Scheme are set out below:

	Date of grant	Vesting date	Fair value at the date of grant	Number of share awards outstanding at 1 April 2024	Granted during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Number of share awards outstanding at 31 March 2025
Directors									
Mr. Kwok Chun Sing	12 October 2023	11 October 2024	0.72	12,420,000	-	(12,420,000)	-	-	-
Mr. Zhan Zhi Hao	12 October 2023	11 October 2024	0.72	12,420,000	-	(12,420,000)	-	-	-
Mr. Tang Chi Kin	12 October 2023	11 October 2024	0.72	8,280,000	-	(8,280,000)	-	-	-
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Ms. Kwok Ho Yee ¹	12 October 2023	11 October 2024	0.72	12,420,000	-	(12,420,000)	-	-	-
Directors in aggregate				49,680,000	-	(45,540,000)	-	-	4,140,000
Employee²									
	12 October 2023	11 October 2024	0.72	8,280,000	-	(8,280,000)	-	-	-
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Employee in aggregate				12,420,000	-	(8,280,000)	-	-	4,140,000
Services providers									
	12 October 2023	11 October 2024	0.72	8,280,000	-	(8,280,000)	-	-	-
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
	12 October 2023	11 October 2024	0.72	4,140,000	-	(4,140,000)	-	-	-
	12 October 2023	31 March 2025	0.72	4,140,000	-	(4,140,000) ³	-	-	-
	12 October 2023	30 September 2025	0.72	4,140,000	-	-	-	-	4,140,000
Services providers in aggregate				24,840,000	-	(16,560,000)	-	-	8,280,000
Total				86,940,000	-	(70,380,000)	-	-	16,560,000

Notes:

- On 12 October 2023, 12,420,000 Awarded Shares were granted to Ms. Kwok Ho Yee as being an employee and chief operating officer of the Group. On 12 December 2023, Ms. Kwok Ho Yee was appointed as an executive director of the Company.
- On 12 October 2023, 12,420,000 Awarded Shares were granted to Mr. Guo Jinbao (being the brother of Mr. Kwok Chun Sing). Mr. Guo Jinbao is connected person of the Company.
- Shares that have vested but not yet been issued to grantee.

REPORT OF THE DIRECTORS

Notes:

1. The closing price of the Company's shares immediately before the grant of share awards on 12 October 2023 were HK\$0.72 per share.
2. The number of Shares available for future allotment and issue for the purpose of the Share Award Scheme under the Scheme Mandate Limit and the Service Provider Sublimit are 38,562,750 shares and 25,361,100 Shares respectively, representing approximately 2.82% and 1.86% of the total issued Shares as at the date of this report respectively.
3. The number of Shares that may be issued in respect of the share awards granted under the Share Award Scheme during the year ended 31 March 2025 divided by the weighted average number of Shares in issue for the year ended 31 March 2025 was approximately Nil.
4. All of the grants were subject to fulfillment of certain individual performance targets. For details, please refer to the circular of the Company dated 6 September 2023 and announcement of the Company dated 12 October 2023.
5. Subject to the satisfaction of the performance targets applicable to the Awarded Shares to each Grantee, the Awarded Shares will be transferred to such Grantee in accordance with the Share Award Scheme. In any event, the Awarded Shares granted under the Scheme shall be held for not less than 12 months before being vested on the Grantees. The Awarded Shares is subject to a lock up period for 6 months after vesting and a general clawback mechanism as set out in the circular of the Company dated 6 September 2023.
6. Under the Share Award Scheme, no purchase price is required to be paid by grantees.
7. Details of the calculation of the fair value of the share awards are set out in note 43 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Award Scheme", at no time during the year ended 31 March 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR THE ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Interest in ordinary shares/ underlying shares*	Approximate percentage of interests in the Company (Note 1)
Mr. Kwok	Interest in a controlled corporation	548,449,000 (Note 2)	40.25%
	Beneficial owner	90,000,000	6.61%
	Settlor of a discretionary trust	12,420,000 (Note 3)	0.91%
Mr. Tang	Beneficial owner	40,320,000	2.96%
	Settlor of a discretionary trust	8,280,000 (Note 4)	0.61%
	Beneficial owner	4,140,000 (Note 5)	0.30%
Mr. Zhan	Beneficial owner	6,950,000	0.51%
	Settlor of a discretionary trust	12,420,000 (Note 6)	0.91%
Ms. Kwok	Settlor of a discretionary trust	12,420,000 (Note 7)	0.91%

Notes:

* All interests stated are long positions.

1. As at 31 March 2025, the Company has issued 1,362,488,500 Shares.

2. These Shares are held by Chun Yip International Investment Limited ("Chun Yip"), which is beneficially wholly owned by Mr. Kwok. By virtue of the SFO, Mr. Kwok is deemed to be interested in all the Shares held by Chun Yip.

3. 12,420,000 Shares held by Marvel Sing Limited. Marvel Sing Limited is a company incorporated in the BVI with limited liability being wholly-owned by Equiom Fiduciary Services (Hong Kong) Limited, the trustee of Marvel Sing Trust, which is a discretionary trust set up by Mr. Kwok Chun Sing as the settlor, with Mr. Kwok Chun Sing being the beneficiary.

REPORT OF THE DIRECTORS

4. 8,280,000 Shares held by Strong Extend Limited. Strong Extend Limited is a company incorporated in the BVI with limited liability being wholly-owned by Equiom Fiduciary Services (Hong Kong) Limited, the trustee of Strong Extend Trust, which is a discretionary trust set up by Mr. Tang Chi Kin as the settlor, with Mr. Tang Chi Kin being the beneficiary.
5. These Shares were the unvested share awards.
6. 12,420,000 Shares held by Envoy Mind Limited. Envoy Mind Limited is a company incorporated in the BVI with limited liability being wholly-owned by Equiom Fiduciary Services (Hong Kong) Limited, the trustee of Envoy Mind Trust, which is a discretionary trust set up by Mr. Zhan Zhi Hao as the settlor, with Mr. Zhan Zhi Hao being the beneficiary.
7. 12,420,000 Shares held by Elegant Jasmine Limited. Elegant Jasmine Limited is a company incorporated in the BVI with limited liability being wholly-owned by Equiom Fiduciary Services (Hong Kong) Limited, the trustee of Elegant Jasmine Trust, which is a discretionary trust set up by Ms. Kwok Ho Yee as the settlor, with Ms. Kwok Ho Yee being the beneficiary.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2025, the following persons/entities (other than the Directors or chief executive officer of the Company) have interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept under Section 336 of the SFO.

Long Position in the shares of the Company

Name of shareholder(s)	Nature of interest	Total number of ordinary shares and underlying shares (Note 1, 2)	Approximate percentage of interests in the Company
Chun Yip	Beneficial owner (Note 3)	548,449,000	40.25%

Notes:

1. As at 31 March 2025, the Company has issued 1,362,488,500 Shares.
2. All interests stated are long positions.
3. Chun Yip is the direct Shareholder, which is beneficially wholly owned by Mr. Kwok. By virtue of the SFO, Mr. Kwok are deemed to be interested in all the Shares held by Chun Yip.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2025.

REPORT OF THE DIRECTORS

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, 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 report.

CHANGES IN INFORMATION OF DIRECTORS

Brief biographical details of the Directors including the changes in the Directors' information (if any) during the year ended 31 March 2025 and up to the date of this annual report are included in the section headed "Biographies of the Directors and Senior Management" of this annual report.

CORPORATE GOVERNANCE

The Company's Corporate Governance Report is set out on pages 37 to 51.

AUDITOR

On 24 October 2022, BDO Limited ("**BDO**") resigned and Baker Tilly Hong Kong Limited ("**Baker Tilly**") was appointed as the auditor of the Group. BDO confirmed that there were no matters that need to be brought to the attention of the shareholders of the Company in relation to its resignation. Details of the change of auditor were set out in the announcement of the Company dated 24 October 2022.

Save as disclosed above, there were no other changes in auditor of the Group during the past three years.

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 March 2025 were approved by the Board on 25 June 2025.

On behalf of the Board
Kwok Chun Sing
Chairman

Hong Kong, 25 June 2025

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with applicable code provisions (the “**Code Provisions**”) in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the year ended 31 March 2025 and up to the date of this annual report. The Directors will periodically review on the Company’s corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors. Having made specific enquiry to all Directors, all Directors have complied with the required standard as set out in the Model Code for the year ended 31 March 2025 and up to the date of this annual report.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”), for securities transactions by relevant employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company. In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

BOARD OF DIRECTORS

Composition and role

The composition of the Board during the year ended 31 March 2025 and up to the date of this annual report is set out below:

Executive Directors:

Mr. Kwok Chun Sing (*Chairman*)
Mr. Zhan Zhi Hao (*Chief Executive Officer*)
Mr. Tang Chi Kin
Ms. Kwok Ho Yee (*Chief Operating Officer*)

Independent Non-executive Directors:

Mr. Hau Wing Shing Vincent
Mr. Lam John Cheung-wah
Prof. Sit Wing Hang
Mr. Yu Chung Leung

CORPORATE GOVERNANCE REPORT

Role and functions of the Board and management

The principal function of the Board are to formulate corporate strategy and business development and to ensure a high standard of corporate governance. The Board has delegated the authority and responsibility for implementing business strategy and managing day-to-day administration and operations of the Group's business to the chief executive officer and the senior management. Executive Directors and the senior management meet regularly to review the performance of the business of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board is regularly provided with management update report to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details.

The Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

The biographies of the Directors during the year ended 31 March 2025 and up to the date of this annual report and the relationships among them are set out in the "Biographies of the Directors and Senior Management" section on pages 18 to 22 of this annual report. The executive Directors bring a good balance of skills and experience to the Company. The independent non-executive Directors provide their independent judgement on the development, performance and risk management of the Group. The Directors are fully aware that they are individually and collectively accountable to shareholders.

Delegation of corporate governance duties

The Board has delegated the responsibility for performing corporate governance functions set out in the Code Provision A.2.1 to the Audit Committee.

Directors' continuous professional development

During the year ended 31 March 2025, all Directors confirmed to comply with the provision of the CG Code in relation to continuous professional development. In doing so, the Directors have undertaken various forms of activities relevant to the Company's business and Directors' duties and responsibilities. The Company held a training for all Directors to provide them with knowledge on the duties and responsibilities of the Directors before they were on board.

CORPORATE GOVERNANCE REPORT

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the year ended 31 March 2025 and up to date of this annual report are summarised as follows:

	Attending seminar(s) or programme(s)/ reading relevant materials
Executive Directors:	
Mr. Kwok Chun Sing (<i>Chairman</i>)	✓
Mr. Zhan Zhi Hao (<i>Chief Executive Officer</i>)	✓
Mr. Tang Chi Kin	✓
Ms. Kwok Ho Yee (<i>Chief Operating Officer</i>)	✓
Independent Non-executive Directors:	
Mr. Hau Wing Shing Vincent	✓
Mr. Lam John Cheung-wah	✓
Prof. Sit Wing Hang	✓
Mr. Yu Chung Leung	✓

Meetings

Attendance records of the Board meetings, meetings of all committees and general meetings of the Company during the year ended 31 March 2025 were set out below:

	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Number of meetings held	10	3	1	1	1
Name of Director	Number of meetings attended				
Executive Directors					
Mr. Kwok Chun Sing	10/10	NA	NA	1/1	1/1
Mr. Tang Chi Kin	10/10	NA	NA	NA	1/1
Mr. Zhan Zhi Hao	10/10	NA	1/1	NA	1/1
Ms. Kwok Ho Yee	9/10	NA	1/1	NA	1/1
Independent Non-Executive Directors					
Mr. Hau Wing Shing Vincent	10/10	3/3	NA	1/1	1/1
Prof. Sit Wing Hang	10/10	3/3	1/1	1/1	1/1
Mr. Yu Chung Leung	10/10	3/3	1/1	NA	1/1
Mr. Lam John Cheung-wah	9/10	3/3	1/1	NA	1/1

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors representing more than one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- the independent non-executive Directors have an equal status to other Board members;
- all independent non-executive Directors share their views and opinions through regular quarterly meetings;
- annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group;
- interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors; and
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established to ensure a balance of power and authority.

Mr. Kwok serves as the chairman of the Board and is responsible for overall strategic planning, business development and corporate management. Mr. Zhan serves as the chief executive officer of the Company and is responsible for formulating corporate and business strategies and making major operation decisions.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed four INEDs representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the INEDs in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company for a specific term and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles.

In accordance with Article 108(a) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

In accordance with Article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under this Article 112 shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The table below provides the membership information of these committees on which certain Board members served:

Name of Director	Audit Committee	Remuneration Committee	Nomination Committee
Kwok Chun Sing	—	—	C
Zhan Zhi Hao	—	M	—
Kwok Ho Yee	—	M	—
Hau Wing Shing Vincent	M	—	M
Sit Wing Hang	M	C	M
Yu Chung Leung	C	M	—
Lam John Cheung-wah	M	M	—

Notes:

C – committee chairman

M – committee member

CORPORATE GOVERNANCE REPORT

Audit Committee

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with Rule 3.22 of the Listing Rules and Paragraph D.3.3 of the CG Code. The Board adopted a set of the revised terms of reference of the Audit Committee effective from 2 January 2019, which had included changes in line with the requirements under the Listing Rules. The Audit Committee is comprised of four INEDs, namely Mr. Yu Chung Leung, Mr. Hau Wing Shing Vincent, Prof. Sit Wing Hang and Mr. Lam John Cheung-wah. Mr. Yu Chung Leung is the chairman of the Audit Committee.

The Audit Committee is mainly responsible for considering all relationships between the Company and the auditing firm (including the provision of non-audit services), monitoring the integrity of the Company's financial statements and issues arising from the audit, and reviewing the Group's internal controls and risk management. In addition, the Audit Committee has been delegated the responsibility to perform the corporate governance functions including:

1. Reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements;
2. Reviewing and monitoring the training and continuous professional development of the Directors and senior management;
3. Developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees of the Company and the Directors;
4. Developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board and reporting to the Board on such matters;
5. Reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report;
6. Reviewing and monitoring the Company's compliance with the Company's whistleblowing policy; and
7. Considering any other topics, as determined by the Board.

A summary of the work performed by the Audit Committee during the year ended 31 March 2025: the Audit Committee reviewed and discussed consolidated financial statements of the Group for the financial year ended 31 March 2024 and the Group's unaudited interim results for the six months ended 30 September 2024 with the external auditor, considered and approved the audit work of the auditors, reviewed the business and financial performance of the Company and internal control system and risk management, and determined the policy for corporate governance. The Group's annual report for the year ended 31 March 2025 has been reviewed by the Audit Committee.

The terms of reference of the Audit Committee which can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Company established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules with written terms of reference in compliance with Rule 3.26 of the Listing Rules and Paragraph E.1.2 of the CG Code. The primary duties of the Remuneration Committee, under the principle that no Director or any of his associates should be involved in deciding his own remuneration include, among others, making recommendations to the Board on (a) remuneration policy and structure for all of the Directors and senior management; (b) the establishment of a format and transparent procedure for developing remuneration policies; (c) the remuneration packages of the executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; and (d) the remuneration of the INEDs; and (e) considering and approving matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration Committee is comprised of three INEDs, namely Prof. Sit Wing Hang, Mr. Yu Chung Leung and Mr. Lam John Cheung-wah, and two executive Directors, namely Mr. Zhan Zhi Hao and Ms. Kwok Ho Yee. Prof. Sit Wing Hang is the chairman of the Remuneration Committee.

The Remuneration Committee held one meeting up to the date of this annual report. The Remuneration Committee reviewed and approved the Group's policy on salary adjustment and discretionary bonus which applies to Directors and senior management of the Company and the policy has been set to align with the Group's operating performance while taking into account as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. In addition, the Company awards discretionary bonus as performance-based bonuses and incentives at executive directors and senior management to the achievement of strategic objectives of the Company can be measured. The discretionary bonus plan is subject to annual review by the Remuneration Committee, depending on changes to the Company's objectives and strategy, the recommendation be made to the Board.

The terms of reference of the Remuneration Committee which can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

Remuneration payment made to senior management (exclude Directors) of the Group for the year ended 31 March 2025 and 2024 falls within the following bands:

Remuneration Band (HK\$)	Number of senior management	
	2025 (Note)	2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$2,000,001 to HK\$2,500,000	–	2

Note: One of the senior management resigned during the year ended 31 March 2025

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with Paragraph B.3.1 of the CG Code. The Board adopted a set of the revised terms of reference of the Nomination Committee effective from 2 January 2019. The primary duties of the Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (c) assessing the independence of the INEDs; (d) making recommendations to the Board on the appointment and succession planning for the Directors; and (e) reviewing the policy (the "**Policy**") concerning the diversity of the Board and the measurable objectives that the Board has adopted for implementing the Policy and to make the relevant disclosure on the progress of achieving those objectives in the corporate governance report of the Company. The Nomination Committee is comprised of two INEDs, namely Mr. Hau Wing Shing Vincent and Prof. Sit Wing Hang, and one executive Director, namely Mr. Kwok Chun Sing who is the chairman of the Nomination Committee.

A summary of the work performed by the Nomination Committee during the year ended 31 March 2025: the members discussed matters relating to composition of the Board and make recommendation thereon to the Board for consideration, the diversity of the Board, the re-election of the Directors at the forthcoming annual general meeting, the recommendation of the measurable objectives that the Board should adopt for implementing the Policy as well as reviewing the independence of the INEDs.

The terms of reference of the Nomination Committee can be viewed on the website of the Company under the section headed "INVESTOR RELATIONS" and the website of the Stock Exchange.

BOARD DIVERSITY POLICY

The Board has adopted a "Board Diversity Policy" (the "**Policy**") which sets out the approach to achieve diversity on the Board and the Nomination Committee is responsible for monitoring the implementation of the Policy. In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Policy, including but not limited to gender, age, cultural and educational background, or professional experience etc. The Nomination Committee will discuss any revisions which may be required, and recommend any such revisions to the Board for consideration and approval.

The Board will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness. The Group will also ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company; and will continue to apply the principle of appointments based on merits with reference to the Policy as a whole.

CORPORATE GOVERNANCE REPORT

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. The employee gender ratio of the Group as at 31 March 2025 is approximately 1.6 male: 1 female. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce. The Board considers that the gender ratio in the workforce (including senior management) is satisfactory. Yet, the Group will still (i) periodically review internal records on gender diversity; (ii) identify suitable female candidates for relevant positions within the Company; and (iii) try to ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company. The Board will ensure that any successors to the Board shall follow the Policy.

The Board currently comprised of 8 Directors, one of which is female. The Board is currently of the opinion that it generally meets the diversity requirements under the Listing Rules. Yet, the Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified and will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness.

During the year ended 31 March 2025, the Nomination Committee has reviewed the independence of the independent non-executive Directors, to consider the qualifications of the retiring directors standing for election at the 2025 annual general meeting, to review the structure, size and composition of the Board and to review the Policy. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

NOMINATION POLICY

The Company has adopted nomination policy (the "**Nomination Policy**") on 2 January 2019. The purpose is to identify and evaluate a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- Reputation for integrity;
- Accomplishment, experience and reputation in the relevant industry and other relevant sectors;
- Commitment in respect of sufficient time, interest and attention to the Company's business;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- The ability to assist and support management and make significant contributions to the Company's success;
- Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and

CORPORATE GOVERNANCE REPORT

- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Each proposed new appointment, election or re-election of a director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

The Board will from time to time review the Nomination Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

DIVIDEND POLICY

The Company has adopted dividend policy (the “**Dividend Policy**”) on 2 January 2019 in compliance with the Code Provision F.1.1 of the CG Code. It is the policy of the Company, in considering the payments of dividends and to allow Shareholders to participate in the Company’s profits whilst retaining adequate reserves for future growth of the Group.

Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- the general financial condition of the Group;
- capital and debt level of the Group;
- future cash requirements and availability for business operations, business strategies and future development needs;
- any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- the general market conditions; and
- any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the Articles. The Policy will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate insurance coverage on Directors’ and officers’ liabilities against possibility of legal action to be taken against its Directors and officers. During the year ended 31 March 2025, no claim was made against the Directors and officers of the Company.

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND EXTERNAL AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of accounts for each financial year which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the consolidated financial statements of the Group.

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to accept in reaching its strategic objectives and to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems. The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee.

The Group's risk management and internal control system includes the setting up of a management structure with limits of authority, and are designed to help the Group achieve its business objectives, to protect its assets against unauthorised use or disposition, and to ensure the maintenance of proper accounting records for the provision of reliable financial information and the compliance with relevant laws and regulations. These systems are also designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate all risks of failure in the achievement of the Group's business objectives.

During the year ended 31 March 2025, the Company engaged an external independent consulting firm to assist the Board to review and monitor the effectiveness of certain of the Group's risk management and internal controls systems. The external independent consulting firm performed annual risk management and internal control review of all material controls, including financial, operational and compliance controls of the Company. A risk management report and an internal control review report were submitted to the Audit Committee and the Board. Any actions and measures taken to improve risk management and internal controls on the findings and recommendations will be followed up by the external independent consulting firm. Accordingly, the Audit Committee and the Board considered the risk management and internal control systems to be effective and such systems have been implemented with adequate resources during the year ended 31 March 2025.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. The Directors will continue to review at least annually the risk management and the need for an internal audit function.

CORPORATE GOVERNANCE REPORT

Main Features of Risk Management and Internal Control Systems

The key elements of the Company's risk management and internal control systems include the establishment of a risk register to keep track of and record identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk management approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievements of its objectives. A risk matrix is adopted to determine the risk rating (L = low risk, M = medium risk, H = high risk) after evaluation of the risk by the likelihood and the impact of each risk event. The risk ratings reflect the level of managements, attention and risk treatment effort required.

Process used to identify, evaluate and manage significant risks

During the process of risk assessment, each risk owner of departments is required to capture and identify the key inherent risks that affect the achievement of its objectives. Each inherent risk is evaluated according to the risk matrix. After taking into consideration the risk response, such as control measures in place to mitigate the risk, the residual risk of each risk event will be evaluated again. The risk register with the risk responses and residual risks is reported to the management. The management evaluates the effectiveness of the systems and report to the Audit Committee and the Board. The highest category of residual risks is subject to the Board's oversight.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has already established a policy on the internal controls procedures for the handling and dissemination of inside information. The policy stipulates the obligations of the Group, in respect of the restriction on disseminating non-public information, handling of rumours, unintentional selective disclosure, exemption and waiver to the disclosure of inside information, and compliance and reporting procedures. Senior management must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of any disclosure requirement from time to time, and must promptly bring any possible leakage or divulgence of inside information to the attention of the Company Secretary, or his delegates, who will notify the Board timely and accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

AUDITOR'S REMUNERATION

During the year ended 31 March 2025, external auditor's remuneration for annual audit services was approximately HK\$0.8 million; and external auditor's remuneration for non-audit service assignments was approximately HK\$0.3 million, which mainly for advisory and other reporting review services. The Audit Committee concludes that it is satisfied with the findings of its review of the audit and non-audit services fees, process and effectiveness, independence and objectivity.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Mr. Chu was appointed as the Company Secretary on 12 January 2022. The biographical details of Mr. Chu are set out under the section headed “Biographies of the Directors and Senior Management” of this annual report. In accordance with Rule 3.29 of the Listing Rules, Mr. Chu has taken no less than 15 hours of relevant professional training during the financial year ended 31 March 2025.

SHAREHOLDERS’ RIGHTS

How shareholder can convene an extraordinary general meeting

The following procedures for shareholders to convene an extraordinary general meeting (“**EGM**”) are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the Listing Rules (as amended from time to time):

- Pursuant to article 64 of the Articles, any 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 (the “**Eligible Shareholder(s)**”) carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition;
- The written requisition must state the purposes of the meeting, signed by the Eligible Shareholder(s) and deposit it to the Board or the Company Secretary at the Company’s principal place of business at Room 2901 & 09-10, 29/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitioners;
- The requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business (es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company’s expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders;
- The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered shareholders. On the contrary, if the requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company’s expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM; and

CORPORATE GOVERNANCE REPORT

- If within 21 days of such deposit, the Board fails to proceed to convene such meeting the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

Procedure by which enquires may be put to the Board

Shareholders may at any time send their enquiries to the Board for the attention of the Company Secretary in writing by mail to the Company's principal place of business in Hong Kong at Room 2901 & 09-10, 29/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

Procedure for putting forward proposals at shareholders' meeting

There are no provisions in the Articles or the Companies Law of the Cayman Islands for shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "How shareholder can convene an extraordinary general meeting".

WHISTLEBLOWING POLICY

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the company secretary of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

ANTI-CORRUPTION POLICY

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Hong Kong Prevention of Bribery Ordinance, the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

Communication with shareholders

The Board recognises the importance of good communication with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations.

The Company has established several communication channels, including (a) the annual and extraordinary general meetings which provide a forum for shareholders to communicate directly with the Board; (b) printed corporate documents mailing to shareholders; (c) announcement disseminating the latest activities of the Group on the web-sites of the Company and the Stock Exchange; and (d) the Company's web-site providing an electronic means of communication.

The Board will regularly review the shareholders communication policy to ensure its effectiveness. During the year ended 31 March 2025, the Board reviewed the implementations and effectiveness of the policy and considered that the policy remained effective and was properly implemented given the multiple channels of communication in place during the year.

Constitutional documents

The second amended and restated memorandum and articles of association of the Company was effective on 9 October 2023 and is available for viewing on the websites of the Company and the Stock Exchange.

There had been no significant changes in the constitutional documents of the Company during the year ended 31 March 2025 and up to the date of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Envision Greenwise Holdings Limited (hereafter called the “**Company**”) and its subsidiaries (collectively, “the **Group**” or “**we**”) are delighted to publish the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) for the financial year ended 31 March 2025. This ESG Report herein focuses on providing an overview of the environmental and social aspects of the Group and outlines how we seek continuous improvement in our operational strategy in relation to our environment and society to cope with the global standards of sustainability.

Reporting Period

This ESG Report illustrates the overall performance of the Group regarding the environmental and social aspects from 1 April 2024 to 31 March 2025 (the “**Reporting Period**” or “**2024/2025**”).

Reporting Scope and Boundary

This ESG Report discloses related policies and initiatives for the core and material business, namely the provision of superstructure building, and repair, maintenance, alteration and addition (“**RMAA**”) works service in Hong Kong, and also the business of reverse supply chain management and environmental-related service. There are no changes in the scope and boundaries of this ESG Report compared to the ESG report from the last reporting period.

This ESG Report discloses environmental and social key performance indicators (“**KPIs**”) of the corporate office (“**office**”), the business of the superstructure building and RMAA works project (“**construction project**”) and the business of reverse supply chain management and environmental-related service (“**environmental-related service**”). The nature of these representative projects of the superstructure building and RMAA works service may differ from year to year. This ESG Report covers all of the Group’s operations, the Group aims to upgrade its internal data collection procedure and gradually expand the scope of the disclosure. If the scopes and boundaries of the specific contents vary, they are noted in the relevant sections of this ESG Report.

Reporting Basis and Principle

This ESG Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Guide**”) as set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and on the basis of the four reporting principles – materiality, quantitative, balance and consistency:

- “Materiality” Principle:

The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed “Materiality Assessment”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- “Quantitative” Principle:

Information is presented with quantitative measures, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

- “Balance” Principle:

This ESG Report highlights the achievements and challenges faced by the Group.

- “Consistency” Principle:

Methodologies adopted for preparing this ESG Report are consistent with the last reporting period unless otherwise stated.

This ESG Report has complied with all “comply or explain” provisions and reported on selected recommended disclosures outlined in the ESG Guide.

The information contained herein is sourced from internal documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s internal management systems. A complete content index is appended to the last section hereof for quick reference. This ESG Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency between the English version and the Chinese version, the English version shall prevail.

Review and Approval

This ESG Report was approved by the Board of Directors (the “**Board**”) of the Group on 25 June 2025, after confirmation by the management of the Group. An electronic version of this ESG Report is available on the HKEX news website (www.hkexnews.hk).

Feedback

The Group respects your view on our sustainable development performance. Should you have any opinions or suggestions, you are welcome to share them with the Group at info@evsgreenwise.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

The Group is committed to integrating ESG factors into its operations in order to create sustainable value for stakeholders and take up the responsibilities as a corporate citizen. To minimise the ESG risks embedded in the business operations, the Group maintains stringent internal control and risk management systems. We have implemented an integrated management system (“**IMS**”). The IMS comprises three standards – ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. This integrated system allows us to monitor and manage ESG-related risks in an organised manner. In order to establish our IMS across operations in the Group, all departments are required to develop their own set of guidelines and are held responsible for compliance. The system is regularly audited by both internal and external parties and the results are reviewed by the Group’s senior management to monitor performance and compliance.

As we continue our sustainability journey, performance indicators and targets that are material to our business will be progressively added, providing even more insights in our future reports. We will continue to strengthen our engagement with key stakeholders and improve our sustainability efforts and practices, to forge a long-term sustainable business.

BOARD STATEMENT

On behalf of the Group, our Board is pleased to present this ESG Report to report our progress in building a sustainable future. The Group endeavours to put the sustainable development of our business as the top priority of our long-term development goals, and incorporate climate-related issues and ESG elements into our long-term business strategic planning. As the most important leading role of the Group, the Board has the sole responsibility to oversee, directly manage and monitor the Group’s ESG issues and progress.

The Group has formalised an interdepartmental ESG working group (the “**ESG Working Group**”) to coordinate different departments and enhance their cooperation, to ensure that performance is consistent and stakeholders’ expectations can be met. We work together to realise our sustainable development goals as a team.

We have set clear short-term and long-term sustainable development visions and goals to achieve ongoing emission reduction progress according to the governmental requirements of different countries and regions. Relevant emission reduction targets and corresponding strategies have been established and sustainable development factors have been incorporated into our strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management, including reviewing the Group’s ESG performance and adjusting corresponding action plans, effective implementation of ESG practices relies on the collaboration of different departments, and following the recommendations given by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strives to ensure the establishment of appropriate and effective risk management and internal control systems to supervise the identification and assessment of ESG and climate-related risks and opportunities, and to respond to the challenges and impacts of different times.

We strive to create a better environment, looking ahead, the Board will continue to review and monitor the ESG performance of the Group.

ESG MANAGEMENT STRUCTURE

The Board supports the Group's commitment to fulfilling its environmental and social responsibility and has overall responsibility for the Group's ESG strategy and reporting. The Board holds ultimate responsibility for the Group's ESG strategy and reporting, ensuring that climate-related risks and opportunities are systematically integrated into strategic planning and decision-making processes. The Board evaluates the impact of climate-related issues on long-term business resilience, market positioning, and financial performance, while aligning capital investments with sustainability objectives, such as transitioning to low-carbon technologies and enhancing resource efficiency. The Board's oversight role strengthens the Group's climate strategy by providing strategic direction, ensuring accountability, and fostering resilience against climate-related challenges. This proactive governance enables the Group to anticipate regulatory changes, capitalize on emerging opportunities in sustainable markets, and mitigate risks associated with climate change, thereby enhancing long-term value creation and stakeholder trust. Recognising the critical need for a sustainable future, our Board is making a firm commitment to adapting to a low-carbon economy, guided by a comprehensive integration plan that serves as our roadmap in this transition.

The Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

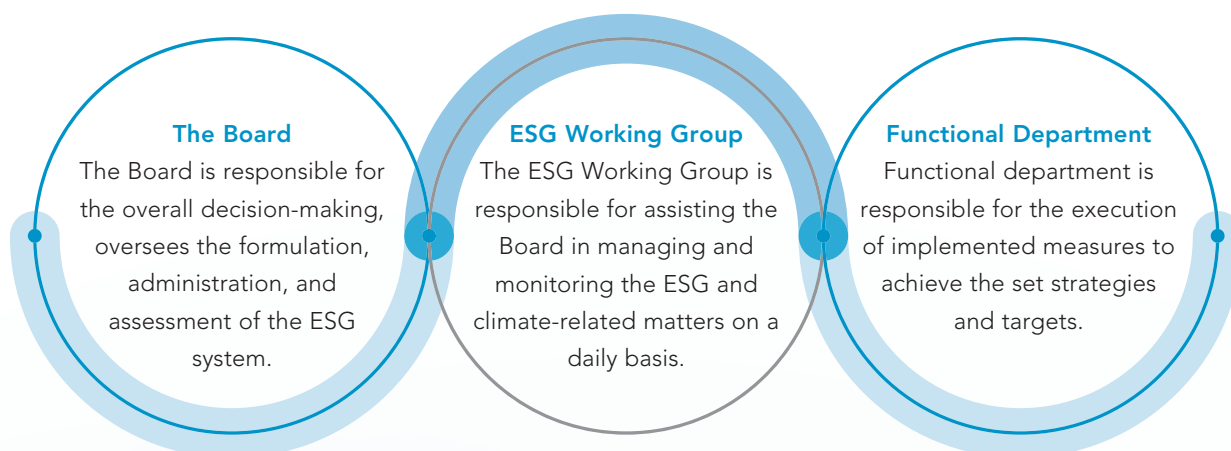
The Board has delegated the day-to-day responsibility of the implementation to the ESG Working Group. The ESG Working Group is composed of senior management and core members from different departments of the Group and is responsible for facilitating the adoption of ESG strategies and policies throughout the Group. The ESG Working Group serves a supportive role to our Board in implementing the agreed ESG practices, targets and strategies, conducting materiality assessments of environmental-related, social-related risks, climate-related issues, and assessing how the Group adapts its business in light of changes, collecting ESG data from relevant parties, and continuous monitoring of the implementation of measures to address the Group's ESG-related risks and responsibilities. The ESG Working Group is also responsible for the investigation of deviations from targets and liaises with the functional department to take prompt rectification actions. The ESG Working Group reports to the Board on the implementation of ESG initiatives and the corresponding performance.

In addition, the ESG Working Group oversees all climate-related risks, including transition and physical risks, and convenes meetings to discuss and review different climate-related issues such as sustainability goals and targets, climate-related studies and disclosures, ESG policies and ESG risk management. The ESG Working Group also receives regular updates on climate-related matters from the Functional Department to ensure its members are well-informed on specific and emerging sustainability topics that impact our business operations including climate-related issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board regularly reviews the Group's ESG and climate performance, examines and approves the Group's annual ESG report.

Governance structure



STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are the solid foundation for the Group's sustainable development and success. The stakeholder engagement helps the Group to develop climate-related strategies and disclosures that align with stakeholder needs and expectations, enhance risk identification, and strengthen key relationships. This feedback directly informs our climate strategies and ensures transparency in our ESG disclosures.

For example, input from local communities and suppliers has shaped our climate initiatives. The Group would like to prioritize the adoption of sustainable construction practices in the future, such as incorporating energy-efficient materials and low-impact building techniques, to address concerns about environmental degradation raised by community stakeholders. The engagement outcome is reviewed by the ESG Working Group and reported to the Board, ensuring that stakeholder perspectives are integrated into strategic decision-making and reflected in our annual ESG disclosures, in alignment with frameworks like the Task Force on Climate-related Financial Disclosures ("TCFD").

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group communicates with its stakeholders through various channels, shown as below.

Stakeholder	Communication Channel
Government and regulatory agencies	<ul style="list-style-type: none"> Annual reports, interim reports, ESG reports and other public information Supervision and inspection
Shareholders and investors	<ul style="list-style-type: none"> Annual general meetings and other general meetings of shareholders Company website Press releases/announcements Annual reports, interim reports, ESG reports and other public information
Employee	<ul style="list-style-type: none"> Training Meetings Performance evaluation Survey
Customer	<ul style="list-style-type: none"> Fax, email and telephone Customer satisfaction survey
Suppliers/Subcontractors/ Business Partners	<ul style="list-style-type: none"> Meetings Site visit Survey
Community	<ul style="list-style-type: none"> ESG reports Press releases/announcements

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group has identified ESG issues that have potential or actual impact on its sustainable development from various sources, such as issues identified in internal policies, industry trends and the industry materiality map by the Sustainability Accounting Standards Board (SASB). The ESG issues have been analysed with reference to an array of factors, including the Group's overall strategy, development, and goals and targets.

There were no significant changes in our stakeholder groups and operations during the Reporting Period. As such, the Group confirmed that the materiality matrix results in the previous year's ESG report remain relevant to the current financial year's situation and continue to respond to stakeholder expectations. The issues that fall within the top right-hand quadrant have relatively higher significance to both stakeholders and the Group's business. The Group will continue to improve its reporting process based on the assessment. The Group's material ESG issues are summarised as follows:

Materiality Matrix



- | | | | |
|---|-----------------------------------|----|--|
| 1 | Air emissions | 9 | Employment |
| 2 | Greenhouse gas emissions | 10 | Occupational health and safety opportunities |
| 3 | Hazardous Waste | 11 | Development and training |
| 4 | Non-hazardous waste | 12 | Labour standard |
| 5 | Energy consumption | 13 | Supply chain management |
| 6 | Water consumption | 14 | Product and service responsibility |
| 7 | Environment and natural resources | 15 | Anti-corruption |
| 8 | Climate Change | 16 | Community investment |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUBJECT AREA A: ENVIRONMENTAL

Overview

The Group endeavours to minimise any adverse impact on the environment resulting from its business activities. The Group had implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001:2015. Apart from following the environmental protection policies formulated and required by customers, the Group has also established the Environmental Policy to ensure proper management of environmental protection and compliance with environmental laws and regulations by both our employees and workers of the subcontractors, among others, air pollution, noise control and waste disposal. The Group's Environmental Policy specifies the guidelines for protecting the environment in various aspects. During the Reporting Period, in recognition of the Group's emphasis on green management practices and contributions to environmental protection, the environmental-related service business was honoured as Hong Kong Green Organisation by the Environmental Campaign Committee.

Emissions

The Group's businesses are subject to certain environmental requirements pursuant to the laws and regulations in Hong Kong such as Air Pollution Control Ordinance, Noise Control Ordinance, Water Pollution Control Ordinance and Waste Disposal Ordinance, Public Health and Municipal Services Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. The Group ensures its compliance with relevant laws and regulations through measures described in the following sections. During the Reporting Period, the Group was not aware of any non-compliance case in this regard.

Air Emissions

As the Group's operations mainly focus on providing superstructure building and RMAA works service and reverse supply chain management and environmental-related service to customers, there are no significant air emissions from stationary sources and dust in the sites of operation, we adopt appropriate dust reduction measures to further eliminate any air pollutants emissions by water spraying and maintaining ventilation.

The air pollutants are mainly emitted from the fuel consumption of mobile vehicles, including nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM"). To manage the emissions from vehicles, all vehicles are under frequent and regular checks and maintenance to enhance fuel consumption efficiency, ensure road safety and keep emissions at their minimum. Also, idling the engine of vehicles is prohibited.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, NO_x and PM emissions increased each compared to the baseline year¹. This increase was primarily driven by the inclusion of biodiesel consumption in the Air Emission session, coupled with an expanded construction business volume and heightened transportation demand. While there has a slightly decrease in SO_x, as there is no office related vehicle consumption. Going forward, we have set a reduction target to reduce each type of air pollutant emissions by 50% of the level of the baseline year ended 31 March 2023 before 2035. The Group is committed to ongoing monitoring of air emissions, minimizing unnecessary vehicle usage, and adopting environmentally friendly fuels at appropriate intervals.

Air Emissions	2024/2025 kg	2023/2024 kg
Nitrogen oxides (NO _x)		
– Office	–	0.95
– Construction Project	349.10	0.41
– Environmental-related Service	133.28	115.32
Total NO_x Emissions	482.38	116.68
Sulphur oxides (SO _x)		
– Office	–	0.03
– Construction Project	0.01	0.01
– Environmental-related Service	0.19	0.19
Total SO_x Emissions	0.20	0.23
Particulate matter (PM)		
– Office	–	0.07
– Construction Project	5.90	0.03
– Environmental-related Service	13.15	11.32
Total PM Emissions	19.05	11.42

¹ The baseline year period from 1 April 2022 to 31 March 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Greenhouse Gas Emissions

Greenhouse gas ("GHG") generated from human activities is one of the significant drivers of global warming which affects the lives of the present and future generation. Therefore, the Group is highly concerned about the importance of monitoring and mitigating the GHG emissions in our operations.

During the Reporting Period, the Group's GHG emissions intensity was approximately 0.21 tonnes of carbon dioxide equivalent ("tonnes CO₂e") per million HK\$ of revenue, representing a 61% reduction compared to the baseline year. While total GHG emissions slightly decreased, significant revenue growth led to a substantial decrease in overall GHG emissions intensity.

The Group established a target to reduce GHG emissions intensity by 50% from the baseline year ending 31 March 2023 by 2035, which has been successfully achieved. Moving forward, the Group is committed to further enhancing its performance and sustaining these improvements in the future.

Our Group has implemented an array of measures in mitigating the GHG emissions, including but not limited to the following:

- Promoting the use of battery energy storage system, which is a more environmentally friendly energy storage system that adopts EV battery recycling technology, to replace the use of conventional diesel generator at construction sites;
- Performing periodic maintenance of our vehicles to reduce pollution and emission;
- Replacing old retired vehicles with low-emission vehicles where applicable;
- Switching off all electronic equipment/mobile machineries when they are not in operation;
- Using more energy-efficient lighting products, such as LED lighting;
- Conducting proper and regular maintenance of equipment to keep their efficiency and reduce energy consumption; and
- Maintaining indoor temperature at appropriate degrees Celsius to reduce unnecessary use of energy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG Emissions	2024/2025 tonnes CO ₂ e	2023/2024 tonnes CO ₂ e
Scope 1 ²		
– Office	–	4.87
– Construction Project	14.89	1.92
– Environmental-related Service	31.32	32.17
Scope 1 Total	46.21	38.96
Scope 2 ³		
– Office	26.02	23.98
– Construction Project	83.88	49.21
– Environmental-related Service	24.74	37.20
Scope 2 Total	134.64	110.39
Total GHG Emissions (tonnes CO₂e)	180.85	149.35
GHG Emissions Intensity (tonnes CO₂e per million HK\$ revenue)	0.21	0.33

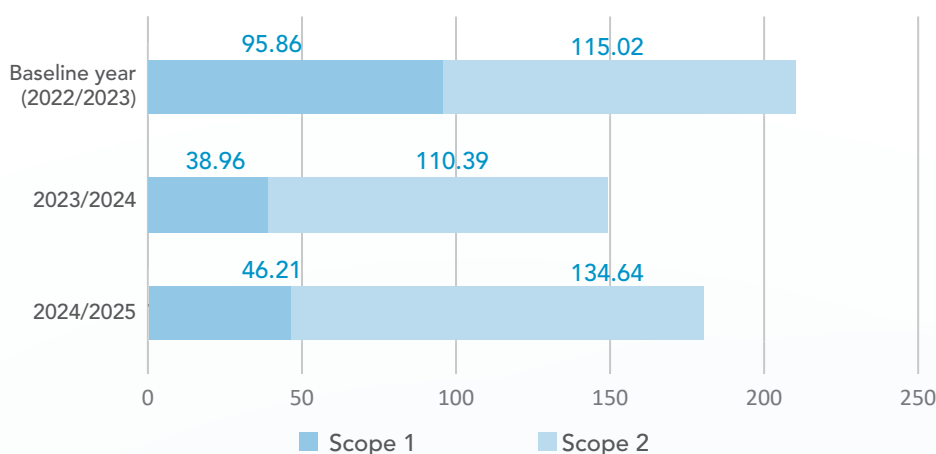
2 Scope 1: The direct emissions from the business operations owned or controlled by the Group, including the emissions from the Group's stationary and mobile combustion.

3 Scope 2: The energy indirect emissions from the purchased electricity consumption by the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

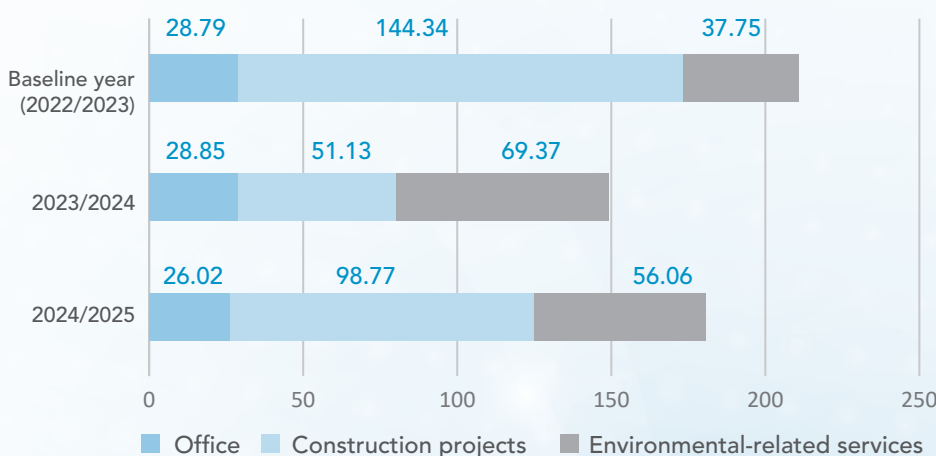
During the Reporting Period, the Group's GHG inventory primarily consisted of Scope 1 and Scope 2 emissions, with Scope 2 constituting the largest proportion. The increase in Scope 1 emissions during the Reporting Period primarily results from the updated calculation methodology for biodiesel consumption. For Scope 2, the elevated consumption is attributable to an increased volume of construction projects.

GHG Emissions by Scope in tonnes CO₂-e



During the Reporting Period, approximately 55% of the Group's total GHG emissions were attributable to construction projects.

GHG Emissions by Source in tonnes CO₂-e



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Hazardous and Non-hazardous Wastes Management

The Group's waste is mainly generated from construction projects, which are non-hazardous construction wastes, and the Group's operations did not generate material hazardous waste during the Reporting Period. The Group acknowledges possible environmental impacts of waste generated during the course of its operations such as site clearance, excavation works, and construction and fitting out works. The Group strives to mitigate environmental impacts by adopting the right waste management strategy, prioritising avoidance and minimisation of waste generation, reuse of materials, recovery and recycling. We strictly abide by the Waste Disposal (Charges for Disposal of Construction Waste) Regulation for handling any construction waste from projects.

In accordance with the Construction Waste Management Plan of BEAM Plus requirement, a waste management system was in place to guide proper sorting, recycling and disposal of construction materials. Measures are implemented for the construction projects, such as placing recycling bins to collect recyclable waste as well as recycling and reusing construction materials when applicable. We maintain proper records of waste materials with routine inspection and reporting systems. During the Reporting Period, the Group was not aware of a significant number of hazardous wastes generated in the sites of operation and the office.

Construction Material

We were aware that the construction sector is a major consumer of timber from rainforests. The Group strived to create an environmentally friendly corporate image through sustainable timber sourcing. Aligned with the BEAM Plus requirement, virgin forest products are not used for temporary works during construction. All timber used for the projects were in compliance with Forest Stewardship Council standards or certified by the American Forest and Paper Association before being purchased or recycled from other sites. We employed such an approach to better conserve valuable forests and habitats.

During the Reporting Period, the intensity of non-hazardous waste production was recorded an increase compared to the baseline year. The increase in total non-hazardous waste generated was attributable to the increase active construction projects which led higher volume of construction materials waste during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Despite the fact that the nature of construction projects may differ every year, the data could hardly be compared directly. The Group still strives to reduce waste intensity by 50% of the level of the baseline year ended 31 March 2023 before 2035. Concurrently, the Group will implement long-term waste management strategies to sustain low waste intensity in the future.

Waste	2024/2025 Tonnes	2023/2024 Tonnes
Total Non-hazardous Waste Produced	17,927.91	798.09
Intensity of Non-hazardous Waste Produced (tonnes per million HK\$ revenue)	20.62	1.76

Effluents

As the sites of operation involve the generation of construction runoff and sewage, the Group takes appropriate measures to avoid contamination and blockage of public drains and sewers in accordance with the Sewage Services Ordinance. The wastewater treatment system is established to remove suspended solids contained in concrete washings and site runoff. Inspection and maintenance of the system are conducted regularly. In addition, water consumption is minimised through utilising site runoff for dust suppression.

Use of Resources

The major use of resources of the Group includes energy, water and other construction material. Resource-saving is recognised as one of the key considerations in operations as stated in the Environmental Policy.

Energy

During the Reporting Period, the Group's energy consumption comprised diesel, petrol, and electricity, aligning with the energy sources utilised in the prior reporting period. Total energy intensity decreased by 60% compared to the baseline year. While overall energy consumption remained below the baseline year, it increased relative to the previous reporting period, primarily due to elevated vehicle usage in construction projects. Furthermore, electricity consumption rose, driven by the operation of a new showroom and an increased volume of construction projects during the period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have set a target to reduce the energy consumption intensity by 50% of the level of the baseline year ended 31 March 2023 before 2035, which has been successfully achieved. The Group has implemented an array of measures in reducing energy consumption, details of the energy consumption reduction measures, please refer to the section headed "Greenhouse Gas Emissions" in this ESG Report. We fully acknowledged our environmental responsibilities and are committed to maintaining low energy consumption intensity in the future.

	2024/2025 MWh	2023/2024 MWh
Energy Consumption		
Direct Energy Consumption ⁴		
– Office	–	17.69
– Construction Project	73.89	68.49
– Environmental-related service	123.25	124.87
Total direct energy consumption	197.14	211.05
Indirect Energy Consumption ⁵		
– Office	47.13	36.34
– Construction Project	220.74	126.19
– Environmental-related service	65.10	95.37
Total indirect energy consumption	332.97	257.90
Total Energy Consumption	530.11	468.95
Energy Consumption Intensity (MWh per million HK\$ revenue)	0.61	1.04

⁴ Direct energy consumption includes the energy consumption from the fossil fuel consumption, including diesel and petrol.

⁵ Indirect energy consumption includes the energy consumption from the purchased electricity of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water

The water resource is also realised as a precious resource. In order to reduce the use of freshwater, the Group encourages the reuse and recycling of water in sites of construction projects, for example, the sewage is reused for dust suppression. Also, water-saving measures have been implemented in the office, for example, water wastage phenomenon is prohibited, water leakage, breakage or other potential damage of water pipes are regularly inspected and identified and water-saving education and ideas of water-saving are continuously promoted among our employees. The Group does not consume other natural water resources such as surface water or underground water. Water was supplied by third parties, therefore, there was no issue in sourcing water.

The Group are committed to achieve water conservation under the principal of saving, purifying and recycling:

- Any water wastage phenomenon is prohibited;
- Water used for washing hand or fruit is used to flush the toilet;
- Any water leakage, breakage or other potential damage of water pipes are regularly inspected and identified;
- Meter reading is checked constantly for revealing any hidden leakage phenomena;
- Water-saving education and ideas of water-saving are continuously promoted among our employees.

During the Reporting Period, the water consumption decreased significantly when compared with the previous reporting period. Water consumption during the Reporting Period primarily stemmed from the environmental-related business acquired in prior periods, which was fully operational throughout the Reporting Period. We have set a reduction target to reduce water consumption by 50% of the level of the baseline year ended 31 March 2023 before 2035. During the Reporting Period, the Group achieved a 43% reduction in water consumption intensity compared to the baseline year, primarily due to the nature of our projects, with one project currently in its initial phase. Going forward, the Group will maintain rigorous monitoring and documentation of water consumption while prioritizing enhanced water utilization and saving measures.

Water Consumption⁶	2024/2025 m³	2023/2024 m³
Total Water Consumption	8,286.00	12,935.00
Water Consumption Intensity (m³ per million HK\$ revenue)	9.53	28.61

⁶ It includes the water consumption in the business of construction projects and environmental-related service only. For the water usage in office, relevant water consumption fees are included in the rental fees, therefore the figures disclosed have excluded the water consumption in office.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Packaging Material

As the Group's operations mainly focus on the provision of superstructure building and RMAA works service and reverse supply chain management and environmental-related service, no packaging material consumption can be identified during the Reporting Period.

The Environment and Natural Resources

As established in its Environmental Policy and Integrated Management System ("IMS") Policy, the Group strives to mitigate the impact of its operations on environmental and natural resources. The Group's operation does make an impact on water, air and land, and therefore on the ecosystem. Therefore, the Group implements a range of measures for environmental protection and sustainable development, complies with applicable environmental-related laws and regulations and strives to operate in a responsible manner which balances the need for operation with minimising its environmental impact.

The Group continuously introduces measures to source control and end treatment with the purpose of fulfilling targets for reducing, reusing, recycling and renewing raw materials, reducing emissions and waste, improving the utilisation efficiency of water and energy resources, and minimising the effect of the operation on the environment and natural resources. The details of measures are illustrated in the sections headed "Emission" and "Use of Resources".

Moving forward, the Group also endeavours to meet the requirements of certain industry codes of practice such as the BEAM Plus New Buildings issued by the Hong Kong Green Building Council and the BEAM Society Limited.

Climate change

The climate has been changing gradually over the last decades, and the situation continues to deteriorate. We experienced extreme weather, such as strong winds and heavy rainfall, as well as tides and floods more frequently. This is due to human attitudes, habits and the rapid development of society, which is overly dependent on high carbon consumption. In the long run, it is expected that the earth's resources will be exhausted. Therefore, countries around the world are discussing measures to address this issue. According to the Paris Agreement, which was finalised at the global conference in 2016, governments and corporate groups are required to achieve "net-zero" carbon emissions by 2050.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our Group has set a business sustainability vision for 2035 to contribute to a healthy and sustainable environment. The Group has considered the potential climate-related risks and opportunities in respect of the recommendations of TCFD, in which potential physical risks and transition risks from climate change may pose adverse financial impacts on the Group's businesses. Acute physical risk can arise from extreme weather conditions such as flooding and storms and chronic physical risk can arise from sustained elevated temperature, while transition risk may result from a change in climate-related regulations, emerging technology or shift in customer preferences.

We are committed to complying with all relevant laws, regulations and requirements, and do our best to achieve the industry's climate mitigation and climate change adaptation targets; to increase resources to strengthen the ability to cope with the nature of existing or future climate change and the impact of natural hazards; to increase employee awareness of climate change, training, outreach and education to enhance employee knowledge of climate change and to facilitate the pace of carbon neutrality.

Our Group strives to enhance data matching measures to reduce emissions and energy consumption in the construction process, relevant departments are required to select low-carbon but energy-efficient materials and products in the procurement process, and strengthen cooperation with companies that comply with relevant legislation and fulfill and practice supply chain responsibility to achieve the target. We would regularly assess the risk of climate change with reference to relevant international and local certification standards and update corresponding measures, regularly identify and assess the probability of climate induced or exacerbated social crises, earth data, and countermeasures to achieve effective hazard mitigation, also to maintain and strengthen communication and partnership with government, industry leaders and policy makers to develop construction policies, approaches and innovations to move towards low carbon economy.

The business of environmental-related service by the Group may potentially provide climate-related opportunities to the Group. The environmental-related service business might be conducive for the Group to develop and/or expand to low emission goods and services, which could bring positive impacts to Group such as increase revenue through demand for sustainable services and reputational benefits resulting in increased demand for the services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The potential climate-related risks and opportunities in respect of the recommendations of the TCFD are recognises below:

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Physical Risks	<ul style="list-style-type: none"> Extreme weather conditions such as flooding and typhoon 	<ul style="list-style-type: none"> Reduce revenue from business due to business and supply chain disruptions Serious damage to assets, such as those on sites or in the buildings 	√	√		<ul style="list-style-type: none"> Establish adverse weather condition policy, will review annually to incorporate updated climate data Maintain or expand the supplier base to avoid disruption, will evaluate supplier performance annually Will conduct semi-annual risk assessments to identify vulnerable assets and implement protective measures
	<ul style="list-style-type: none"> Sustained elevated temperature 	<ul style="list-style-type: none"> Increase in business operating costs 			√	<ul style="list-style-type: none"> Adopt energy conservation measures to avoid overconsumption of natural resources, will review quarterly for effectiveness Select low-carbon but energy-efficient materials and products in the procurement process, will conduct supplier sustainability audits

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
Transition Risks	<ul style="list-style-type: none"> Changes in environmental-related regulations 	<ul style="list-style-type: none"> Higher operating costs to comply with more stringent regulations 		√	√	<ul style="list-style-type: none"> Will adopt energy conservation measures to reduce emissions, monitor quarterly Continue to monitor the regulatory environment through monthly updates to ensure compliances with environmental laws and regulations in the future Will engage with regulatory bodies annually to anticipate policy shifts
	<ul style="list-style-type: none"> Emerging technologies 	<ul style="list-style-type: none"> Higher operating costs to adopt new practices or technologies 		√	√	<ul style="list-style-type: none"> Encourages our employees to attend conferences and/or training annually to keep it abreast with the latest developments of technologies in construction and environmental-related services Will conduct semi-annual technology assessments to evaluate adoption feasibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risks	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Mitigation Strategy
	<ul style="list-style-type: none"> Shift in consumer preference to products and services incorporating more environmentally-friendly concept 	<ul style="list-style-type: none"> Reduce demand for construction and environmental-related services, decreased competitiveness and create adverse impact on revenues 			√	<ul style="list-style-type: none"> Will adhere to the Group's sustainable development concept, and integrating environmental friendly practices into operations, review annually. Commit to produce high-quality, sustainable services and products to meet the expectations of consumers and the market, with semi-annual market trend analyses in the future

Opportunity Type	Opportunities	Potential Financial Impact	Short (current Reporting Period)	Medium (one to three years)	Long (four to ten years)	Realisation Strategy
Products and Services	<ul style="list-style-type: none"> Development and/or expansion of low emission goods and services 	<ul style="list-style-type: none"> Increase revenue through demand for sustainable products Increase capital availability (e.g., as more investors favor lower-emissions producers) Reputational benefits resulting in increase demand for goods/services 		√	√	<ul style="list-style-type: none"> Continue to research and develop the quality of sustainable energy products and services to further expand the market and increase demand

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUBJECT AREA B: SOCIAL

Employment and Labour Practices

Employment

The Group believes that employees are the most important asset of the company. As the business grows, the Group must establish sustainable human capital to attract and retain talent. The Group strictly abides by the Employment Ordinance, Employments' Compensation Ordinance, Minimum Wage Ordinance, Construction Workers Registration Ordinance and Mandatory Provident Fund Schemes Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fines and imprisonment. Employees can report any suspected violations of laws and regulations related to employment and labour practices through an email address which was established to handle complaints and potential non-compliance cases. It can only be accessed by top management and board members. During the Reporting Period, the Group was not aware of any non-compliance case in this regard. The Group has established the Human Resources Management Policy and other related guidelines, which set out the details on remuneration, dismissal, recruitment, promotion, working hours, rest periods, diversity, equal opportunities and anti-discrimination.

Workforce⁷		
As at 31 March	2024/2025	2023/2024
By Gender		
– Male	33	29
– Female	21	16
By Age Group		
– Below 30	5	5
– 30 – 50	40	31
– Above 50	9	9
By Employee Type		
– Full Time	53	45
– Part Time	1	–
By Geographical Region		
– Hong Kong	54	45
Total	54	45

⁷ The employment statistics includes employees of the Group only. Workers of the subcontractors are excluded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Turnover Rate (%) ⁷ As at 31 March		2024/2025	2023/2024
By Gender			
– Male		15	55
– Female		33	25
By Age Group			
– Below 30		60	20
– 30 – 50		15	35
– Above 50		33	89
By Geographical Region			
– Hong Kong		23	44
Overall		22	44

Remuneration and dismissal

To attract and retain talent, the Group provides a competitive remuneration package to employees including salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of employees, which forms the basis of decisions with respect to salary raises, bonuses and promotions. For voluntary resignation, an exit interview is conducted with the resigned employee so the Group would understand the reason and continue to improve human resource management.

Recruitment and promotion

The Group recruits talent in a fair, impartial and open manner, with reference to factors such as the employees' experience, qualifications and expertise required for the business operations. The Group endeavours to use its best effort to attract and retain appropriate and suitable personnel to serve the Group. The Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of the Group.

The Group recognises the importance of the development and growth of employees. The promotion of employees is based on performance appraisals. On a regular basis, performance appraisals are conducted between the management of employees, evaluating employees' performance regarding work attitude, technical skills, interpersonal skills etc.

Working hours and rest periods

The Group is dedicated to providing reasonable working hours and rest periods for employees. All employees are entitled to General Holidays as announced in the Hong Kong SAR Government Gazette each year. In addition to General Holidays, employees are entitled to annual leave, maternity leave, sick leave and compassionate leave.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Diversity, Equal Opportunities and Anti-discrimination

The Group is committed to ensuring that the work environment it provides is free from harassment, discrimination and any behaviour that damage to productivity. The management of each department is responsible for formulating and implementing the Group's working environment policy, which contains the standards in this regard.

Employee benefits and welfare

According to the applicable laws and regulations in Hong Kong, the Group provides various benefits and welfare to the employees. The Group provides benefits and welfare to its employees by participating in the defined contribution scheme, known as the Mandatory Provident Fund Scheme (the "**MPF Scheme**"), under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme. The Group also provides medical insurance, compensation insurance and monetary awards, such as discretionary bonuses, to employees.

Health and Safety

The Group has stated in its Safety and Health Policy Statement its commitment to creating a healthy and safety working environment for its employees and subcontractors. The Group has adopted an occupational health and safety management system in accordance with the requirement of ISO 45001:2018 accreditation and has in place various policies and procedures to maintain health and safety in the workplace.

Safety Organisation

The Group has established a Company Safety Management Committee and Site Safety Committee with clearly defined responsibilities. The former is responsible for developing, reviewing and revising the Group's Safety and Health Policy and regularly monitoring the proper implementation of a safety management system. The latter provides and improves safety at work on-site and shall be able to participate in the making and monitoring of arrangements for safety at the workplace.

Health and Safety Measures

In order to provide a safe and healthy working environment for our employees and subcontractors and to ensure compliance with the applicable laws and regulations in Hong Kong. For construction projects, a safety plan is implemented at the commencement and during the implementation period of each project and conducts a hazard analysis. The safety officer conducts site visits regularly to ensure the workers have taken all necessary safety precaution measures. Some key measures are implemented in the sites of operations of construction projects and environmental-related services business as follows:

- All new workers receive the required personal protective equipment;
- All new workers must attend introduction training prior to works commencement;
- Contractors with the best safety performance are nominated monthly;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Safety Notices will be posted in the conspicuous place and a safety promotion luncheon is organised on a regular basis to strengthen the safety awareness of employees and workers;
- The Safety Model Worker Award Scheme has been established to raise the safety awareness of employees;
- Establish fire emergency plan and fire drill is organised for dry seasons; and
- Formulate safety policies in operating equipment and machines.

Regular meetings are held for directors, safety officers and site supervisors to share the latest information and good practices with respect to safety. In the event of the occurrence of incidents and near misses, prompt corrections will be taken by following the emergency preparedness and response procedure. A follow-up investigation will be carried out to find out the root causes of the case(s) and prevent the re-occurrence of similar case(s). Apart from routine safety inspections, regular safety walks by senior management and Occupational Health and Safety ("OHS") audits are conducted on all construction sites to verify the sufficiency and effectiveness of safety control measures.

During the Reporting Period, in recognition of our emphasis on work safety, the Group was awarded Safety Performance Award and Safety Morning Briefing Best Practices Award, and OSH Star Enterprise by the Occupational Safety and Health Council.

The Group's safety department has made an effort in enhancing employees' and site workers' safety awareness and reduce the frequency of occurrence of such incidents, for example, increased the frequency of inspection and prepared safety inspection reports accordingly. The Group will continue to review the existing occupational health and safety management system and elevate the safety awareness of the employees and subcontractors. Our safety performance is as follows:

Safety Performance As at 31 March		2024/2025	2023/2024	2022/2023
Fatality				
• Number of fatalities		–	–	–
Lost Days				
• Number of working days lost due to injuries		–	–	648
Accident Cases				
• Number of reported injuries (reportable cases)		–	–	4

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Safety Training

The Group recognises safety training as one of the important elements in preventing workplace injuries. Therefore, the Group will identify the safety training needs of workers and employees, and safety training courses will be provided by external training bodies (such as the Construction Industry Council) for workers and employees. Training courses include but are not limited to:

Course Category	Description	Audience
Safety Management Course	Improve safety management technique	Senior project manager and site agent
Risk Assessment Course	Provide the assessor with techniques of risk assessment to assist the preparing safe systems of work and good safety practices	Risk assessment team members
Safety Supervisor Course	Improve their safety supervision and accident prevention technique	Front line supervisory staff (e.g. Site agent, foreman etc.)
Basic Safety Training Course	Enrich the basic safety knowledge of workers	All workers
Safety Induction Course	Introduce the site condition and safety arrangement of the company	All new employee
Trade Training	Focus on relevant hazards of different works such as site formation and metal works, to provide safety knowledge to the workers when working in high-risk activities	All workers
Toolbox Talk	Educate employees on risks and precautions relating to their roles in the sites of operations	All workers

The Group strictly abides by the applicable laws and regulations in Hong Kong relating to providing a safe working environment and protecting employees from occupational hazardous, including but not limited to the Occupational Safety Ordinance, Factories and Industrial Undertakings Ordinance, and follows the Codes of Practice and Guidance Notes published by the Labour Department and relevant guidelines published by the Construction Industry Council. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

The Group respects the people-oriented principle and regards the employee as the utmost important asset. Attaching importance to cultivating and developing talents are the drivers for the continuous improvement of the Group and the key to the success of its future business.

The Group provides various types of training to employees and sponsors them to attend various training courses, including occupational health and safety in relation to construction work and environmental related services. Such training courses include internal training as well as courses organised by external parties such as the Construction Industry Council and the Occupational Safety and Health Council.

Training highlights in the Reporting Period

During the Reporting Period, the Group had 9% of the total number of employees who received training and they received 80 hours of training. The percentage of employees receiving training for the years ended 31 March are as follows:

Percentage of employees receiving training ⁸	2024/2025 %	2023/2024 %
By Gender		
– Male	60	80
– Female	40	20
By Employee Category		
– Senior Management or above	20	40
– Middle Management (i.e. manager)	80	40
– General Staff	–	20
Overall	9	14

⁸ The training data for the Reporting Period includes employees of the Group only. Workers of the subcontractors are excluded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The corresponding average training hours per employee for the years ended 31 March are as follows:

Average training hours ⁸	2024/2025 hours/ employee	2023/2024 hours/ employee
By Gender		
– Male	1.9	1.7
– Female	0.8	0.5
By Employee Category		
– Senior Management or above	2.0	8.0
– Middle Management (i.e. manager)	2.3	0.6
– General Staff	–	0.6
Overall	1.5	1.2

Labour Standards

The Group prohibits the employment of child labour, forced labour and illegal labour as stipulated in its Employee Handbook. The Group considers the risk of incidents of child or forced labour in terms of our business activities and operating locations to be not significant. The Group has implemented the following measures to prevent child labour or illegal immigrants/workers during recruitment:

1. Human resources and administrative officers inspect and take a copy of the original of his/her Hong Kong identity card and/or other documentary evidence showing that he/she is lawfully employable in Hong Kong.
2. The subcontracting agreement contains a clause whereby subcontractors are required to hire only people who are lawfully employable to work on-site and to prevent any illegal worker to enter the site.
3. Foremen are responsible for inspecting the personal identification document of each worker and shall refuse any person who does not possess proper personal identification documents from entering the site.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strictly abides by the Employment Ordinance and section 38A of the Immigration Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. If violations of laws and regulations such as child labour and forced labour are found, the Group will take countermeasures timely in accordance with relevant laws and regulations, and will stringently follow up on these violations, such as immediately terminate the contract, ascertain the causes of such irregular employment and accountabilities of relevant staff to eliminate such practices. During the Reporting Period, the Group was not aware of any non-compliance case relating to child labour, forced labour and illegal immigrant labour.

Operating Practices

Supply Chain Management

The Group places emphasis on its supply chain management. In addition to improving cost competitiveness, the Group also values the sustainability of its supply chain. Recognizing the critical role of reverse supply chain management, the Group actively engages suppliers to enhance climate performance and reduce upstream emissions. We prioritize the procurement of environmental friendly products to minimize the environmental impact of our operations. Also, the Group would consider the awareness of occupational health and safety during the supplier selection. During the Reporting Period, the Group has a total of 28 (2023/2024: 104) suppliers and subcontractors, with 7 based in the United States, 1 in Mainland China, 1 in Thailand, and the remainder in Hong Kong.

To address supply chain emissions, the Group has implemented initiatives to collaborate with suppliers on climate performance. We will engage key suppliers through irregular workshops and direct consultations to align their practices with our climate goals, such as reducing Scope 3 emissions. The Group will also encourages suppliers to adopt renewable energy and provides resources, such as carbon footprint assessment tools, to help them measure and reduce their emissions. These efforts are integrated into our supplier evaluation criteria, prioritizing those with robust climate strategies.

Procurement practices

As stated in the Code of Conduct, it is necessary to be objective, fair and ethical when purchasing materials or services. Procurement decisions should be made according to price, quality, delivery capacity, service reputation and integrity, etc.

The Group's Material Supplier/Subcontractor Management Policy outlines our general procurement procedure for material suppliers and subcontractors. To manage the environmental and social risks of our supply chain, we conduct assessments of our suppliers and subcontractors based on their environmental and social performance. The details of the practices are as follows.

The Group maintains an approved list of material suppliers or subcontractors, which are selected based on their experience, qualifications, quality of work, reputation in the industry, capability, price competitiveness, credit-worthiness and their safety and environmental records. Suppliers with more environmentally friendly practices and high-quality standards would be more favorable. Furthermore, in some projects, certain works which required specific skill sets including curtain wall installation, lifts and escalators installation and electrical and mechanical works, required to be carried out by the subcontractors nominated by customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The approved list will be reviewed and updated from time to time according to the performance of suppliers and subcontractors. To evaluate the performance of all suppliers and subcontractors, we conduct suppliers and subcontractor performance evaluations regularly based on a list of criteria. If the supplier or subcontractor is considered unqualified upon the evaluation, it will be removed from the approved list.

Subcontractor management for construction projects

In order to closely monitor the performance of the subcontractors and to ensure that the subcontractors comply with the contractual requirements and the relevant laws and regulations, the Group requires subcontractors to follow its internal control measures in relation to quality control, safety and environmental compliance.

During project implementation, the project team conducts regular meetings with contractors, monitoring their performance, work progress, and adherence to ESG and climate-related objectives. such as waste reduction and energy-efficient practices. For instance, subcontractors are encouraged to implement measures like minimizing construction waste through recycling programs and adopting resource-efficient methods to support the Group's commitment to reducing environmental impact. These efforts are reviewed by the project team to ensure alignment with the Group's broader sustainability goals.

For further information regarding the Group's measures in relation to quality control, safety and environmental compliance of subcontractors, please refer to the sections headed "Product Responsibility", "Health and Safety" and "Environmental Aspect".

In addition, depending on agreements with subcontractors, the Group may hold up a certain percentage of each interim payment made to our subcontractors as retention money, such that if the subcontractors fail to deliver the works or rectify any defects in a timely manner, any expenses or losses induced can be deducted from the retention money held from our subcontractors.

Product Responsibility

The Group has established Quality Policy and various internal control procedures, showing the Group's commitment regarding the safety and quality management of its projects and services and the protection of customer's privacy.

Quality management of construction projects

Quality management is the key to maintaining the safety of our projects and services. To maintain consistent quality and safety of services for customers, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001:2015. The Group has in-house quality assurance requirements that conform to the ISO 9001:2015 quality standards specifying, among other things, specific work procedures for performing different types of site works, management process, responsibilities of personnel of different levels, tendering process, cost control, project planning, project management and supervision, quality inspection procedures and standards, subcontracting requirements and accident reporting and complaints. Workers and subcontractors are required to follow such procedures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Quality control of construction projects

The Group's quality management system is contained in its project quality plan which sets out the steps to be carried out throughout the building works process from the pre-construction stage to the maintenance stage.

To ensure that the work meets the required standard:

1. A full-time foreman is assigned at each of the construction sites as the first line of monitoring the quality of work done by the Group's own staff or subcontractors.
2. Project manager visits the construction sites to monitor the work quality, and the progress of work and ensures that works are completed according to schedule.
3. The Group's Executive Directors, who closely monitor the progress of each project, communicate with the project management teams closely and discuss issues identified, to ensure the building works:
 - meet customers' requirements
 - are completed within the time stipulated in the contract and the budget allocated for the project
 - comply with all relevant codes and regulations applicable to the works

Quality control of materials

The quality of purchased materials is closely monitored. To ensure the quality of supplies, prior to ordering, quantity surveyors will ensure that the materials are sourced from approved suppliers to ensure the overall quality of supplies.

Upon the arrival of the ordered materials, all materials are sent directly to the relevant work sites for inspection by foremen before utilisation. During the inspection, the designated personnel will check (i) whether the quantity is correct; and (ii) whether there are any observable defects. Any defective materials or materials that fall short of the product specifications will be returned to the suppliers for replacement. Customers would also inspect the materials used by us at project sites and verify the specifications from time to time.

Quality Management of environmental-related services

The Group is concerned with the quality and safety of the environmental-related service and hence quality management has been carried out. To maintain consistent quality and safety of services for customers, the Group has established a formal quality management system which is certified to be in compliance with the requirements of ISO 9001, ISO 14001 and ISO 45001, and was awarded the qualifications such as the disposal license for REE (i.e. regulated electrical equipment, including washing machines, televisions, computers, printers, scanners and monitors), the Chemical Waste Disposal License and the Chemical Waste Transportation and Export License by the Environmental Protection Department of Hong Kong, which allow the Group to provide one-stop waste management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Customer satisfaction

The Group is committed to providing efficient and cordial services, always ensuring satisfactory customer satisfaction. We provide customers with information including price, business capabilities and product characteristics that are clear and authentic. No misstatement or exaggeration for our product and services.

As stipulated in the IMS manual, the Group monitors the quality performance of its businesses based on the customers' feedback. The Group is committed to understanding the views and opinions towards products and services through close communication with customers and proper maintenance of the related records. We collect customers' feedback through a customer satisfaction survey. The feedback serves as a valuable reference for our future improvements. During the Reporting Period, no material products and service-related complaints were received.

Intellectual property protection

The Group attaches great importance to technological innovation and application. The Group's Code of Conduct stated explicitly that new ideas and intellectual property rights, including trademarks, service marks, copyrights, special rights and trade secrets, are all valuable assets of the Group and must be protected. All employees are responsible for protecting the intellectual property rights of the Group and others. Copying of any part of third-party software is prohibited unless it is an authorised copy, or its license explicitly permits copying. Downloading and installation of unauthorised software are not allowed. Employees are required to inform the management immediately if there are any cases of infringement of the intellectual property of the Group.

Advertising and Labelling

The Group does not involve in product packaging and labelling activities. Besides, the Group does not rely heavily on marketing and advertising. The Group did not aware of any significant impact relating to advertising and labelling on its operations.

Customer Data Protection and Privacy

The Group attaches great importance to the confidential information of the customers. The Group strives to protect the privacy of its customers, business partners and staff in the collection, processing and use of their business or personal data. The Group's Code of Conduct provides guidance on the handling of confidential information. Moreover, our employees are given limited access to the company database depending on their job positions. Employees are strictly prohibited from modifying their computers without formal approval from the management.

The Group strictly follows the laws and regulations relating to product responsibility, such as the Personal Data (Privacy) Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fine and imprisonment. During the Reporting Period, the Group was not aware of any non-compliance case in this regard.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-corruption

Honesty, integrity and fair competition are the core values that all employees of the Group have to defend. The Group's Code of Conduct sets out the employees' conduct in dealing with problems related to acceptance of advantages and conflicts of interest.

Other than the internal anti-bribery and corruption guidelines as stipulated in the Code of Conduct, the Group has a Whistleblowing Policy in place as a communication channel for employees to report concerns relating to ethical business or personal conduct, accounting and financial matters, integrity and professionalism, or allegations of retaliation for having reported matters in good faith. Employees are welcome to send his/her concerns to the Company Secretary via email or by post anonymously. A full investigation will then be conducted by the Audit Committee in a confidential, disciplinary action will be applied to the employee involved upon confirmation of the occurrence, and further legal action may be taken depending on the nature and particular circumstances of each case. The Group offers new employee and directors induction training which includes training in relation to basic employee ethics, such as anti-corruption. The Group will closely monitor the regulatory development and will arrange relevant anti-corruption training for our employees and directors, where necessary. The Group has also implemented appropriate and effective internal controls at different business processes to prevent and detect fraudulent activities.

The Group strictly abides by the laws and regulations relating to bribery, extortion, fraud and money laundering in Hong Kong, including the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-terrorist Financing Ordinance. A breach of these ordinances can give rise to civil and/or criminal liability including fines and imprisonment. During the Reporting Period, the Group was not aware of any non-compliance case or related corruption litigation case in this regard.

Community

Community Investment

The Group is committed to maintaining the sustainability of its business and its communities. The Group's Community Investment Policy establishes a framework and guidelines for community investment, sponsorship and donation activities, and is expected to contribute to community wellness.

Our objective is to cultivate enduring relationships with stakeholders, grounded in mutual trust, respect, and integrity. We prioritize support for programs that deliver meaningful, positive impacts on communities. Although the Group did not engage in community investments as its focus was directed towards aligning with strategic priorities to ensure sustainable business growth during the Reporting Period. We actively encourage employee volunteerism and collaboration through strategic philanthropy and capacity-building efforts to drive sustainable community progress.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Reference Section(s)/ Statement
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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Reference Section(s)/ Statement
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not material: Not relevant to the Group's business
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Reference Section(s)/ Statement
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not material: No manufacturing of products
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Reference Section(s)/ Statement
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF ENVISION GREENWISE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Envision Greenwise Holdings Limited (the **"Company"**) and its subsidiaries (together the **"Group"**) set out on pages 97 to 187, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

INDEPENDENT AUDITOR'S REPORT

The Key Audit Matter

How the matter was addressed in our audit

Revenue recognition of construction contracts

We identified the revenue recognition of construction contracts as a key audit matter as management's estimate of revenue, budgeted costs and the stage of completion of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised.

The Group recognised revenue from a construction contract by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the input method. Most of the Group's construction contracts with customers take more than one year to complete. Management estimates the revenue and budgeted costs at the commencement of construction contracts and regularly assesses the progress of construction works as well as the financial impact of any scope changes, claims, disputes and liquidation damages.

As disclosed in Notes 5(b) and 7 to the consolidated financial statements, the Group's revenue from construction contracts amounted to approximately HK\$174,011,000 for the year ended 31 March 2025.

Our procedures in relation to the revenue recognition of construction contracts included:

- Obtaining an understanding of the Group's controls and processes over revenue recognition of construction contracts and contract budget preparation;
- Discussing with management and the project managers of the Group who are responsible for the preparation of budgets of construction contracts to evaluate the reasonableness of their basis of estimation of the budgeted costs as well as the progress towards completion of the contracts;
- Checking supporting documents including contracts, variation orders and correspondences with customers, subcontractors and suppliers, in order to evaluate reasonableness of management's estimation of the revenue and budgeted contract costs;
- Assessing management's estimates of the impact on revenue and budgeted costs arising from scope changes made to the construction contracts, claims, disputes and liquidated damages with reference to supporting documents including variation orders and correspondence among the Group, independent surveyors, customers, subcontractors and suppliers if appropriate;
- Recalculating the revenue recognised based on the progress of the construction contracts; and
- On a sample basis, agreeing the contract costs incurred to date on construction contracts to the subcontractors' payment certificates, labour costs and supplier invoices.

INDEPENDENT AUDITOR'S REPORT

The Key Audit Matter

How the matter was addressed in our audit

Impairment of trade receivables and contract assets

We identified the impairment of trade receivables and contract assets as a key audit matter due to significant judgement involved in developing and implementing the expected credit loss ("ECL") model and high level of estimation uncertainty.

Management estimates ECL of trade receivables and contract assets based on the historical default rates, past-due status and financial capability of individual debtors, related information published by external credit rating agencies and forward-looking macroeconomic factors.

As disclosed in Notes 5(a), 21 and 23 to the consolidated financial statements, as at 31 March 2025, the carrying amount of trade receivables and contract assets are HK\$14,252,000 and HK\$40,938,000 respectively net of allowance for credit losses of HK\$113,000 and HK\$126,000 respectively.

Our procedures in relation to impairment assessment of trade receivables and contract assets included:

- Understanding management's process of assessing recoverability of trade receivables and contract assets;
- Assessing the appropriateness of management's ECL model and challenging assumptions and data used in estimating ECL, including testing the accuracy of the historical data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions, related information published by external credit rating agencies and forward-looking information and assessing whether there was an indication of management bias when recognising loss allowances; and
- Discussing with the Group's project managers about their evaluation of impact of disputes with customers and unforeseen delay of construction contracts, if any, on the recoverability of trade receivables and contract assets and checking to those relevant correspondences and documents to assess reasonableness of their evaluation.

INDEPENDENT AUDITOR'S REPORT

The Key Audit Matter

How the matter was addressed in our audit

Impairment assessment of goodwill

We identified impairment of goodwill as a key audit matter due to significant management judgement involved in determining the recoverable amount of the goodwill for impairment assessment.

Impairment of goodwill is assessed by comparing the recoverable amount of respective cash-generating unit ("CGU") to which goodwill is allocated, to their carrying values at the end of each reporting period. Significant judgements and estimates are required by the management in assessing the impairment of goodwill, which are determined with reference to the present value of the estimated future cash flows arising from respective CGUs with key assumptions and estimates including expected changes to revenue and direct costs, suitable discount rates and growth rates in order to calculate the recoverable amount of the CGUs.

As disclosed in Notes 5(c) and 17 to the Group's consolidated statement of financial position, as at 31 March 2025, the goodwill amount is HK\$74,691,000 and no impairment loss is recorded during the year.

Our procedures in relation to the impairment assessment of goodwill included:

- Obtaining an understanding on the Group's impairment assessment process including cash flow forecast preparation process;
- Assessing the reasonableness of the key assumptions and estimates made by the management in determining the recoverable amount of the CGUs, including discount rates, growth rates and expected changes to revenue and direct costs;
- Evaluating the key inputs adopted in the cash flow forecast by comparing to the historical performance, the most recent actual performance and/or business development plan of respective CGUs;
- Testing the mathematical accuracy of the underlying value-in-use calculations; and
- Evaluating the sensitivity analysis performed by management around the key assumptions applied to ascertain the extent of changes in those assumptions that either individually or collectively would be required for the goodwill to be impaired.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

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

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

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

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. This report is made 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.

INDEPENDENT AUDITOR'S REPORT

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

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

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

INDEPENDENT AUDITOR'S REPORT

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 director on the audit resulting in this independent auditor's report is Del Rosario, Faith Corazon.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 25 June 2025

Del Rosario, Faith Corazon

Practising certificate number P06143

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	7	869,730	452,192
Cost of sales		(767,054)	(424,238)
Gross profit		102,676	27,954
Other income, gains and losses	8	9,924	5,373
Provision of loss allowance for trade receivables and contract assets, net	38	(1,215)	(1,611)
Share of results of associates	19	(42)	102
Selling and distribution expenses		(12,398)	(21,060)
Administrative and other expenses		(69,842)	(68,251)
Equity-settled share-based payment expense	43	(38,914)	(20,665)
Finance costs	9	(3,928)	(757)
Loss before tax	10	(13,739)	(78,915)
Income tax (expense)/credit	11	(2,004)	53
Loss for the year		(15,743)	(78,862)
Attributable to:			
Owners of the Company		(15,741)	(78,875)
Non-controlling interests		(2)	13
		(15,743)	(78,862)
		HK cents	HK cents
Loss per share, attributable to owners of the Company	14		
– Basic		(1.22)	(6.61)
– Diluted		(1.22)	(6.61)
Loss for the year		(15,743)	(78,862)
Other comprehensive (expense)/income for the year			
Item that will not be reclassified to profit or loss:			
Change in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")		(1,788)	6,729
Total comprehensive expense for the year		(17,531)	(72,133)
Attributable to:			
Owners of the Company		(17,529)	(72,146)
Non-controlling interests		(2)	13
		(17,531)	(72,133)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	15	56,117	20,235
Right-of-use assets	16	99,590	20,330
Goodwill	17	74,691	74,691
Intangible assets	18	–	1,400
Interests in associates	19	1,883	2,324
Equity instruments at FVTOCI	20	23,623	25,411
Deposits and other receivables	22	9,961	10,445
Loans to independent third parties	22(c)	75,727	2,275
Deferred tax assets	31	–	1,775
		341,592	158,886
Current assets			
Inventories		47	45
Trade receivables	21	14,252	60,777
Deposits, prepayments and other receivables	22	77,597	17,108
Loan to an independent third party	22(c)	15,061	11,813
Trade deposits	22(d)	203,788	391,550
Contract assets	23	40,938	116,816
Amount due from an associate	30	5	–
Pledged bank deposits	24	18,054	17,697
Cash and cash equivalents	24	167,936	49,910
		537,678	665,716
Current liabilities			
Trade and retention money payables	25	91,432	152,663
Accruals and other payables	26	29,896	21,277
Contract liabilities	29	186,250	393,473
Bank borrowing	27	7,908	8,686
Lease liabilities	28	7,656	6,736
Amounts due to associates	30	–	393
Tax payable		684	224
		323,826	583,452
Net current assets		213,852	82,264
Total assets less current liabilities		555,444	241,150

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Provision for reinstatement costs		4,000	4,000
Lease liabilities	28	84,435	2,969
Deferred tax liabilities	31	–	231
		88,435	7,200
Net assets		467,009	233,950
Capital and reserves			
Share capital	33	13,625	12,550
Reserves		453,442	221,456
Equity attributable to owners of the Company		467,067	234,006
Non-controlling interests		(58)	(56)
Total equity		467,009	233,950

The consolidated financial statements on pages 97 to 187 were approved and authorised for issue by the board of directors on 25 June 2025 and are signed on its behalf by:

Kwok Chun Sing
Director

Zhan Zhi Hao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company								Total HK\$'000
	Share capital HK\$'000 (Note 33)	Share premium HK\$'000 (Note 33)	Fair value reserve HK\$'000 (Note 33)	Capital reserve HK\$'000 (Note 33)	Share-based payments reserve HK\$'000 (Note 43)	Retained earnings/ (accumulated losses) HK\$'000 (Note 33)	Sub-total HK\$'000	Non- controlling interests HK\$'000	
At 1 April 2023	9,595	156,470	(3,019)	15,500	–	9,916	188,462	(69)	188,393
(Loss)/profit for the year	–	–	–	–	–	(78,875)	(78,875)	13	(78,862)
Other comprehensive income for the year									
– Change in fair value of equity instruments at FVTOCI	–	–	6,729	–	–	–	6,729	–	6,729
Total comprehensive income/(expense) for the year	–	–	6,729	–	–	(78,875)	(72,146)	13	(72,133)
Disposal of equity instruments at FVTOCI	–	–	(1,169)	–	–	1,169	–	–	–
Issue of shares under placing arrangements (Note 33)	1,919	51,978	–	–	–	–	53,897	–	53,897
Issue of shares under debt capitalisation (Note 33)	1,036	40,360	–	–	–	–	41,396	–	41,396
Deemed contribution from the ultimate holding company	–	–	–	1,732	–	–	1,732	–	1,732
Recognition of equity-settled share-based payments (Note 43)	–	–	–	–	20,665	–	20,665	–	20,665
At 31 March 2024 and 1 April 2024	12,550	248,808	2,541	17,232	20,665	(67,790)	234,006	(56)	233,950
Loss for the year	–	–	–	–	–	(15,741)	(15,741)	(2)	(15,743)
Other comprehensive expense for the year									
– Change in fair value of equity instruments at FVTOCI	–	–	(1,788)	–	–	–	(1,788)	–	(1,788)
Total comprehensive expense for the year	–	–	(1,788)	–	–	(15,741)	(17,529)	(2)	(17,531)
Issue of shares under placing arrangements (Note 33)	412	211,264	–	–	–	–	211,676	–	211,676
Recognition of equity-settled share-based payments (Note 43)	–	–	–	–	38,914	–	38,914	–	38,914
New shares issued for share awards	663	47,030	–	–	(47,693)	–	–	–	–
At 31 March 2025	13,625	507,102	753	17,232	11,886	(83,531)	467,067	(58)	467,009

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Loss before tax		(13,739)	(78,915)
Adjustments for:			
Bank interest income	8	(1,162)	(1,042)
Interest income from loans to independent third parties	8	(3,278)	(587)
Finance costs	9	3,928	757
Depreciation of property, plant and equipment	10	4,248	5,490
Depreciation of right-of-use assets	10	13,865	8,341
Amortisation of intangible asset	10	1,400	2,055
Equity-settled share-based payment expense	43	38,914	20,665
Gain on disposal of property, plant and equipment	10	(5,206)	(50)
Provision of loss allowance of trade receivables, net	10	1,450	1,567
(Reversal of)/provision of loss allowance of contract assets, net	10	(235)	44
Share of results of associates	19	42	(102)
Operating cash flows before movements in working capital		40,227	(41,777)
(Increase)/decrease in inventories		(2)	92
Decrease/(increase) in trade receivables		45,075	(24,531)
Increase in deposits, prepayments and other receivables		(46,984)	(4,900)
Decrease/(increase) in trade deposit		187,762	(391,550)
Decrease/(increase) in contract assets		76,113	(41,395)
(Decrease)/increase in trade and retention money payables		(61,231)	80,214
Increase/(decrease) in accruals and other payables		8,619	(20,424)
(Decrease)/increase in contract liabilities		(207,223)	393,473
Cash generated from/(used in) operations and net cash generated from/(used in) operating activities		42,356	(50,798)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from investing activities			
Placement of pledged bank deposits		(357)	(517)
Purchase of property, plant and equipment		(45,542)	(6,409)
Payments for right-of-use assets		(2,939)	(9,934)
Proceeds from disposal of property, plant and equipment		9,965	50
Proceeds from disposal of equity instruments at FVTOCI	20	–	9,037
Capital contribution in an associate	19	–	(5)
Cash received from capital reduction by an associate	19	399	327
(Repayments to)/advance from associates		(398)	326
Proceeds from partial disposal of interest in an associate	19	–	820
Loans granted to independent third parties		(81,913)	(14,088)
Repayment from loan to an independent third party		5,213	–
Interest received		3,520	1,042
Net cash used in investing activities		(112,052)	(19,351)
Cash flows from financing activities			
Proceeds from issue of shares	33	202,564	53,988
Interest paid	37(b)	(3,928)	(502)
New bank loans raised	37(b)	–	9,000
Repayments of bank borrowings	37(b)	(778)	(314)
Repayments of lease liabilities	37(b)	(9,888)	(7,033)
Repayment to the ultimate holding company	37(b)	–	(5,670)
Transaction costs attributable to issue of shares		(248)	(155)
Net cash generated from financing activities		187,722	49,314
Net increase/(decrease) in cash and cash equivalents		118,026	(20,835)
Cash and cash equivalents at beginning of the year		49,910	70,745
Cash and cash equivalents at end of the year		167,936	49,910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Envision Greenwise Holdings Limited (the “**Company**”) is incorporated as an exempted company with limited liability in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is located at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and its principal place of business in Hong Kong is located at Room 2901 & 09-10, 29/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are the provision of superstructure building and repair, maintenance, alteration and addition (“**RMAA**”) work service as a main contractor and provision of reverse supply chain management and environmental-related service, including trading of industrial materials. The principal activities of its subsidiaries are set out in Note 34.

The immediate and ultimate holding company of the Company is Chun Yip International Investment Limited (“**Chun Yip**”), a company incorporated in the British Virgin Islands, and Mr. Kwok Chun Sing is the ultimate controlling party of the Company.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the year

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

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

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

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the year (Continued)

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

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

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

(b) New and amendments to HKFRS Accounting Standards in issue 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:

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

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

HKFRS 18 – Presentation and Disclosure in Financial Statements

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

The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

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

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

The application of the amendments is not expected to have material impact on the financial position and performance of the Group.

3. BASIS OF PREPARATION

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION (CONTINUED)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

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

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) has the ability to use its power to affect its returns.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (continued)

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

In the Company's statement of financial position, investment in a subsidiary is stated at cost less any impairment loss. The result of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Goodwill

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

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

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

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Interests in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Property, plant and equipment

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

Construction in progress represents property, plant and equipment in the course of construction for production, supply or administrative purposes, which are carried at cost less any recognised impairment losses. Cost includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment (Continued)

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

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

Leases

Definition of a lease

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

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

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

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of premises and site equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-use assets are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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

Lease liabilities

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

The lease payments represent fixed payments and the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

Lease modifications

The Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Intangible asset

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

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

An intangible asset 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 asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Interest income is recognised on an effective interest basis for financial assets and are presented as other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Amortised cost and interest income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these 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.

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

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, loans to independent third parties, other receivables, deposits, amount due from an associate and bank balances), and other items (contract assets and loan commitments) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m 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 increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower 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 fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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

(ii) Definition of default

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

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

(iii) 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:

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

(iv) Write-off policy

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, related information published by external credit rating agencies and forward looking information that is available without undue cost or effort.

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

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as related information published by external credit rating agencies and forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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 entity.

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.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments 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 at amortised cost

Financial liabilities including trade and retention money payables, accruals and other payables, bank borrowing, amounts due to associates are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including assets similar in nature to cash, which are not restricted as to use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a 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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Revenue from contracts with customers

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

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

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

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

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

The revenue of the Group arising from trading of industrial materials is recognised at a point in time. Under the transfer-of-control approach in HKFRS 15 “Revenue from Contracts with Customers”, revenue from these sales is recognised when control of the goods has transferred, being when the goods have been shipped to customer’s specified location, which is the point of time when the customer has the ability to direct the use of these products and obtain substantially all of the remaining benefits of these products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue from contracts with customers (Continued)

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

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The Group provides construction services to customer. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced and the payment is generally due within 30 days from the date of invoice. Revenue is recognised from a construction contract by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the input method based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Contract assets and contract liabilities

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

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

Contract asset is recognised when (i) the Group completes the infrastructure construction works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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/loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary 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 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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

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.

Deferred tax asset and liabilities are offset when there is a legally enforceable right to set off current tax assets against tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Borrowing costs

All borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the currency of the primary economic environment in which it operates (the “**functional currency**”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

Employee benefits

(i) *Short-term employee benefits*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits (Continued)

(ii) *Pension scheme*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. There are no forfeited contributions for the MPF Scheme as the contributions are fully vested to the employees upon payment to the scheme. No forfeited contributions may be used to reduce the existing level of contributions.

(iii) *Termination benefits*

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

Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting periods, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve).

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

At the time when the equity instruments are subsequently vested and issued, the amount previously recognised in the share-based payments reserve will be transferred to share capital and share premium.

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.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Government grants (Continued)

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income, rather than reducing the related expense.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and investments in subsidiaries included in the Company's statement of financial position to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

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

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) 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 cash-generating unit, 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 cash-generating units, with the recoverable amount of the group of cash-generating units. 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. 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. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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.

Provision and contingent liabilities

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

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

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Related parties

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Company's board of directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations. Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management of the Group is 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.

Key sources of estimation uncertainty

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

(a) *Expected credit loss on trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The ECL rates are based on the Group's historical observed default rates. The provision matrix is initially based on days past due for groupings of various customer segments that have similar loss patterns. The Group will calibrate the ECL rates to adjust the historical credit loss experience with related information published by external credit rating agencies and forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Key sources of estimation uncertainty (Continued)

(a) *Expected credit loss on trade receivables and contract assets (Continued)*

The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 38 to the consolidated financial statements.

As at 31 March 2025, the carrying amounts of trade receivables and contract assets were HK\$14,252,000 (2024: HK\$60,777,000) and HK\$40,938,000 (2024: HK\$116,816,000) respectively (net of allowance for credit losses on trade receivables and contract assets of HK\$113,000 (2024: HK\$384,000) and HK\$126,000 (2024: HK\$361,000) respectively).

(b) *Measurement of progress of construction works*

The Group uses input method to measure the progress toward satisfaction of the performance obligations, and specifically, the proportion of actual construction costs incurred relative to the estimated total costs. Actual construction costs incurred include direct and indirect costs in the process of transferring goods or services from the Group to customers. The Group believes that costs incurred is proportionate to the progress in satisfying the performance obligation. Therefore, the proportion of actual construction costs incurred relative to the total expected costs can reflect the progress toward satisfaction of construction service. Since the duration of construction is relatively long that it may cover more than one accounting period, the Group will review contract, revise budget and adjust revenue accordingly as the contract carries forward.

During the year ended 31 March 2025, the Group generated revenue of HK\$174,011,000 (2024: HK\$223,495,000) from construction contracts. As at 31 March 2025, the carrying amount of contract assets is HK\$40,938,000 (2024: HK\$116,816,000).

(c) *Impairment assessment of goodwill*

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

As at 31 March 2025, the carrying amount of goodwill is amounted HK\$74,691,000 (2024: HK\$74,691,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focused on the business units of the Group. The Group's operating segments are classified as (i) Superstructure building and RMAA works service and (ii) Reverse supply chain management and environmental-related service, including trading of industrial materials. These operating segments also represent the Group's reportable segments.

Disaggregate of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 are set out below.

	For the year ended 31 March 2025				
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental-related service HK\$'000	Segment total HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue (from external customers)	174,011	695,719	869,730	-	869,730
Inter-segment revenue	42,576	-	42,576	(42,576)	-
	<u>216,587</u>	<u>695,719</u>	<u>912,306</u>	<u>(42,576)</u>	<u>869,730</u>
Segment results	<u>28,177</u>	<u>309</u>	<u>28,486</u>	<u>(2,459)</u>	<u>26,027</u>
Share of results of associates					(42)
Unallocated income					1,127
Unallocated expenses					(1,857)
Finance costs					(80)
Equity settled share-based payment expense					<u>(38,914)</u>
Loss before tax					<u>(13,739)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION (CONTINUED)

	For the year ended 31 March 2024		
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental- related service HK\$'000	Total HK\$'000
Segment revenue (from external customers)	223,495	228,697	452,192
Segment results	(16,508)	(3,571)	(20,079)
Share of results of associates			102
Unallocated income			146
Unallocated expenses			(37,977)
Finance costs			(442)
Equity settled share-based payment expense			(20,665)
Loss before tax			(78,915)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) earned by each segment without allocation of certain other income, certain administrative and other expenses, share of results of associates, equity-settled share-based payment expense and certain finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION (CONTINUED)

Other segment information

	For the year ended 31 March 2025		
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental- related service HK\$'000	Total HK\$'000
Amounts included in the measured of segment result:			
Finance costs	284	3,564	3,848
Depreciation of property, plant and equipment	86	1,914	2,000
Depreciation of right-of-use assets	–	9,930	9,930
Amortisation of intangible assets	–	1,400	1,400
(Reversal of)/provision of loss allowance for			
– trade receivables	(121)	1,571	1,450
– contract assets	(235)	–	(235)
Gain on disposal of property, plant and equipment	–	(5,206)	(5,206)

	For the year ended 31 March 2024		
	Superstructure building and RMAA works service HK\$'000	Reverse supply chain management and environmental- related service HK\$'000	Total HK\$'000
Amounts included in the measured of segment result:			
Finance costs	134	181	315
Depreciation of property, plant and equipment	99	2,268	2,367
Depreciation of right-of-use assets	33	4,374	4,407
Amortisation of intangible assets	375	1,680	2,055
(Reversal of)/provision of loss allowance for			
– trade receivables	(149)	1,716	1,567
– contract assets	44	–	44
Gain on disposal of property, plant and equipment	(50)	–	(50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers and the Group's non-current assets, excluding financial instruments and deferred tax assets, presented based on the geographical location of the assets is as follows:

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	659,167	262,199
The People's Republic of China (the "PRC")	210,563	189,993
	869,730	452,192

	Non-current assets	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	223,524	109,187
The PRC	8,757	9,793
	232,281	118,980

Information about major customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A ¹	156,751	217,688
Customer B ²	155,445	N/A ³
Customer C ²	N/A ³	110,040
Customer D ²	N/A ³	79,953

¹ Revenue from superstructure building and RMAA work service.

² Revenue from reverse supply chain management and environmental-related service.

³ Revenue from relevant customer was less than 10% of the Group's total revenue for the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. REVENUE

The principal activities of the Group are provision of (i) superstructure building and RMAA works service and (ii) reverse supply chain management and environmental-related service, including trading of industrial materials.

Disaggregation of revenue

An analysis of the Group's revenue from contracts with customers by the timing of revenue recognition recognised during the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of superstructure building and RMAA works service	174,011	223,495
Reverse supply chain management and environmental-related service	695,719	228,697
	869,730	452,192
Timing of revenue recognition		
A point in time	677,420	199,439
Over time	192,310	252,753
	869,730	452,192

As at 31 March 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts under the provision of superstructure building and RMAA work service is approximately HK\$35,067,000 (2024: approximately HK\$207,859,000). This amount represents revenue expected to be recognised in the future from partially-completed long-term construction contracts. The Group will recognise the expected revenue in future when or as the work is completed, which HK\$35,067,000 (2024: HK\$192,786,000) is expected to occur within one year and HK\$Nil (2024: HK\$15,073,000) is expected to occur within more than one year but less than two years.

The Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customers is not disclosed as the original expected duration of the contracts with customers for reverse supply chain management and environmental-related service is less than one year for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

8. OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's other income, gains and losses recognised during the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Bank interest income	1,162	1,042
Interest income from loans to independent third parties	3,278	587
Government grant (Note)	221	763
Sundry income	154	1,977
Outsourcing income	–	1,046
Exchange loss, net	(97)	(92)
Gain on disposal of property, plant and equipment	5,206	50
	9,924	5,373

Note: During the year ended 31 March 2025, government grants are related to the SME Export Marketing Fund amounted to approximately HK\$221,000 (2024: government grants are related to the Research and Development Cash Rebate Scheme amounted to approximately HK\$763,000).

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on promissory note	–	255
Interest expenses on bank borrowing	284	134
Interest expenses on lease liabilities	3,644	368
	3,928	757

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment	4,248	5,490
Depreciation of right-of-use assets	13,865	8,341
Amortisation of intangible asset	1,400	2,055
Employee benefit expenses (including directors' remuneration (Note 12))		
– Wages and salaries	32,827	28,030
– Equity-settled share-based payment expense	26,326	16,877
– Contributions to defined contribution retirement plans	787	580
– Others	143	159
	60,083	45,646
Cost of inventories recognised as an expense	622,930	175,065
Auditor's remuneration	800	800
Short-term lease expenses	143	104
Provision of/(reversal of) loss allowance for		
– trade receivables	1,450	1,567
– contract assets	(235)	44
Gain on disposal of property, plant and equipment	(5,206)	(50)

11. INCOME TAX EXPENSE/(CREDIT)

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax expense/(credit) in the consolidated statement of profit or loss and other comprehensive income during the reporting period represents:

	2025 HK\$'000	2024 HK\$'000
Current income tax - Hong Kong profits tax		
Charged to profits or loss	460	224
Deferred tax		
Charged/(credited) to profit or loss (Note 31)	1,544	(277)
Total income tax expense/(credit) for the year	2,004	(53)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimate assessable profits above HK\$2 million.

The income tax expense/(credit) for the reporting period can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(13,739)	(78,915)
Tax calculated at statutory tax rate of 16.5%	(2,267)	(13,021)
Tax effect of expenses not deductible for tax purpose	7,203	10,486
Tax effect of income not taxable for tax purpose	(1,424)	(321)
Tax effect of temporary difference not recognised	983	(648)
Tax effect of utilisation of unused tax losses previously not recognised	(3,425)	(121)
Tax effect of tax loss not recognised	1,102	3,658
Tax relief enacted by the tax authority	(3)	(6)
Income tax at concessionary rate	(165)	(80)
Income tax expense/(credit)	2,004	(53)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and chief executive's remuneration

Directors' and chief executive's remuneration for the reporting period, disclosed pursuant to the Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended 31 March 2025

	Fees HK\$'000	Salaries and benefits HK\$'000	Discretionary bonuses HK\$'000	Contributions to defined contribution retirement plans HK\$'000	Equity-settled share-based payment expense HK\$'000	Total HK\$'000
Executive directors						
Mr. Kwok Chun Sing (Chairman) (Note (i))	-	1,440	120	18	4,728	6,306
Mr. Zhan Zhi Hao (Chief Executive Officer) (Note (ii))	-	1,200	100	18	4,728	6,046
Ms. Kwok Ho Yee (Chief Operating Officer) (Note (iii))	-	1,200	100	18	4,728	6,046
Mr. Tang Chi Kin (Note (iv))	-	-	-	-	6,070	6,070
Independent non-executive directors						
Mr. Hau Wing Shing Vincent	192	-	-	-	-	192
Mr. Lam John Cheung-wah (Note (v))	180	-	-	-	-	180
Prof. Sit Wing Hang (Note (vi))	180	-	-	-	-	180
Mr. Yu Chung Leung (Note (vii))	180	-	-	-	-	180
	<u>732</u>	<u>3,840</u>	<u>320</u>	<u>54</u>	<u>20,254</u>	<u>25,200</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' and chief executive's remuneration (Continued)

Directors' and chief executive's remuneration for the reporting period, disclosed pursuant to the Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended 31 March 2024

	Fees HK\$'000	Salaries and benefits HK\$'000	Discretionary bonuses HK\$'000	Contributions to defined contribution retirement plans HK\$'000	Equity-settled share-based payment expense HK\$'000	Total HK\$'000
Executive directors						
Mr. Kwok Chun Sing (Chairman)	–	1,440	120	18	4,214	5,792
Mr. Zhan Zhi Hao (Chief Executive Officer)	–	1,120	200	18	4,214	5,552
Ms. Kwok Ho Yee	–	365	61	5	2,719	3,150
Mr. Tang Chi Kin	–	–	–	–	2,118	2,118
Independent non-executive directors						
Mr. Hau Wing Shing Vincent	192	–	–	–	–	192
Mr. Wan Simon (Note (viii))	112	–	–	–	–	112
Mr. Zhang Jue (Note (ix))	126	–	–	–	–	126
Mr. Lam John Cheung-wah	150	–	–	–	–	150
Prof. Sit Wing Hang	90	–	–	–	–	90
Mr. Yu Chung Leung	60	–	–	–	–	60
	<u>730</u>	<u>2,925</u>	<u>381</u>	<u>41</u>	<u>13,265</u>	<u>17,342</u>

Notes:

- (i) On 12 October 2023, 12,420,000 awarded shares were granted to Mr. Kwok Chun Sing. On 11 October 2024, 12,420,000 awarded shares were vested and accordingly, 12,420,000 new shares were issued and allotted to Mr. Kwok Chun Sing on 11 December 2024.
- (ii) On 12 October 2023, 12,420,000 awarded shares were granted to Mr. Zhan Zhi Hao. On 11 October 2024, 12,420,000 awarded shares were vested and accordingly, 12,420,000 new shares were issued and allotted to Mr. Zhan Zhi Hao on 11 December 2024.
- (iii) On 12 October 2023, 12,420,000 awarded shares were granted to Ms. Kwok Ho Yee as an employee and chief operating officer of the Group. On 12 December 2023, Ms. Kwok Ho Yee was appointed as an executive director. On 11 October 2024, 12,420,000 awarded shares were vested and accordingly, 12,420,000 new shares were issued and allotted to Ms. Kwok Ho Yee on 11 December 2024.
- (iv) On 12 October 2023, 12,420,000 awarded shares were granted to Mr. Tang Chi Kin. On 11 October 2024, 12,420,000 awarded shares were vested and accordingly, 12,420,000 new shares were issued and allotted to Mr. Tang Chi Kin on 11 December 2024.
- (v) On 2 June 2023, Mr. Lam John Cheung-wah was appointed as an independent non-executive director.
- (vi) On 20 October 2023, Prof. Sit Wing Hang was appointed as an independent non-executive director.
- (vii) On 12 December 2023, Mr. Yu Chung Leung was appointed as an independent non-executive director.
- (viii) On 20 October 2023, Mr. Wan Simon resigned as an independent non-executive director.
- (ix) On 12 December 2023, Mr. Zhang Jue resigned as an independent non-executive director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Five highest paid employees

The five highest paid employees of the Group for the year ended 31 March 2025 included 4 directors (2024: included 3 directors) and their emoluments are set out in Note 12(a). The emoluments of the remaining 1 (2024: 2) highest paid employee(s) for the year ended 31 March 2025 are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and benefits	–	894
Equity-settled share-based payment expense	6,070	3,612
Contributions to defined contribution retirement plans	–	13
	<u>6,070</u>	<u>4,519</u>

The number of non-directors, highest paid employee(s) whose remuneration fell within the bands is as follows:

	2025 No. of employee	2024 No. of employee
Nil to HK\$1,000,000	–	–
HK\$2,000,001 to HK\$2,500,000	–	2
HK\$6,000,001 to HK\$6,500,000	1	–
	<u>1</u>	<u>2</u>

During the year ended 31 March 2025, no remuneration was paid by the Group to the directors or any of the five highest paid employees of the Group as an inducement to join, or upon joining the Group or as compensation for loss of office (2024: Nil). None of the directors, nor the five highest paid employees has waived or agreed to waive any emoluments during the year (2024: None).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. DIVIDEND

No dividend was paid or proposed to the ordinary shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

14. LOSS PER SHARE

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

	Year ended 31 March	
	2025	2024
Loss per share		
Loss for the purposes of basic loss per share (HK\$'000)	<u>15,741</u>	<u>78,875</u>
Number of share		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>1,290,820,856</u>	<u>1,193,012,048</u>

For the year ended 31 March 2025, the calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$15,741,000 (2024: approximately HK\$78,875,000) and the weighted average number of 1,290,820,856 (2024: 1,193,012,048) ordinary shares.

The Company's share award as at 31 March 2025 and 2024 have an anti-dilutive effect to the loss per share and there are no other dilutive potential ordinary shares in existence during the years ended 31 March 2025 and 2024, and hence diluted loss per share is the same as the basic loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment HK\$'000	Leasehold improvement HK\$'000	Machinery HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost						
At 1 April 2023	1,427	11,439	11,672	1,294	–	25,832
Additions	105	–	5,735	569	–	6,409
Disposals	–	(1,122)	–	(260)	–	(1,382)
At 31 March 2024 and 1 April 2024	1,532	10,317	17,407	1,603	–	30,859
Additions	288	1,046	1,093	400	43,572	46,399
Transfer from right-of-use assets (Note 16)	–	–	2,088	–	–	2,088
Disposals	–	–	(8,891)	–	–	(8,891)
At 31 March 2025	1,820	11,363	11,697	2,003	43,572	70,455
Accumulated depreciation						
At 1 April 2023	423	3,237	2,380	476	–	6,516
Provided for the year	128	2,722	2,212	428	–	5,490
Elimination on disposals	–	(1,122)	–	(260)	–	(1,382)
At 31 March 2024 and 1 April 2024	551	4,837	4,592	644	–	10,624
Provided for the year	133	2,160	1,479	476	–	4,248
Elimination on disposals	–	–	(534)	–	–	(534)
At 31 March 2025	684	6,997	5,537	1,120	–	14,338
Carrying amount						
At 31 March 2025	1,136	4,366	6,160	883	43,572	56,117
At 31 March 2024	981	5,480	12,815	959	–	20,235

The directors of the Company considered that the recoverable amounts of the property, plant and equipment was higher than its carrying amounts, no impairment loss on property, plant and equipment is recognised during the year ended 31 March 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. RIGHT-OF-USE ASSETS

	Other properties leased for own use carried at cost HK\$'000	Machine leased for own use carried at cost HK\$'000	Total HK\$'000
Cost			
At 1 April 2023	23,383	–	23,383
Additions	12,044	2,783	14,827
Expiration of lease	(4,178)	–	(4,178)
At 31 March 2024 and 1 April 2024	31,249	2,783	34,032
Additions	79,093	–	79,093
Lease modification	16,120	–	16,120
Transfer to property, plant and equipment	–	(2,783)	(2,783)
At 31 March 2025	126,462	–	126,462
Accumulated depreciation			
At 1 April 2023	9,539	–	9,539
Provided for the year	8,032	309	8,341
Expiration of lease	(4,178)	–	(4,178)
At 31 March 2024 and 1 April 2024	13,393	309	13,702
Provided for the year	13,479	386	13,865
Transfer to property, plant and equipment	–	(695)	(695)
At 31 March 2025	26,872	–	26,872
Carrying amount			
At 31 March 2025	99,590	–	99,590
At 31 March 2024	17,856	2,474	20,330

The directors of the Company considered that the recoverable amounts of the right-of-use assets was higher than its carrying amounts, no impairment loss on right-of-use assets is recognised during the year ended 31 March 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. RIGHT-OF-USE ASSETS (CONTINUED)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities	3,644	368
Expense relating to short-term leases	143	104
Total cash outflow for leases	16,614	17,439

For the year ended 31 March 2025, the Group leases various leasehold land, offices, warehouses and plant and machinery (2024: offices, warehouses and plant and equipments) for its operations. Lease contracts are entered into for fixed term of 3 to 20 years (2024: 3 to 10 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease does not include any option to renew for an additional period after the end of contractual term.

During the year ended 31 March 2025, the Group entered into a lease agreement for use of leasehold land located in Hong Kong (2024: new warehouses lease located in the PRC and a plant and machinery lease located in Hong Kong). Right-of-use assets with the value of HK\$79,093,000 (2024: HK\$14,827,000) and lease liabilities of HK\$76,154,000 (2024: HK\$4,893,000) were recognised at the commencement of the lease. Furthermore, the Group recognised right-of-use assets and lease liabilities of HK\$16,120,000 (2024: Nil) and HK\$16,120,000 (2024: Nil), respectively, in relation to lease modification during the year ended 31 March 2025.

During the year ended 31 March 2025, the Group has exercised purchase option of the plant and machinery lease located in Hong Kong, the plant and machinery leased for own use with carrying amount of HK\$2,088,000 is transferred to property, plant and equipment.

As at 31 March 2025, the Group's right-of-use assets amounted to HK\$90,833,000 (2024: HK\$10,537,000) were located in Hong Kong and the remaining were located in PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. GOODWILL

HK\$'000

At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025

74,691

Goodwill has been allocated for impairment testing purpose to the following CGUs.

- Reverse supply chain management business in Hong Kong ("**Division A**")
- Environmental-related service business in Hong Kong ("**Division B**")

The carrying amount of goodwill as at 31 March 2025 allocated to these CGUs are as below:

	2025 HK\$'000	2024 HK\$'000
Division A	53,197	53,197
Division B	21,494	21,494
	74,691	74,691

In addition to goodwill, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment.

Division A

The recoverable amount of the Division A is determined based on a value-in-use calculation from a business valuation report on the Division A prepared by an independent qualified professional valuer, AP Appraisal Limited (2024: AP Appraisal Limited). That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2024: five-year period). Cash flows beyond the five-year period (2024: five-year period) are extrapolated using an estimated growth rate stated below which is by reference to the long term inflation rate and other relevant economic factors. The growth rates used do not exceed the long-term average growth rates for the business in which the Division A operates. The cash flows are discounted using the discount rate stated below. The discount rates used are pre-tax and reflect specific risks relating to Division A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. GOODWILL (CONTINUED)

Division A (Continued)

Key assumption used for the value-in-use calculations are as follows:

	2025	2024
Growth rate	2.5%	2.5%
Gross margin	22.3%	33.1%
Discount rate	14.7%	17.3%

Management determined the budgeted gross margin based on past performance and its expectation for market development.

During the year ended 31 March 2025, since the recoverable amount of Division A was larger than its carrying amount, the directors of the Company considered that no impairment of goodwill is needed (2024: Nil).

Division B

The recoverable amount of the Division B is determined based on a value-in-use calculation from a business valuation report on the Division B prepared by an independent qualified professional valuer, AP Appraisal Limited (2024: AP Appraisal Limited). That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2024: five-year period). Cash flows beyond the five-year period (2024: five-year period) are extrapolated using an estimated growth rate stated below which is by reference to the long term inflation rate and other relevant economic factors. The growth rates used do not exceed the long-term average growth rates for the business in which the Division B operates. The cash flows are discounted using the discount rate stated below. The discount rates used are pre-tax and reflect specific risks relating to Division B.

Key assumption used for the value-in-use calculations are as follows:

	2025	2024
Growth rate	2.5%	2.5%
Gross margin	30%	39%
Discount rate	15.0%	17.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. GOODWILL (CONTINUED)

Division B (Continued)

Management determined the budgeted gross margin based on past performance and its expectation for market development.

During the year ended 31 March 2025, since the recoverable amount of Division B was larger than its carrying amount, the directors of the Company considered that no impairment of goodwill is needed (2024: Nil).

18. INTANGIBLE ASSETS

	Licenses HK\$'000
Cost	
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	5,700
Accumulated depreciation	
At 1 April 2023	2,245
Amortisation for the year	2,055
At 31 March 2024 and 1 April 2024	4,300
Amortisation for the year	1,400
At 31 March 2025	5,700
Carrying amounts	
At 31 March 2025	–
At 31 March 2024	1,400

The directors of the Company considered that the recoverable amounts of the intangible assets was higher than its carrying amounts, no impairment loss on intangible assets is recognised during the year ended 31 March 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. INTERESTS IN ASSOCIATES

	HK\$'000
At 1 April 2023	3,364
Capital reduction by an associate (Note (i))	(327)
Capital contribution in an associate (Note (iii))	5
Share of post acquisition profits and other comprehensive income	102
Partial disposal (Note (ii))	(820)
At 31 March 2024 and 1 April 2024	2,324
Capital reduction by an associate (Note (i))	(399)
Share of post acquisition losses and other comprehensive expenses	(42)
At 31 March 2025	1,883

The following table contains the particulars of associates, which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Place of incorporation/ registration and operation	Particulars of issued and paid-up capital/registered share capital	Proportion of ownership interest		Principal activity
			31 March 2025	31 March 2024	
晉揚(深圳)新能源生態 有限公司("Chun Yang Shenzhen") (Note (i))	The PRC	Registered capital RMB52,000,000 (2024: RMB52,000,000)	40%	40%	Provision of data destruction services
China Resources Chun Yang Technology Company Limited ("China Resources") (Note (ii))	Hong Kong	2,000,000 ordinary shares (2024: 2,000,000 ordinary shares)	29%	29%	Provision of data destruction services
Gotion Evs Greenwise Low Carbon Research Institute Limited ("Gotion EVS") (Note (iii))	Hong Kong	10,000 ordinary shares (2024: 10,000 ordinary shares)	49%	49%	Research and development of energy storage products and other low-carbon technology applications

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- (i) There was a capital reduction by Chun Yang Shenzhen at an amount of HK\$399,000 (2024: HK\$327,000) during the year ended 31 March 2025. There was no change in the Group's ownership interest in the Chun Yang Shenzhen as at 31 March 2025.
- (ii) On 6 July 2023, Chun Yang International (HK) Company Limited ("Chun Yang"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, pursuant to which Chun Yang agreed to sell and the independent third party agreed to purchase 20% equity interest in China Resources Chun Yang Technology Company Limited at a consideration of HK\$820,000. No gain or loss on disposal of interest in an associate is recognised during the year ended 31 March 2024.
- (iii) On 9 January 2024, Envision Greenwise New Energy International Company Limited, a wholly owned subsidiary of the Company, contributed capital of approximately HK\$5,000 in Gotion EVS, representing 49% ownership interest in the investee. Gotion EVS was incorporated on the same date.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate and reconciled to the carrying amounts in the consolidated financial statements are disclosed below:

(a) Chun Yang Shenzhen

Summarised financial information of Chun Yang Shenzhen, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2025 HK\$'000	2024 HK\$'000
Non-current assets	79	216
Current assets	8	1,067
Current liabilities	(5)	(64)
Equity	82	1,219
Revenue	168	363
Loss and total comprehensive expense for the year	(139)	(33)

Reconciliation of the above summarised financial information of Chun Yang Shenzhen to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets of the associate	82	1,219
Group's effective interest	40%	40%
Group's share of net assets of the associate	33	488
Goodwill	604	604
Carrying amount in the consolidated financial statements	637	1,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. INTERESTS IN ASSOCIATES (CONTINUED)

(b) China Resources

	2025 HK\$'000	2024 HK\$'000
Non-current assets	–	1
Current assets	4,238	4,211
Current liabilities	–	(22)
Equity	4,238	4,190
Revenue	–	50
Profit and total comprehensive income for the year	48	280

Reconciliation of the above summarised financial information of China Resources to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net assets of the associate	4,238	4,190
Group's effective interest	29%	29%
Group's share of net assets of the associate	1,229	1,215
Goodwill	16	16
Carrying amount in the consolidated financial statements	1,245	1,231

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. EQUITY INSTRUMENTS AT FVTOCI

	2025 HK\$'000	2024 HK\$'000
Listed shares in Hong Kong, at fair value (Note (a))	2,222	2,684
Unlisted investment fund in Hong Kong, at fair value (Note (b))	21,401	22,727
	23,623	25,411

Notes:

- (a) The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI. Changes in fair value are recognised in the other comprehensive income as they arise.

Certain listed equity investments were disposed during the year ended 31 March 2024 due to risk monitoring consideration. The fair value of the listed equity investments at the date of derecognition was HK\$9,037,000 and the cumulative gain on disposal of HK\$1,169,000 has been transferred to retained earnings. There was no disposal of listed equity investments during the year ended 31 March 2025.

The fair value of the listed equity investments is measured using quoted market price available on the Stock Exchange which was a level 1 input in terms of HKFRS 13 Fair Value Measurement.

- (b) The above unlisted equity investments represent the Group's equity interest in a private investment fund established in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI. Changes in fair value are recognised in the other comprehensive income as they arise.

The fair value of the unlisted equity investments is measured using adjusted net assets approach which was a level 3 input in terms of HKFRS 13 Fair Value Measurement.

21. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables – contracts with customers	14,365	61,161
Less: loss allowance	(113)	(384)
	14,252	60,777

The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis. The Group grants the credit period of 30 to 60 days for its customers of its reverse supply chain management and environmental-related services business. Further details of the movement of impairment losses and the Group's credit policy and credit risk arising from trade receivables are set out in Note 38.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. TRADE RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and the Group does not hold any collateral or other enhancements over these balances.

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	9,626	37,180
31 to 90 days	1,248	11,721
91 to 120 days	433	4,316
121 to 365 days	2,945	7,560
	14,252	60,777

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current			
Deposits	22(a)	9,251	9,588
Interest receivables		710	–
Deposits paid for property, plant and equipment		–	857
		9,961	10,445
Current			
Other deposits		2,262	2,245
Prepayments		22,156	10,354
Interest receivables		797	587
Other receivables	22(b)	52,382	3,922
		77,597	17,108
Total		87,558	27,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

- a) As at 31 March 2025, included in deposits of approximately HK\$7,339,000 (2024: HK\$7,939,000) represents rental deposits paid to the Government of the Hong Kong Special Administrative Region for 20-year lease of land use rights in Hong Kong.
- b) The balances of other receivables are unsecured, interest-free and repayable on demand. The Group's other receivables were neither past due nor impaired as at 31 March 2025.

At 31 March 2025, included in other receivables is a balance of HK\$9,360,000 (2024: Nil) due from a share subscriber. The amount was subsequently fully received on 1 April 2025 (Note 33(g)).

As at 31 March 2025, no amount due from a related party is included in other receivables (2024: HK\$237,000). The related party is a company wholly-owned by a director of the Group. The amounts are unsecured, interest-free and repayable on demand.

- (c) Loans to independent third parties

	2025 HK\$'000	2024 HK\$'000
Within one year	15,061	11,813
Over one year	75,727	2,275
	90,788	14,088

As at 31 March 2025, the Group has provided a loan to an independent third party with the amount of approximately HK\$22,386,000 (2024: HK\$14,088,000) where its principal activities belongs to research and development of smart recycling bin. This loan is denominated in Hong Kong dollars, unsecured, interest bearing at 10% per annum and repayable according to schedule by monthly instalments. Interest income of approximately HK\$2,568,000 (2024: HK\$587,000) has been recognised in "other income, gains and losses" in the consolidated statement of profit or loss and other comprehensive income during the year.

As at 31 March 2025, the Group has provided a loan to another independent third party with the amount of approximately HK\$68,402,000 (2024: Nil) where its principal activities belongs to trading of industrial materials. This loan is denominated in United States dollars, unsecured, interest bearing at 5% per annum and repayable in 3 years. Interest income of approximately HK\$710,000 (2024: Nil) has been recognised in "other income, gains and losses" in the consolidated statement of profit or loss and other comprehensive income during the year.

Further details of the Group's credit policy and credit risk arising from loans to independent third parties are set out in Note 38.

- d) Trade deposits

Included in trade deposits of approximately HK\$196,848,000 (2024: HK\$258,714,000) and HK\$6,940,000 (2024: HK\$132,836,000) represents deposits paid to certain suppliers to secure the procurement of industrial materials and black mass from recycled batteries respectively, at a later time of the year. The Group has received deposits from its customers in relation to the purchase of industrial materials and black mass from recycled batteries, with an amount of approximately HK\$183,913,000 (2024: HK\$260,642,000) and HK\$574,000 (2024: HK\$132,831,000) respectively and were recognised as contract liabilities as at 31 March 2025 (Note 29).

The trade deposits and contract liabilities are both expected to be realised as purchases and sales within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Contract assets arising from:		
Construction services	41,064	117,177
Less: loss allowance	(126)	(361)
	40,938	116,816

Construction services

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. Additionally, the Group typically agrees one to three years retention period for 5% of the contract sum, which is kept in contract assets until the end of the retention period as the Group's entitlement to it is conditional on the Group's work satisfactorily passing inspection.

Movements in the gross carrying amounts of contract assets:

	2025 HK\$'000	2024 HK\$'000
Balance at beginning of the year	117,177	75,782
Decrease in contract assets as a result of transferring from contract assets to trade receivables	(115,017)	(47,543)
Increase in contract assets as the contract progresses	38,904	88,938
Balance at end of the year	41,064	117,177

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

	2025 HK\$'000	2024 HK\$'000
Within one year	40,938	116,816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. CONTRACT ASSETS (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are with reference to those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are with reference to days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Further details of the Group's credit risk policy and credit risk arising from contract assets are set out in Note 38.

24. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

Cash and cash equivalents comprises cash on hand and bank balances. As at 31 March 2025, bank balances carry interest at prevailing market interest rates which were ranging from 0.001% to 2.95% (2024: 0.001% to 3.2%) per annum.

Pledged bank deposits represent deposits pledged to a bank to secure banking facilities granted to the Group as a security for issuance of non-interest bearing surety bonds for construction contracts. As at 31 March 2025, the pledged bank deposits carried a fixed interest rate of 1.8% per annum (2024: 2% per annum).

25. TRADE AND RETENTION MONEY PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	68,286	124,684
Retention money payables (Note)	23,146	27,979
	91,432	152,663

Note: Retention money payables to sub-contractors are released by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. TRADE AND RETENTION MONEY PAYABLES (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	46,708	38,269
31 to 90 days	7,866	9,145
91 to 120 days	10,258	1,082
121 to 365 days	20	72,793
Over 365 days	3,434	3,395
	68,286	124,684

26. ACCRUALS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Accruals	7,974	5,212
Other payables	6,028	5,633
Provision for contracting costs	5,709	7,384
Deposit received	10,185	3,048
	29,896	21,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. BANK BORROWING

	2025 HK\$'000	2024 HK\$'000
Interest-bearing borrowing - unsecured	7,908	8,686

	2025 HK\$'000	2024 HK\$'000
The carrying amounts are repayable*:		
Within one year	820	772
Within a period of more than one year but not exceeding two years	845	801
Within a period of more than two years but not exceeding five years	2,692	2,582
Within a period of more than five years	3,551	4,531
	7,908	8,686

* The amount due is based on scheduled repayment dates set out in the loan agreement. However, as the bank borrowing contained a repayable on demand clause and therefore the Group's bank borrowing is classified as current liabilities.

The interest rate per annum of the interest-bearing borrowing as at 31 March 2025 is approximately 3.0% (2024: approximately 3.625%).

The borrowing is in Hong Kong dollars.

The interest-bearing borrowing are guaranteed by Mr. Kwok Chun Sing, the ultimate controlling party of the Company.

The Group regularly monitors its compliance with loan covenants and does not consider it is probable that the banks will exercise their discretion to demand repayment so long as the Group continues to make payments according to the schedule of the loans. Further details of the Group's management of liquidity risk are set out in Note 38. As at 31 March 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. LEASE LIABILITIES

	Other properties leased for own use carried at cost HK\$'000	Plant and machinery leased for own use carried at cost HK\$'000	Total HK\$'000
At 1 April 2023	11,845	–	11,845
Additions	3,043	1,850	4,893
Interest expense	321	47	368
Lease payments	(7,150)	(251)	(7,401)
At 31 March 2024 and 1 April 2024	8,059	1,646	9,705
Additions	76,154	–	76,154
Lease modification	16,120	–	16,120
Interest expense	3,596	48	3,644
Lease payment	(11,838)	(1,694)	(13,532)
At 31 March 2025	92,091	–	92,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. LEASE LIABILITIES (CONTINUED)

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	Total minimum lease payments HK\$'000	Total future interest expenses HK\$'000	Present value of the minimum lease payments HK\$'000
At 31 March 2025			
Not later than one year	11,351	3,695	7,656
Later than one year and not later than two years	11,010	3,380	7,630
Later than two years and not later than five years	23,344	8,676	14,668
Later than five years	82,750	20,613	62,137
	128,455	36,364	92,091
At 31 March 2024			
Not later than one year	7,032	296	6,736
Later than one year and not later than two years	2,171	93	2,078
Later than two years and not later than five years	905	14	891
	10,108	403	9,705

The present value of future lease payments are analysed as:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	7,656	6,736
Non-current liabilities	84,435	2,969
	92,091	9,705

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. CONTRACT LIABILITIES

As at 31 March 2025, included in contract liabilities is a trade deposits of approximately HK\$183,913,000 (2024: HK\$260,642,000) received by the Group from customers for the sales of industrial materials, the Group receives the deposits before the industrial materials are delivered, give rise to contract liabilities until revenue is recognised.

As at 31 March 2025, included in contract liabilities is a trade deposits of approximately HK\$574,000 (2024: HK\$132,831,000) received by the Group from customers for the sales of black mass from recycled batteries, the Group receives the deposits before the black mass from recycled batteries are delivered, give rise to contract liabilities until revenue is recognised.

All contract liabilities is expected to be recognised as revenue within one year.

30. AMOUNTS DUE FROM/(TO) THE ASSOCIATES

The amounts are unsecured, interest-free and repayable on demand.

31. DEFERRED TAX ASSETS/(LIABILITIES)

The component of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Fair value adjustments on acquisition of subsidiaries HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 April 2023	(508)	1,775	1,267
Credited to profit or loss (Note 11)	277	–	277
At 31 March 2024 and 1 April 2024	(231)	1,775	1,544
Credited/(charged) to profit or loss (Note 11)	231	(1,775)	(1,544)
At 31 March 2025	–	–	–

Deferred tax assets are recognised for tax losses carried forward to the extent that utilisation of the related tax losses through the future taxable profits is probable. The tax losses can be utilised for offsetting future taxable profits of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$51,684,000 (2024: HK\$76,517,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$Nil (2024: HK\$10,757,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK\$51,684,000 (2024: HK\$65,760,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

As at 31 March 2025, the Group has deductible temporary differences of HK\$1,323,000 (2024: HK\$487,000). No deferred tax assets have been recognised in respect of deductible temporary differences due to unpredictability of future profit streams.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investments in subsidiaries		148,179	148,179
Property, plant and equipment		8,858	11,055
Right-of-use assets		983	4,918
Loan to an independent third party		68,402	–
Other receivables		710	–
Equity instruments at FVTOCI		23,623	25,411
		250,755	189,563
Current assets			
Amount due from subsidiaries		113,926	54,017
Prepayments and other receivables		10,827	1,456
Cash and cash equivalents		85,310	778
		210,063	56,251
Current liabilities			
Accruals and other payables		7,203	3,681
Amount due to a subsidiary		6,148	798
Lease liabilities		515	3,023
Tax payable		204	–
		14,070	7,502
Net current assets		195,993	48,749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Provision for reinstatement costs		4,000	4,000
Lease liabilities		–	515
		4,000	4,515
NET ASSETS		442,748	233,797
Capital and reserves			
Share capital	33	13,625	12,550
Reserves	33	429,123	221,247
TOTAL EQUITY		442,748	233,797

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

Kwok Chun Sing
Director

Zhan Zhi Hao
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. SHARE CAPITAL AND RESERVES

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023	1,500,000,000	15,000
Increase in authorised share capital (Note (a))	1,500,000,000	15,000
At 31 March 2024, 1 April 2024 and 31 March 2025	3,000,000,000	30,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2023	959,487,500	9,595
Issue of shares (Note (b) and (c))	191,890,000	1,919
Issue of shares under debt capitalisation (Note (d))	103,650,000	1,036
At 31 March 2024 and 1 April 2024	1,255,027,500	12,550
Issue of shares (Note (e) and (g))	41,221,000	412
Issue of shares under share awards (Note (f))	66,240,000	663
At 31 March 2025	1,362,488,500	13,625

Notes:

- (a) Pursuant to a resolution passed on 28 September 2023, the Company approved the increase in authorised share capital of the Company from HK\$15,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.01 each to HK\$30,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.01 each.
- (b) On 11 April 2023, the Company placed an aggregate of 45,000,000 new shares to independent third parties at the placing price of HK\$0.4 per placing share. The gross proceeds of the placing were approximately HK\$18,000,000. The net proceeds of the placing were approximately HK\$17,989,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 21 March 2023, 23 March 2023 and 11 April 2023.
- (c) On 1 August 2023, the Company placed an aggregate of 146,890,000 new shares to independent third parties, at the placing price of HK\$0.245 per placing share. The gross proceeds of the placing were approximately HK\$35,988,000. The net proceeds of the placing were approximately HK\$35,908,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcements dated 20 July 2023 and 1 August 2023.
- (d) On 21 March 2023, the Company and the ultimate holding company of the Company entered into the subscription and debt capitalisation agreement pursuant to which the ultimate holding company agreed to subscribe for, and the Company agreed to allot and issue 103,650,000 capitalisation shares ("Capitalisation Share") at the capitalisation price of HK\$0.4 per Capitalisation Share to settle the promissory notes at a sum of HK\$41,460,000 ("Debt Capitalisation"). The Debt Capitalisation was completed on 15 May 2023, and the net amounts of the Debt Capitalisation were approximately HK\$41,396,000 after deducting the relevant expenses. Details of the Debt Capitalisation are set out in the Company's announcements dated 21 March 2023, 9 May 2023 and 15 May 2023 and the circular dated 14 April 2023.
- (e) On 30 September 2024, the Company placed an aggregate of 19,668,000 new shares to independent third parties, at the placing price of HK\$4.2 per placing share. The gross proceeds of the placing were approximately HK\$82,606,000. The net proceeds of the placing were approximately HK\$82,482,000 after deducting the relevant expenses for the placing. Details of this share placing are set out in the Company's announcement dated 20 September 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. SHARE CAPITAL AND RESERVES (CONTINUED)

- (f) On 11 December 2024 and 12 December 2024, the Company issued and allotted 62,597,000 and 3,643,000 new shares for the share award granted to the directors, employees and service providers of the Company.
- (g) On 24 December 2024, the Company placed an aggregate of 21,553,000 new shares to independent third parties, at the placing price of HK\$6.0 per placing share. The gross proceeds of the placing were approximately HK\$129,318,000. The net proceeds of the placing were approximately HK\$129,194,000 after deducting the relevant expenses for the placing. As at 31 March 2025, an amount of HK\$9,360,000 has not been received and is included in "deposits, prepayments and other receivables". The amount was subsequently fully received on 1 April 2025. Details of this share placing are set out in the Company's announcements dated 16 December 2024 and 27 December 2024.

Reserves

Details of movements of the Group's reserves are set out in the consolidated statement of changes in equity on page 100.

(i) *Share premium*

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.

(ii) *Capital reserve*

Capital reserve represents the aggregate of the share capital of Head Fame Company Limited and investment from pre-IPO investors amounted to HK\$15,500,000 and the waiver of interest expenses on promissory notes issued to the ultimate holding company by the ultimate holding company of HK\$1,732,000 which was considered as a deemed contribution from the ultimate holding company.

(iii) *Retained earnings/accumulated losses*

Retained earnings/accumulated losses represent the cumulative profit or loss recognised.

(iv) *Fair value reserve*

The fair value reserve comprises the cumulative net change in the equity instruments of financial assets measured at FVTOCI at the end of the reporting period and is dealt with in accordance with the accounting policies set out in Note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. SHARE CAPITAL AND RESERVES (CONTINUED)

Reserves (Continued)

Details of movements of the Company's reserves are set out below.

	Share premium HK\$'000	Contributed surplus HK\$'000	Fair value reserve HK\$'000	Accumulated losses HK\$'000	Share-based payments reserve HK\$'000	Total HK\$'000
At 1 April 2023	156,470	60,139	(3,019)	(35,927)	–	177,663
Loss for the year	–	–	–	(77,880)	–	(77,880)
Other comprehensive income for the year						
– change in fair value of equity instruments at FVTOCI	–	–	6,729	–	–	6,729
Total comprehensive income/(expense) for the year	–	–	6,729	(77,880)	–	(71,151)
Disposal of equity instruments at FVTOCI	–	–	(1,169)	1,169	–	–
Issue of shares under placing arrangement	51,978	–	–	–	–	51,978
Issue of shares under debt capitalisation	40,360	–	–	–	–	40,360
Deemed contribution from the ultimate holding company	–	1,732	–	–	–	1,732
Recognition of equity-settled share-based payments	–	–	–	–	20,665	20,665
At 31 March 2024 and 1 April 2024	248,808	61,871	2,541	(112,638)	20,665	221,247
Loss for the year	–	–	–	(39,851)	–	(39,851)
Other comprehensive expense for the year						
– change in fair value of equity instruments at FVTOCI	–	–	(1,788)	–	–	(1,788)
Total comprehensive expense for the year	–	–	(1,788)	(39,851)	–	(41,639)
Issue of shares under placing arrangement	211,264	–	–	–	–	211,264
Recognition of equity-settled share-based payments	–	–	–	–	38,914	38,914
New shares issued for share awards	47,030	–	–	–	(47,693)	(663)
At 31 March 2025	507,102	61,871	753	(152,489)	11,886	429,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. DETAILS OF SUBSIDIARIES

The following list contains only the particulars of the major subsidiaries with active operations of the Group during the year:

Name of subsidiary	Place of incorporation establishment	Place of operation	Issued and fully paid ordinary share capital/ registered capital	Percentage of equity attributable to the Company				Principal activities
				2025		2024		
				Direct	Indirect	Direct	Indirect	
Century Success Limited	British Virgin Islands	Hong Kong	US\$300	100%	–	100%	–	Investment holding
Head Fame Company Limited	Hong Kong	Hong Kong	HK\$500,000	–	100%	–	100%	Provision of superstructure building and RMAA works service as a main contractor
Chun Yang	Hong Kong	Hong Kong	HK\$10,000	100%	–	100%	–	Provision of reverse supply chain management and environmental-related services
Cornerstone Energy Limited	Hong Kong	Hong Kong	HK\$10,000	95%	–	95%	–	Provision of technology for recycling retired EV batteries
Builders Company Limited	Hong Kong	Hong Kong	HK\$300,000	–	100%	–	100%	Provision of EV charging and electrical works
Chun Yang Copper New Material Company Limited	Hong Kong	Hong Kong	HK\$1,000	–	100%	–	100%	Trading of industrial products
Envision Greenwise New Energy International Company Limited	Hong Kong	Hong Kong	HK\$1,000	–	100%	–	100%	Provision of reverse supply chain management and environmental-related services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. CONTINGENT LIABILITIES

Performance bonds

As at 31 March 2025, performance bonds of HK\$42,180,000 (2024: HK\$42,180,000) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance bonds will be released upon completion of the contract works. The performance bonds were granted under the banking facilities of the Group which were secured by assets as set out in Note 24.

Management of the Group do not consider it is probable that a claim will be made against the Group in respect of the above performance bonds.

Litigation

At the end of the reporting period, the Group was a defendant in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injury claims. In the opinion of the directors, the possibility of any outflow of resources in settling these claims is remote and accordingly no provision for liabilities in respect of these litigations is necessary.

36. RELATED PARTY TRANSACTIONS

Key management personnel remuneration represents emoluments paid to the directors of the Company as set out in Note 12.

37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Significant non-cash transactions

During the year ended 31 March 2024, the Company allot and issue 103,650,000 Capitalisation Share to the ultimate holding company at the capitalisation price of HK\$0.4 per Capitalisation Share to settle the promissory notes at a sum of HK\$41,460,000. The transaction cost for the Debt Capitalisation was amounted HK\$64,000. During the year ended 31 March 2024, interest expenses on promissory notes of HK\$1,732,000 was waived by the ultimate holding company which was considered as a deemed contribution from the ultimate holding company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of movements of liabilities arising from financing activities

	Amounts due to the ultimate holding company HK\$'000	Lease liabilities HK\$'000	Bank borrowings HK\$'000	Total HK\$'000
At 1 April 2023	5,670	11,845	–	17,515
Interest paid	–	(368)	(134)	(502)
Repayments of lease liabilities	–	(7,033)	–	(7,033)
New bank loans raised	–	–	9,000	9,000
Repayments of bank borrowings	–	–	(314)	(314)
Repayments of amount due to the ultimate holding company	(5,670)	–	–	(5,670)
Total changes from financing cash flows	(5,670)	(7,401)	8,552	(4,519)
Other changes:				
Lease additions	–	4,893	–	4,893
Interest expenses	–	368	134	502
At 31 March 2024 and 1 April 2024	–	9,705	8,686	18,391
Interest paid	–	(3,644)	(284)	(3,928)
Repayments of lease liabilities	–	(9,888)	–	(9,888)
Repayments of bank borrowings	–	–	(778)	(778)
Total changes from financing cash flows	–	(13,532)	(1,062)	(14,594)
Other changes:				
Lease additions	–	76,154	–	76,154
Lease modification	–	16,120	–	16,120
Interest expenses	–	3,644	284	3,928
At 31 March 2025	–	92,091	7,908	99,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are trade receivables, contract assets, loans to independent third parties, other receivables, deposits, amount due from an associate, cash and cash equivalents and pledged bank deposits that derive directly from its operations. Principal financial liabilities of the Group include trade and retention money payables, accruals and other payables, bank borrowing, amounts due to associates and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations.

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

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

Market risk

Currency risk

The Group's exposure to currency risk mainly arises from the fluctuation of US\$ and RMB against the functional currencies of the relevant group entities. The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities other than the functional currencies of the group entities are as follows. The management closely monitors foreign exchange exposure to mitigate the foreign currency risk.

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

	Financial assets		Financial liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
RMB	1,524	1,941	–	225
US\$	93,459	6,501	3,932	7,045

Sensitivity analysis

The group entities are mainly exposed to the exchange rate risk on HK\$ against RMB and US for the foreign currency denominated monetary assets and liabilities. The directors of the Company consider that, as HK\$ is pegged to US\$, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of HK\$ against US\$ and vice versa. No sensitivity analysis on currency risk is presented as the directors of the Company consider the exposure to currency risk is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing borrowing of HK\$7,908,000 (2024: HK\$8,686,000) with floating interest rates at 31 March 2025. The Group currently does not have a policy to hedge against the interest rate risk as the management of the Group does not expect any significant interest rate risk at the end of the reporting period.

At the end of the reporting period, if interest rate had been 1% higher/lower and all other variables were held constant, the Group's pre-tax loss would have increased/decreased by HK\$79,000 (2024: HK\$87,000) for the year ended 31 March 2025.

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the closing balance of interest-bearing borrowings in existence at the end of the reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the next 12 months after the end of the reporting period.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its business.

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

The Group has rebutted the presumption that default has occurred when a financial asset is more than 90 days past due as the directors of the Company are of the opinion that the balances are still considered recoverable due to long-term/on-going relationship and good repayment record from these debtors, if the Group has also assessed that there is no significant increase in credit risk since initial recognition, twelve-month expected credit loss is recognised.

The Group was exposed to the concentration on of credit risk as at 31 March 2025 on trade receivables and contract assets. As at 31 March 2025, approximately 85% (2024: approximately 69%) and approximately 98% (2024: approximately 92%) of the total trade receivables and contract assets was due from the largest and top five largest debtors respectively. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and contract assets are set out below in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit – impaired	12-month ECL – not credit – impaired
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit – impaired	Lifetime ECL – not credit – impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit – impaired	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	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

Financial assets at amortised cost	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
			2025 HK\$'000	2024 HK\$'000
Trade receivables (Note 21)	(Note (i))	Lifetime ECL (collective assessment)	14,365	61,161
	Loss	Lifetime ECL – credit-impaired	1,721	–
			16,086	61,161
Loans to independent third parties (Note 22(c))	Low risk	12-month ECL – not credit impaired	90,788	14,088
Other receivables and deposits (Note 22)	Low risk	12-month ECL – not credit impaired	65,402	16,342
Contract assets (Note 23)	(Note (i))	Lifetime ECL (collective assessment)	41,064	117,177
Amount due from an associate (Note 30)	Low risk	12-month ECL – not credit impaired	5	–
Cash and cash equivalents (Note 24)	Low risk	12-month ECL – not credit impaired	167,598	49,548
Pledged bank deposits (Note 24)	Low risk	12-month ECL – not credit-impaired	18,054	17,697

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 the trade receivables with credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by past due status.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Trade receivables and contract assets

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the past five years, related information published by external credit rating agencies and are adjusted for reasonable and supportable forward-looking information that is available without undue costs or effort. In addition, management measures ECL individually for trade receivables and contract assets that are credit-impaired. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

During the year ended 31 March 2025, the Group provided reversal of impairment allowance for contract assets of HK\$235,000 (2024: impairment allowance of HK\$44,000) and impairment allowance for trade receivables of HK\$1,450,000 (2024: HK\$1,567,000).

The Group writes off a trade receivable and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Loans to independent third parties and related loan commitments

In respect of loans to independent third parties and related loan commitments, the objective of the Group's measures to manage credit risk is to control the potential exposure to recoverability problem. The Group manages and analyses the credit risk for each of the third party before payment terms and conditions are concluded by assessing the credit qualities of the third parties, taking into account its financial position, past settlement experience and other factors. The balances of loans to independent third parties and related loan commitments are monitored on an ongoing basis, management reviews the loans to independent third parties and related loan commitments at each reporting date to ensure that adequate impairment allowance is made. In this regard, management considers that the Group's credit risk is significantly reduced.

As at 31 March 2025, the Directors of the Company considered that the credit risk in loans to independent third parties and related loan commitments have not significantly increased, no impairment allowance for loans to independent third parties and related loan commitments were recognised.

Other receivables and deposits/amount due from an associate

The management of the Group regularly reviews and assesses the credit quality of the counterparties. The Group uses 12-month ECL to assess the loss allowance of other receivables, deposits and amount due from an associate since these receivables are not past due and there has not been a significant increase in credit risk since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Cash and cash equivalents and pledged bank deposits

The credit risks on cash and cash equivalents and pledged bank deposits are limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

The following table shows the movement in ECL that has been recognised for trade receivables and contract assets.

	Trade receivables (Lifetime ECL – not credit impaired) HK\$'000	Trade receivables (Lifetime ECL – credit impaired) HK\$'000	Contract assets (Lifetime ECL – not credit impaired) HK\$'000
At 1 April 2023	1,392	1,000	317
Impairment losses recognised	1,567	–	44
Written off	(2,575)	(1,000)	–
As at 31 March 2024 and 1 April 2024	384	–	361
Impairment losses (reversed)/recognised	(271)	1,721	(235)
Written off	–	(1,721)	–
As at 31 March 2025	113	–	126
Average loss rate			
As at 31 March 2025	0.79%	–	0.31%
As at 31 March 2024	0.63%	–	0.31%

The expected loss rates are estimated based on historical observed default rates over the expected life of the debtors, related information published by external credit rating agencies and are adjusted for forward-looking information that is available without undue cost or effort. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The following table provides information about the exposure to credit risk for trade receivables and contract assets as at 31 March 2025 and 2024 within lifetime ECL (not credit-impaired).

At 31 March 2025

	Gross carrying amount HK\$'000	Average loss rate %	Loss allowance HK\$'000	Net carrying amount HK\$'000
Trade receivables and contract assets				
Not past due	50,355	0.3	152	50,203
1 to 30 days past due	1,008	0.3	3	1,005
31 to 120 days past due	1,150	1.4	16	1,134
121 to 365 days past due	2,916	2.3	68	2,848
	<u>55,429</u>		<u>239</u>	<u>55,190</u>

At 31 March 2024

	Gross carrying amount HK\$'000	Average loss rate %	Loss allowance HK\$'000	Net carrying amount HK\$'000
Trade receivables and contract assets				
Not past due	154,462	0.3	467	153,995
1 to 30 days past due	11,747	0.5	57	11,690
31 to 120 days past due	7,682	1.5	116	7,566
121 to 365 days past due	4,447	2.4	105	4,342
	<u>178,338</u>		<u>745</u>	<u>177,593</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and retention money payables, accruals and other payables, bank borrowing, lease liabilities and amount due to an associate, and also in respect of its cash flow management.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks and financial institutions to meet its liquidity requirements in the short and longer terms. In the opinion of the directors of the Company, the Group was able to comply with all covenants of the banking facilities as at 31 March 2025 and 31 March 2024.

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

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

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within one year or on demand HK\$'000	Between one and two years HK\$'000	Between three and five years HK\$'000	More than five years HK\$'000
At 31 March 2025						
Trade and retention money payables	91,432	91,432	91,432	–	–	–
Accruals and other payables	24,187	24,187	24,187	–	–	–
Bank borrowing (Note)	7,908	7,908	7,908	–	–	–
Lease liabilities	92,091	128,455	11,351	11,010	23,344	82,750
	<u>215,618</u>	<u>251,982</u>	<u>134,878</u>	<u>11,010</u>	<u>23,344</u>	<u>82,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within one year or on demand HK\$'000	Between one and two years HK\$'000	Between three and five years HK\$'000
At 31 March 2024					
Trade and retention money payables	152,663	152,663	152,663	–	–
Accruals and other payables	13,893	13,893	13,893	–	–
Bank borrowing (Note)	8,686	8,686	8,686	–	–
Lease liabilities	9,705	10,108	7,032	2,171	905
Amounts due to associates	393	393	393	–	–
	<u>185,340</u>	<u>185,743</u>	<u>182,667</u>	<u>2,171</u>	<u>905</u>

Note: The amounts repayable under bank loan agreement that includes a clause that gives the bank an unconditional right to call the borrowings at any time are classified under the category of “on demand or less than 1 year”. However, the management of the Group does not expect that the bank would exercise such right to demand the repayment and thus, the borrowings, which included the related interest, would be repaid according to the below schedule as set out in the bank loan agreement as follows:

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within one year or on demand HK\$'000	Between one and two years HK\$'000	Between three and five years HK\$'000	More than five years HK\$'000
At 31 March 2025						
Bank borrowing	<u>7,908</u>	<u>8,979</u>	<u>1,046</u>	<u>1,046</u>	<u>3,138</u>	<u>3,749</u>
At 31 March 2024						
Bank borrowings	<u>8,686</u>	<u>10,297</u>	<u>1,074</u>	<u>1,074</u>	<u>3,223</u>	<u>4,926</u>

Equity price risk

The Group is exposed to equity price risk arising from listed equity investments and unlisted investment fund classified as equity instrument at FVTOCI (see Note 20).

The Group's listed equity investments are listed on recognised stock exchanges. Listed equity investments held in the portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk (Continued)

As at 31 March 2025 it is estimated that an increase/decrease of 10% in the relevant stock market index (for listed equity investments) and fair value of unlisted investment, with all other variables held constant, would have (decreased)/increased the Group's other components of consolidated equity as follows:

		Effect on other components of equity	
		2025 HK\$'000	2024 HK\$'000
Change in the relevant equity price risk variable:			
Increase	10%	2,362	2,541
Decrease	10%	(2,362)	(2,541)

The sensitivity analysis indicates the instantaneous change in the Group's other components of consolidated equity that would arise assuming that the changes in the stock market index or fair value had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is assumed that the fair values of the Group's listed investments would change in accordance with the historical correlation with the relevant stock market index, that none of the Group's listed investments would be considered impaired as a result of the decrease in the relevant stock market index, and that all other variables remain constant. It is also assumed that the fair values of the Group's unlisted investment would change in accordance with the market value, that none of the Group's unlisted investments would be considered impaired as a result of the decrease in market value, and that all other variables remain constant.

39. CAPITAL COMMITMENT

At 31 March 2025, capital commitment not provided for the financial statements were as follow:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for in respect of		
– Property, plant and equipment	172,651	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns. As part of this review, the directors of the Group consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Group, the Group will balance its overall capital structure, through issue of new share as well as issue of new debts.

41. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels, based on the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The directors consider that the carrying amounts of financial instruments measured at amortised cost at 31 March 2025 and 2024 were approximate to their fair values on the grounds that either their maturity periods are short or their effective interest rates were approximate to the relevant discount rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. FAIR VALUE MEASUREMENT (CONTINUED)

The following table provides an analysis of financial instruments measured at fair value. The classification is based on the degree to which the key inputs used in the fair value measurements are observable and the significance of adjustments to the key inputs used in the fair value measurements.

Financial assets	Fair value at 31 March 2025 HK\$'000	Fair value measurement as at 31 March 2025 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Equipment instruments at FVTOCI				
Equity security, listed	2,222	2,222	–	–
Investment fund, unlisted	21,401	–	–	21,401

Financial assets	Fair value at 31 March 2024 HK\$'000	Fair value measurement as at 31 March 2024 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Equipment instruments at FVTOCI				
Equity security, listed	2,684	2,684	–	–
Investment fund, unlisted	22,727	–	–	22,727

Reconciliation of the opening and closing balance of financial instruments classified as level 3 fair value hierarchy is provided as follows:

	HK\$'000
Equity instruments at FVTOCI – investment fund, unlisted	
At 1 April 2023	12,997
Change in fair value	9,730
At 31 March 2024 and 1 April 2024	22,727
Change in fair value	(1,326)
At 31 March 2025	21,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. FAIR VALUE MEASUREMENT (CONTINUED)

Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Description	Valuation technique	Significant unobservable inputs	Fair value as at 31 March 2025 HK\$'000
Investment funds, unlisted	Adjusted net asset approach	Book value of assets and liabilities of the investees adjusted to their fair value	HK\$21,401 (2024: HK\$22,727)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of each of the categories of financial assets and financial liabilities as at the end of the reporting period are as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets measured at FVTOCI	23,623	25,411
Financial assets measured at amortised cost		
Trade receivables	14,252	60,777
Deposits and other receivables	65,402	16,342
Loans to independent third parties	90,788	14,088
Amount due from an associate	5	–
Cash and cash equivalents	167,598	49,548
Pledged bank deposits	18,054	17,697
	356,099	158,452
Financial liabilities measured at amortised cost		
Trade and retention money payables	91,432	152,663
Accruals and other payables	24,187	13,893
Bank borrowing	7,908	8,686
Lease liabilities	92,091	9,705
Amounts due to associates	–	393
	215,618	185,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

43. SHARE-BASED PAYMENTS

Share award scheme

The Company's share award scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 28 September 2023 for providing incentives to eligible employees, related entities and service providers and will expire on 27 September 2033. The purpose of the Scheme is to recognise and acknowledge the contribution which the eligible participants have made or may make to the Group.

On 12 October 2023, the Company granted 86,940,000 awarded shares ("**Awarded Shares**") to 5 senior management and 2 service providers of the Group (the "**Grantees**") in accordance with the terms of the Scheme. Details of the Awarded Shares are set out in the Company's announcement dated 12 October 2023.

A total of 86,940,000 new shares shall be issued for the purpose of satisfying the awarded shares. The maximum aggregate number of ordinary shares underlying all grants made pursuant to the Scheme (excluding ordinary shares which have been forfeited in accordance with the Scheme) will not exceed 86,940,000, being 6.93% of the existing issued share capital of the Company as at 12 October 2023 and 6.48% of the issued share capital as enlarged by the awarded shares assuming that all the Awarded Shares are fully allotted and issued by the Company to the Grantees.

The Awarded Shares under the Scheme subject to performance targets so as to achieve the purpose of the Scheme. The performance targets are imposed on a case-by-case basis with reference to the performance of the Grantees and/or the operating or financial performance of the Group and/or such other performance targets to be determined by the board of directors or person delegated by the board of directors in its absolute discretion from time to time.

Subject to the satisfaction of the performance targets applicable to the Awarded Shares to each Grantee, the Awarded Shares will be transferred to such Grantee in accordance with the Scheme. In any event, the Awarded Shares granted under the Scheme shall be held for not less than 12 months before being vested on the Grantees. The Awarded Shares is subject to a lock up period for 6 months after vesting and a general clawback mechanism as set out in the circular of the Company dated 6 September 2023.

Each grant of an award to any director of the Company or the chief executive officer shall be subject to the prior approval of the independent non-executive directors (excluding any independent non-executive directors who is a proposed recipient of the grant of share award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

The movements of share-based payment reserve was as follows:

	HK\$'000
At 1 April 2023	–
Equity-settled share-based expenses	20,665
At 31 March 2024 and 1 April 2024	20,665
Equity-settled share-based expenses	38,914
New shares issued for share awards	(47,693)
At 31 March 2025	11,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

43. SHARE-BASED PAYMENTS (CONTINUED)

Share award scheme (Continued)

The following tables disclose movements in the Company's share awards under the Scheme during the reporting period:

	Date of grant	Vesting date	Number of share awards outstanding at 1 April 2024	Vested during the year	Lapsed during the year	Number of share awards outstanding at 31 March 2025
Directors						
Mr. Kwok Chun Sing	12 October 2023	11 October 2024	12,420,000	(12,420,000)	–	–
Mr. Zhan Zhi Hao	12 October 2023	11 October 2024	12,420,000	(12,420,000)	–	–
Mr. Tang Chi Kin	12 October 2023	11 October 2024	8,280,000	(8,280,000)	–	–
	12 October 2023	30 September 2025	4,140,000	–	–	4,140,000
Ms. Kwok Ho Yee*	12 October 2023	11 October 2024	12,420,000	(12,420,000)	–	–
Directors in aggregate			<u>49,680,000</u>	<u>(45,540,000)</u>	<u>–</u>	<u>4,140,000</u>
Employee#						
	12 October 2023	11 October 2024	8,280,000	(8,280,000)	–	–
	12 October 2023	30 September 2025	4,140,000	–	–	4,140,000
Employee in aggregate			<u>12,420,000</u>	<u>(8,280,000)</u>	<u>–</u>	<u>4,140,000</u>
Services providers						
	12 October 2023	11 October 2024	8,280,000	(8,280,000)	–	–
	12 October 2023	30 September 2025	4,140,000	–	–	4,140,000
	12 October 2023	11 October 2024	4,140,000	(4,140,000)	–	–
	12 October 2023	31 March 2025	4,140,000	(4,140,000)	–	–
	12 October 2023	30 September 2025	4,140,000	–	–	4,140,000
Services providers in aggregate			<u>24,840,000</u>	<u>(16,560,000)</u>	<u>–</u>	<u>8,280,000</u>
Total			<u>86,940,000</u>	<u>(70,380,000)</u>	<u>–</u>	<u>16,560,000</u>

On 11 October 2024, 66,240,000 awarded shares were vested and accordingly, 62,597,000 and 3,643,000 new shares were issued and allotted to the directors, employees and service providers of the Company on 11 December 2024 and 12 December 2024 respectively.

On 31 March 2025, 4,140,000 awarded shares granted to a service provider of the Company were vested. Upon the approval of the board of directors, the Company will issue 4,140,000 new shares to the service provider. Up to the date of approval of these consolidated financial statements, the shares have not been issued to the service provider.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

43. SHARE-BASED PAYMENTS (CONTINUED)

Share award scheme (Continued)

- * On 12 October 2023, 12,420,000 Awarded Shares were granted to Ms. Kwok Ho Yee as being an employee and chief operating officer of the Group. On 12 December 2023, Ms. Kwok Ho Yee was appointed as an executive director of the Company.
- # On 12 October 2023, 12,420,000 Awarded Shares were granted to Mr. Guo Jinbao (being the brother of Mr. Kwok Chun Sing). Mr. Guo Jinbao is connected person of the Company.

The closing price of the Company's shares immediately before the grant of share awards on 12 October 2023 were HK\$0.72 per share. The fair value of the Awarded Shares as at 12 October 2023 were HK\$0.72 per share, calculated based on the fair value of the equity instruments as at 12 October 2023.

44. EVENTS AFTER REPORTING PERIOD

- (a) On 13 May 2025, the Company completed the acquisition of 100% equity interest in Green Jade Reverse Logistics Limited ("Green Jade"), a company incorporated in British Virgin Islands. The consideration for the acquisition was settled by an allotment and issuance of 4,545,455 new shares of the Company to the independent third party, amounting to approximately HK\$39,318,000 based on the Company's closing share price on 13 May 2025.

The principal reason for this acquisition was to bring potential synergies with the Group's existing reverse supply chain management and green energy solutions business, as it adds technology, human resources, and business relations advantages that the Group already possesses. Meanwhile, it will expedite the Group's global footprint. Green Jade and its subsidiaries, with their facility in Singapore, will serve as the Group's second battery handling hub in Asia.

Green Jade became a wholly owned subsidiary of the Company after the acquisition. The Company is still in the process of preparing the initial accounting for the business combination up to the date of approval of these consolidated financial statements. Further details of the acquisition are set out in the Company's announcements dated 10 April 2025 and 30 April 2025.

- (b) On 20 June 2025, the Company entered into subscription agreement with an independent third party, pursuant to which the Company agreed to issue and the independent third party agreed to subscribe an aggregate of 12,263,000 new shares to independent third parties, at the placing price of HK\$8.1 per placing share. Up to the date of approval of these consolidated financial statements, the share placing was not yet completed. Details of this share placing are set out in the Company's announcement dated 20 June 2025.

45 COMPARISON FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

FIVE YEAR FINANCIAL SUMMARY

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

RESULTS

	2025 HK\$'000	Year ended 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	869,730	452,192	401,352	591,900	210,660
Loss before tax	(13,739)	(78,915)	(38,838)	(18,841)	(14,064)
Income tax (expense)/credit	(2,004)	53	785	(550)	1,750
Loss for the year	(15,743)	(78,862)	(38,053)	(19,391)	(12,314)
Attributable to:					
Owners of the Company	(15,741)	(78,875)	(38,065)	(19,391)	(12,314)
Non-controlling interests	(2)	13	12	–	–
	(15,743)	(78,862)	(38,053)	(19,391)	(12,314)

ASSETS, LIABILITIES AND TOTAL EQUITY

	2025 HK\$'000	At 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	879,270	824,602	367,570	360,570	234,153
Total liabilities	(412,261)	(590,652)	(179,177)	(204,674)	(66,196)
NET ASSETS	467,009	233,950	188,393	155,896	167,957
Attributable to:					
Owners of the Company	467,067	234,006	188,462	155,896	167,957
TOTAL EQUITY	467,009	233,950	188,393	155,896	167,957

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