Metaspacex Limited

(formerly known as Yield Go Holdings Ltd. 耀高控股有限公司)
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1796)

2025

Annual Report

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zheng Chenhui (retired on 23 August 2024)
Mr. Liang Wenzhi *(Chairman)*
(resigned on 6 November 2024)
Mr. Han Dongguang (resigned on 6 June 2025)
Mr. Kang Ruipeng
Mr. Deng Houhua (appointed on 6 June 2025)

Non-executive Directors

Mr. Chen Yidong (retired on 23 August 2024)
Mr. Zhou Danqing (retired on 23 August 2024)

Independent Non-executive Directors

Mr. He Jianyu (resigned on 6 June 2025)
Mr. Zhou Di (resigned on 6 November 2024)
Ms. Meng Xiaoying (resigned on 6 November 2024)
Mr. Cheng Pak Lam
Ms. Ya Li (appointed on 31 December 2024)
Ms. Chen Yan (appointed on 6 June 2025)

AUDIT COMMITTEE

Mr. Cheng Pak Lam *(Chairman)*
Mr. He Jianyu (resigned on 6 June 2025)
Mr. Zhou Di (resigned on 6 November 2024)
Ms. Ya Li (appointed on 31 December 2024)
Ms. Chen Yan (appointed on 6 June 2025)

REMUNERATION COMMITTEE

Mr. Cheng Pak Lam *(Chairman)*
Mr. He Jianyu (resigned on 6 June 2025)
Mr. Zhou Di (resigned on 6 November 2024)
Mr. Kang Ruipeng (appointed on 6 November 2024)
Ms. Chen Yan (appointed on 6 June 2025)

NOMINATION COMMITTEE

Mr. Cheng Pak Lam *(Chairman)*
Mr. Zhou Di (resigned on 6 November 2024)
Mr. Kang Ruipeng
Mr. He Jianyu (appointed on 6 November 2024 and resigned on 6 June 2025)
Ms. Chen Yan (appointed on 6 June 2025)

JOINT COMPANY SECRETARIES

Mr. Siu Wing Kin (resigned on 16 May 2025)
Mr. Lo Cheuk Fung (appointed on 9 December 2024)
Mr. Chung Cheuk Man (appointed on 16 May 2025)

AUTHORISED REPRESENTATIVES

Mr. Siu Wing Kin (resigned on 9 December 2024)
Mr. Kang Ruipeng
Mr. Lo Cheuk Fung (appointed on 9 December 2024 and resigned on 16 May 2025)
Mr. Chung Cheuk Man (appointed on 16 May 2025)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3, 32/F
Cable TV Tower
No. 9 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

LEGAL ADVISER

As to Hong Kong Law

David Fong & Co.
Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL BANK

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

COMPANY'S WEBSITE

www.metaspacex.hk

STOCK CODE

1796

Chief Executive Officer's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Metaspacex Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I hereby present the annual report of the Group for the year ended 31 March 2025 (the "**Review Year**") to all the shareholders.

According to the announcement by the Hong Kong Special Administrative Region (HKSAR) Government, the Hong Kong economy recorded a moderate growth in 2024, with a 2.5% increase in real Gross Domestic Product (GDP) during that year. The primary driving factors of this growth were the increase in goods exports, the rise in service output, and the further expansion of overall investment spending. However, the recovery remained uneven, as private consumption registered a slight decline over the year, reflecting persistent caution among local consumers.

In the construction sector, preliminary figures released by the Census and Statistics Department of the HKSAR Government on March 11, 2025 revealed that the overall nominal value of construction works completed by major construction contractors in the year 2024 amounted to HK$290.5 billion, representing a 7.2% increase compared to the previous year. After adjusting for inflation, the real value of construction works completed by major construction contractors in 2024 increased by 6.3% compared to the previous year. However, the nominal total value of non-site construction projects fell by 6.0% to approximately HK$87.3 billion, partly attributable to a reduction in general projects such as renovation works. As a contractor for renovation projects, the Group inevitably felt the impact of this overarching trend, resulting in fewer projects compared to the previous year.

Established in 1995 through our principal operating subsidiary, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), the Group has been a dedicated fitting-out contractor in Hong Kong for decades. We specialise in project management and implementation, while entrusting on-site labour-intensive tasks to our trusted subcontractors, with whom we have maintained long-standing relationships. Despite unfavourable business conditions in recent years, our Group has managed to sustain a relatively stable stream of business income thanks to our extensive experience and strong industry reputation.

For the Review Year, the Group's total revenue amounted to approximately HK$263.9 million, representing a decrease of approximately 42.7% compared to that of the year ended 31 March 2024 ("**FY2024**"), attributable to the decreasing number of contracts we obtained during the Review Year. The gross profit margin of the Group for the Review Year was at approximately 2.1%, showing a decrease compared to FY2024.

Looking ahead to 2025, the global economic landscape is expected to remain uncertain, with ongoing geopolitical conflicts and a rise in international trade protectionism. The tariff policies of the Trump administration are poised to have a substantial impact on future international trade activities. China, being one of the main targets of such tariffs, may face increased economic headwinds. For Hong Kong, this trend represents both a challenge and an opportunity. While spillover effects from mainland China could weigh on the local economy, there is also potential for Hong Kong to strengthen its role as a transhipment and logistics hub in the region.

Meanwhile, the real estate downturn over the past few years has cast a shadow over the short to medium-term prospects of the construction industry. The Construction Association conducted a survey from November 12th to December 12th last year, reaching out to 237 member companies, with only about half responding. Merely 41.3% of the surveyed companies anticipated that future project volumes and profit margins would be sufficient to ensure the sustainability of their operations. This sentiment underscores the difficult environment the fitting-out industry is experiencing.

Chief Executive Officer's Statement

Despite these headwinds, our Group remains resolute in its commitment to delivering high-quality services and creating lasting value. While maintaining continuity in our core operations, we are also taking deliberate steps towards a broader strategic vision – one that seeks to explore new frontiers in emerging technologies and innovation. As we navigate a rapidly evolving business landscape, we are actively assessing opportunities that could expand our capabilities and reposition the Group for long-term growth. Throughout this journey, we remain guided by discipline and integrity, while staying open to new possibilities that can enhance value for our shareholders.

Kang Ruipeng
Chief Executive Officer and Executive Director

Management Discussion and Analysis

INDUSTRY OVERVIEW

In 2024, the global economy exhibited a slow but steady recovery, marked by easing inflationary pressures. However, there was a clear divergence in the performance of different economies, leading to a further widening of the development gap. As a developed economy, Hong Kong did not experience significant breakthroughs during this year, but overall economic conditions remained stable. According to government data, the real GDP grew by 2.5% compared to 2023.

Economic performance varied widely across industries in Hong Kong. Both the import and export of goods and the financial market have shown improvement. In contrast, the property market, which is one of the economic pillars, remains weak, with poor land sale results causing the government's fiscal deficit to soar to billions of Hong Kong dollars.

In an effort to reignite the real estate sector, the Hong Kong government introduced and implemented multiple policies in 2024. For instance, the relaxation of property cooling measures aims to entice non-permanent residents to invest in housing. Although this policy initially generated substantial purchasing power, its impact waned over time and ultimately fell short of revitalizing the property market. Against this backdrop, activity in the renovation sector contracted further, leading to intensified competition and declining revenues across the industry.

BUSINESS REVIEW

The Group is an established fitting-out contractor in Hong Kong with decades of experience since the establishment of one of its principal operating subsidiaries, Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**"), in 1995. The Group's fitting-out services cover both (i) fitting-out works conducted on new buildings; and (ii) interior renovation works on existing buildings that involve upgrades, makeovers and demolition of existing works. Hoi Sing Decoration and Milieu Wooden Company Limited ("**Milieu**"), an indirect wholly-owned subsidiary of the Company, are registered under the voluntary Subcontractor Registration Scheme of the Construction Industry Council. Their services are mainly offered to residential and commercial properties in Hong Kong on a project basis.

The Group's sources of revenue are grouped into two categories: residential and non-residential fitting-out services. During the Review Year, the Group's revenue amounted to approximately HK$263.9 million (FY2024: HK$460.3 million). The decrease was primarily attributable to the declined number of projects in the market. Due to the current fierce industry competition, the Group's gross profit margin decreased 2.3 percentage points from 4.4% in FY2024 to 2.1% in the Review Year.

OUTLOOK

In the 2025–26 Budget Speech, the Financial Secretary of Hong Kong acknowledged the city's external uncertainties and highlighted the ongoing economic challenges. The current forecast indicates a moderate growth trajectory for the Hong Kong economy this year, with a projected real GDP growth ranging between 2% and 3% in 2025. The government anticipates a stable export performance this year, building upon last year's policies and positive momentum. Moreover, the number of visitors to Hong Kong is expected to further increase, coupled with the anticipated recovery of other cross-border economic activities, which is forecasted to drive continued growth in service exports.

Regarding the real estate sector in Hong Kong, significant fluctuations are not anticipated in the near future, given the current subdued demand and absence of robust driving forces. The renovation industry is poised to remain under pressure. Nevertheless, prospects remain hopeful as the Hong Kong government's effective talent acquisition strategies and its ambitious blueprint to establish a metropolis housing millions of residents may once again stimulate the real estate market and extend favourable impacts to adjacent industries.

The Group will vigilantly track market trends and adapt its strategies according to prevailing conditions to maintain stability in a complex market environment. Regardless of external fluctuations, the Group's foundation will remain rooted in the careful and diligent execution of each project undertaken. At the same time, the Group will continue to keep a close watch on the global economic trend and market situations to capture new business opportunities that align with its strategic vision and core competencies.

FINANCIAL REVIEW

Revenue

During the Review Year, the Group's revenue decreased by approximately HK$196.4 million or 42.7% to approximately HK$263.9 million (FY2024: approximately HK$460.3 million). Such decrease was primarily due to the decrease in the number of large-sized projects undertaken by the Company in the intense market competition during the Review year.

Gross profit and gross profit margin

During the Review Year, the Group's gross profit decreased by approximately HK$14.7 million to approximately HK$5.5 million (FY2024: approximately HK$20.2 million). The gross profit margin for the Review Year was approximately 2.1% (FY2024: approximately 4.4%). The drop in gross profit was due to the decrease in sizeable project undertaken during the Review Year. Meanwhile, the gross profit margin decreased by 2.3 percentage points resulted from the current fierce industry competition.

Other gains

During the Review Year, the Group recorded other gains of approximately HK$6,000 (FY2024: approximately HK$290,000).

Administrative and other operating expenses and provision for expected credit losses ("ECL") allowance

During the Review Year, the Group's administrative and other operating expenses and provision for expected credit losses ("**ECL**") allowance increased by approximately HK$13.6 million or 71.2% to approximately HK$32.7 million (FY2024: approximately HK$19.1 million). Such increase was primarily due to (i) increase in written off of retention receivables of approximately HK$5.4 millions to approximately HK$6.4 million (FY2024: approximately HK$1.0 million); (ii) decrease in legal and professional fees and salaries of approximately HK$2.7 million incurred during the Review Year; and (iii) the provision for ECL allowance increased by HK$11.1 million to approximately HK$13.6 million (FY2024: approximately HK$2.5 million).

Finance costs

During the Review Year, the Group's finance costs decreased by approximately HK$0.7 million to approximately HK$5.1 million (FY2024: approximately HK$5.8 million). Such decrease was primarily due to the decrease in the average interest rate during the Review Year as compared to that of FY2024.

Net loss

During the Review Year, loss and total comprehensive expense attributable to equity holders of the Company increased by approximately HK$27.8 million to appropriately HK$32.2 million (FY2024: approximately HK$4.4 million). Such increase was primarily due to (1) the decrease in the revenue and gross profit following the intense market competition as discussed above; and (2) the increase in administrative and other operating expenses during the Review Year as discussed above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Review Year, there was no change in capital structure of the Group. The capital of the Company comprises only ordinary shares. As at 31 March 2025, the Company's issued capital was HK$4.8 million and the number of issued ordinary shares of the Company (the "**Shares**") was 480,000,000 Shares of HK$0.01 each.

As at 31 March 2025, the Group had total cash and bank balances of approximately HK$43.1 million (FY2024: total cash and bank balances and restricted cash of approximately HK$52.6 million). Such decrease was due to the net effect of net cash used in operating and financing activities of approximately HK$9.5 million.

The Group's gearing ratio, calculated as total borrowings (including total interest-bearing liabilities) divided by the total equity, increased from approximately 55.0% as at 31 March 2024 to approximately 82.8% as at 31 March 2025. The increase was primarily due to the decrease in total equity which resulted from the net loss during the Review Year.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Directors are aware that our Group is exposed to various risks and uncertainties.

The following are the key risks and uncertainties faced by our Group:

Industry Risks

Some of our competitors may have more resources, longer operating histories, stronger relationships with customers and reputable brand names and therefore we may face competition from other existing and/or new contractors in the tender process for fitting-out projects. Due to the large number of competitors, we may face significant downward pricing pressure thereby reducing our profit margins. If we cannot adapt effectively to market conditions and customer preferences or otherwise fail to provide a competitive bid as compared to our competitors, our services may not be attractive to customers and our business may be materially and adversely affected. Our competitors may also adopt aggressive pricing policies or develop relationships with our customers in a manner that could significantly harm our ability to secure contracts. If we fail to maintain our competitiveness in the future, our business, financial condition and results of operation may be materially and adversely affected.

Management Discussion and Analysis

Compliance Risks

Many aspects of our business operation are governed by various laws and regulations and government policies. There is no assurance that we will be able to respond to any such changes in a timely manner. Such changes may also increase our costs and burden in complying with them, which may materially and adversely affect our business, financial condition and results of operation. If there are any changes to and/or imposition of the requirements for qualification in the fitting-out industry in relation to environmental protection and labour safety, and we fail to meet the new requirements in a timely manner or at all, our business operation will be materially and adversely affected. Our executive Directors would hold regular meetings to ensure our Group's operations are in compliance with all applicable statutory requirements.

Uncertainties in Work Progress

We rely on the due and timely performance of our subcontractors for the timely delivery of our works. If our subcontractors' performance is not up to standard, we may not be able to rectify the substandard work or engage another subcontractor in time or at all. We may also not be able to replace materials of inferior quality procured by our subcontractors in time or at all or unless at extra costs. Any material non-performance, delayed performance or substandard performance of our subcontractors could result in deterioration of our service quality or unexpected delays in our scheduled completion time or even our ability to complete our projects, which could in turn damage our reputation, and potentially expose us to liability under the main contracts with our customers.

Failure to Guarantee New Business

Our revenue is typically derived from projects which are non-recurring in nature and our customers are under no obligation to award projects to us. During the Review Year, we secured new businesses mainly through direct invitation for quotation or tender by customers.

We cannot assure you that (i) we will be invited to provide quotations or participate in the tendering process for new projects; and (ii) our submitted quotations and tenders will be selected by customers. Accordingly, the number and scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business. In the event that we fail to secure new contracts or there is a significant decrease in the number of tender/quotation invitations in the future, our business, financial position and prospects may be materially and adversely affected.

Our Directors believe that the public listing status will enhance our corporate profile and brand awareness among business stakeholders such as customers, contractors, project owners and government authorities. We believe that the public listing status will strengthen our internal control and corporate governance practices, which in turn would bolster our customers' and suppliers' confidence in us and attract potential new customers, as well as quality suppliers and subcontractors. Customers would tend to give preference to contractors who have a public listing status with good reputation, transparent financial disclosures and regulatory supervision. Our Directors believe that we will be able to maintain our competitiveness among the market leaders and differentiate ourselves from other competitors which are private companies during the tendering process, thus enhancing our success rate in securing sizeable projects.

PLEDGE OF ASSETS

As at 31 March 2025, the Group did not have any pledge of assets.

FOREIGN EXCHANGE EXPOSURE

As the Group only operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Review Year.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2025 **HK$'000**	2024 HK$'000
Property, plant and equipment	**92**	92

The Group had no material contingent liabilities as at 31 March 2025.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Review Year, the Group did not have any significant investment, material acquisitions or disposals of subsidiaries or associated companies.

Significant Changes During The Review Year

Following the passing of the special resolution in relation to the proposed change of Company name by the Shareholders at the extraordinary general meeting held on 22 July 2024, a certificate of change of name was issued by the Registrar of Companies in the Cayman Islands on 25 July 2024 certifying that the English name of the Company has been changed from "Yield Go Holdings Ltd." to "Metaspacex Limited", and the dual foreign name in Chinese of the Company, being "耀高控股有限公司" has been dispensed (the "**Change of Company Name**"). The existing English stock short name of the Company for trading in the Shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was changed from "YIELD GO HLDGS" to "METASPACEX", and the existing Chinese stock short name of "耀高控股" will be dispensed with and no Chinese stock short name will be adopted by the Company. The website of the Company was also changed from "http://www.yield-go.com" to "www.metaspacex.hk", to reflect the Change of Company Name. For more detailed information, please refer to the announcements concerning the Change of Company Name published by the Group on 26 July 2024 and 20 August 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any future plans for material investments or capital assets during the Review Year.

FUND-RAISING ACTIVITIES

On 22 April 2024 (after trading hours), the Company and Wealth Link Securities Limited (the "**Placing Agent**") entered into the placing agreement dated 22 April 2024 (the "**Placing Agreement**"), in relation to the placing (the "**Placing**") of up to 24,000,000 Placing Shares. As the conditions precedent as set out in the Placing Agreement were not fulfilled by 28 May 2024, being the long stop date of the Placing Agreement, the Placing Agreement has lapsed and the Placing did not proceed. Further details were disclosed in the announcements of the Company dated 23 April 2024, 7 May 2024 and 28 May 2024.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed a total of 55 full-time employees (including two executive Directors but excluding three independent non executive Directors) as compared to a total of 69 full-time employees as at 31 March 2024 (including four executive Directors and two non-executive Directors but excluding four independent non-executive Directors).

The remuneration packages that the Group offers to employees include salary, discretionary 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 its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions. The total staff cost incurred by the Group for the Review Year was approximately HK$23.6 million compared to approximately HK$25.3 million in FY2024.

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

DIVIDEND

The Board has resolved not to declare any dividend for the Review Year (FY2024: nil).

DIVIDEND POLICY

The Board endeavors to strike a balance between the interests of the shareholder and prudent capital management with a sustainable dividend policy. In proposing any dividend payout, the Board shall take into consideration of, among others, the following factors:

1. operations and financial performance;
2. profitability;
3. business development;
4. prospects;
5. capital requirements;
6. economic outline; and
7. any other factors that the Board consider appropriate.

The Board will review the dividend policy as appropriate from time to time.

Biographical Details of the Directors and Senior Management

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

DIRECTORS

Executive Directors

Mr. Kang Ruipeng (康睿鵬) ("Mr. Kang"), aged 44, was appointed as our executive Director on 29 November 2023. He is also our chief executive officer and is mainly responsible for overseeing the day-to-day operation and management of our Group. He is a member of each of our remuneration committee and nomination committee.

Mr. Kang has over six years of experience in property construction and development and over 13 years of experience in corporate social relations, top-level design of corporate development strategic planning, and corporate investment and financing. Mr. Kang has since 2018 been the president of Zhongxu Guanhong Holding Group Co., Ltd.* (中旭冠閎控股集團有限公司), a conglomerate that focuses on the innovation and transformation of traditional enterprises and integrates industrial revitalization and capital operation. Mr. Kang obtained a diploma in traffic operation management from Hebei Transportation Vocational and Technical College in Hebei Province, the PRC, in 2004.

Mr. Kang has entered into a service agreement with the Company for an initial term of three years commencing on 29 November 2023 and will continue thereafter until terminated in accordance with the terms of the agreement. The amount of emoluments paid for the Review Year to Mr. Kang is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee.

As at the date of this report, save as disclosed above, Mr. Kang (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Mr. Deng Houhua (鄧厚華) ("Mr. Deng"), aged 36, was appointed as our executive Director on 6 June 2025. He is mainly responsible for the overall management, operations and review of the corporate directions and strategies of our Group.

Mr. Deng has more than ten years of experience in construction engineering surveying and corporate management, and more than four years of experience in corporate investment and financing, industrial mergers and acquisitions and industrial restructuring. Since 2025, Mr. Deng has served as the vice president of Zhongchuangying Consulting (Shenzhen) Co., Ltd.* (中創盈諮詢(深圳)有限公司). Mr. Deng holds a bachelor's degree in surveying and mapping engineering* (測繪工程) from the Central South University (中南大學) in Hunan Province, the PRC.

Mr. Deng has entered into a service agreement with the Company for an initial term of three years commencing from 6 June 2025 and will continue thereafter until terminated in accordance with the terms of the agreement. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee.

* *For identification purpose only*

Biographical Details of the Directors and Senior Management

As at the date of this report, save as disclosed above, Mr. Deng (i) has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any interest in the shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO; and (iii) does not have any relationship with any other Directors, senior management or substantial shareholder or controlling shareholder of the Company.

Independent Non-Executive Directors

Mr. Cheng Pak Lam (鄭柏林) ("Mr. Cheng"), aged 36, was appointed as our independent non-executive Director on 29 November 2023. He is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. He is the chairman of each of our audit committee, remuneration committee and nomination committee.

Mr. Cheng has ten years of experience in audit and finance. Mr. Cheng has since April 2022 been the chief financial officer of Max Team Engineering Limited, a company principally engaged in maritime construction and vessel chartering services in Hong Kong. Mr. Cheng obtained a bachelor's degree majoring in accounting in 2012 from Flinders University, Adelaide, Australia. Mr. Cheng is a fellow member and practising member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. From August 2022 to April 2023, Mr. Cheng was an independent non-executive director of Amuse Group Holding Limited, a company listed on GEM of the Stock Exchange (stock code: 8545).

Mr. Cheng has entered into a letter of appointment with the Company for an initial term of three years with effect from 29 November 2023 and will continue thereafter until terminated in accordance with the terms of the appointment. The amount of emoluments paid for the Review Year to Mr. Cheng is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee.

As at the date of this report, save as disclosed above, Mr. Cheng has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does he have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Ya Li (牙莉) ("Ms. Ya"), aged 38, was appointed as our independent non-executive Director on 31 December 2024. She is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. She is the member of our audit committee.

Ms. Ya has more than ten years of experience in customer service management, specialising in the formulation of customer service strategies and conducting customer data analysis and reporting. From February 2022 to August 2024, Ms. Ya served as the managing general manager* (執行總經理) of Guangzhou Hanzi Brand Management Co., Ltd.* (廣州韓姿品牌管理有限公司). From August 2016 to December 2021, Ms. Ya served as a customer service director* (客服總監) of Shenzhen Hecheng Dongfang Management Consulting Co., Ltd.* (深圳市和成東方管理諮詢有限公司). Ms. Ya obtained a bachelor degree in maternal and child healthcare and medicine* (婦幼保健醫學) from the Guangxi Medical University (廣西醫科大學) in July 2011.

* *For identification purpose only*

Ms. Ya has entered into a letter of appointment with the Company for an initial term of three years with effect from 31 December 2024 and will continue thereafter until terminated in accordance with the terms of the appointment. The amount of emoluments paid for the Review Year to Ms. Ya is set out in note 12 to the consolidated financial statements for the Review Year in this report. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee.

As at the date of this report, save as disclosed above, Ms. Ya has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. She is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does she have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Chen Yan (陳艷) ("Ms. Chen"), aged 46, was appointed as our independent non-executive Director on 6 June 2025. She is mainly responsible for overseeing the management independently and providing independent judgment on our strategy, performance, resources and standard of conduct of our Group. She is the member of each of our audit committee, remuneration committee and nomination committee.

Ms. Chen has extensive experience in sales, marketing and strategy management within the property industry and financial services industry. She had worked as the management for a corporation engaging in real estate business in the People's Republic of China, and was in charge of business development and project management. Besides, Ms. Chen is familiar with financial investment and capital management.

Ms. Chen has entered into a letter to appointment with the Company for an initial term of three years commencing from 6 June 2025 and will continue thereafter until terminated in accordance with the terms of the agreement. Such remuneration/emoluments will be reviewed annually by the Board and the remuneration committee.

As at the date of this report, save as disclosed above, Ms. Chen has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. She is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor does she have any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Saved as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51(2)(a) to (e) and (g) of the The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Review Year. The Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the shareholders of the Company.

JOINT COMPANY SECRETARIES

Mr. Lo Cheuk Fung (盧卓鋒) ("Mr. Lo") was appointed as a joint company secretary of the Company on 9 December 2024. Mr. Lo has more than seven years of experience in auditing, accounting, and financial management. Since June 2017, Mr. Lo has gained experience through difference positions in auditing or consultancy firm. He served as a finance manager in Max Team Engineering Limited from April 2022 to May 2024. Mr. Lo is currently a director in Luminous Accounting Consultancy Limited. Mr. Lo holds a bachelor's degree in accounting. He is currently a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chung Cheuk Man (鍾卓敏) ("Mr. Chung") was appointed as a joint company secretary of the Company on 16 May 2025. Mr. Chung has extensive working experience in the finance and company secretarial professions. Mr. Chung holds a bachelor's degree in business administration and a master's degree in corporate governance. Mr. Chung is a member of The Hong Kong Institute of Certified Public Accountants.

Corporate Governance Report

The Group recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Group is committed to maintaining good corporate governance to safeguard the interest of shareholders and to achieve effective accountability because the Group believes that is the best way to maximise our shareholder's value.

The Company has adopted and applied the principles as set out in "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with all the code provisions set out in the CG Code ("**Code Provisions**") from time to time. During the Review Year and up to the date of this report, the Company has complied with all the applicable Code Provisions, except the deviation from Code Provision C.2.1 of the CG Code.

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Liang Wenzhi on 6 November 2024, the roles of chairman of the Board (the "**Chairman**") became vacant. As at the date of this Report, the Company is still looking for a suitable candidate to fill the vacancy of Chairman. In the meantime, the functions of Chairman is partly taken up by executive Directors of the Company. In addition, major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management. The Board is therefore of the view that the Board is appropriately structured with balance of power to provide adequate safeguards in place to ensure the balance of power and authority within the Company, and sufficient checks to protect the interests of the Company and the shareholders as a whole. Further announcement regarding such appointment will be made by the Company as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code during the Review Year and up to the date of this report.

THE BOARD

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. As at the date of this report, the Board comprised five members, including two executive Directors, and three independent non-executive Directors.

Biographical details of the Directors and relationship between Board members are set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

Executive Directors:

Mr. Zheng Chenhui (retired on 23 August 2024)
Mr. Liang Wenzhi *(Chairman)* (resigned on 6 November 2024)
Mr. Han Dongguang (resigned on 6 June 2025)
Mr. Kang Ruipeng
Mr. Deng Houhua (appointed on 6 June 2025)

Non-executive Directors:

Mr. Chen Yidong (retired on 23 August 2024)
Mr. Zhou Danqing (retired on 23 August 2024)

Independent Non-executive Directors:

Mr. He Jianyu (resigned on 6 June 2025)
Mr. Zhou Di (resigned on 6 November 2024)
Ms. Meng Xiaoying (resigned on 6 November 2024)
Mr. Cheng Pak Lam
Ms. Ya Li (appointed on 31 December 2024)
Ms. Chen Yan (appointed on 6 June 2025)

In compliance with Rule 3.09D of the Listing Rules which took effect on 31 December 2023, (i) Ms. Ya Li ("**Ms. Ya**"), who was appointed as a Director on 31 December 2024, obtained the legal advice referred to in Rule 3.09D on 30 December 2024; and, (ii) Mr. Deng Houhua ("**Mr. Deng**") and Ms. Chen Yan ("**Ms. Chen**"), who were appointed as Directors on 6 June 2025, obtained the legal advice referred to in Rule 3.09D on 29 May 2025. Each of Ms. Ya, Mr. Deng and Ms. Chen confirmed that he/she understood his/her obligations as a Director.

Chairman and Chief Executive Officer

The primary role of the chairman is to provide leadership for the Board and to ensure it works effectively in discharging its responsibilities. The chief executive officer is responsible for the day-to-day management of the Group's business.

Mr. Kang Ruipeng is an executive Director and the chief executive officer of the Company. Following the resignation of Mr. Liang Wenzhi on 6 November 2024, the roles of Chairman became vacant. As at the date of this Report, the Company is still looking for a suitable candidate to fill the vacancy of Chairman. In the meantime, the functions of Chairman is partly taken up by executive Directors of the Company. Further announcement regarding such appointment will be made by the Company as and when appropriate.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The summary of the Board Diversity Policy is disclosed as below:

- the Company recognises the benefits of having a diverse Board to enhance the quality and effectiveness of the Board;
- in designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board;
- the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board; and
- the nomination committee of the Board will report on the Board's composition under diversified perspectives, monitor the implementation of the Board Diversity Policy, review the Board Diversity Policy to ensure effectiveness and recommend for any revisions to the Board for consideration and approval.

During the Review Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Board Diversity Policy was consistently implemented. As at the date of this report, the Board consists of two female and three male Directors. The Board considers that the gender diversity in respect of the Board taking into account the business model and specific needs of the Company is satisfactory.

Independent Non-executive Directors

The independent non-executive Directors, including Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan, have been appointed by the Company for a fixed term of three years. Such appointment may be terminated in accordance with the terms of the letters of appointment, including by either party giving to the other party not less than three months' advance written notice of termination.

The independent non-executive Directors have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will continue to make various contributions to the Company.

Throughout the Review Year, the Company had complied with the requirement of the Listing Rules that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company is of the view that all independent non-executive Directors are independent in accordance with the relevant requirements under the Listing Rules.

Appointment, Re-Election and Removal of Directors

Each of the 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 second amended and restated memorandum and articles of association of the Company (the "**Restated Articles**").

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, 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.

In accordance with articles 83 and 84 of the Restated Articles, Mr. Kang Ruipeng, Mr. Deng Houhua, Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

Corporate Governance Report

Role and Responsibilities

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Company's business has been delegated to management under the leadership of the chief executive officer of the Company.

The principal roles of the Board are to:

- set long term objectives and strategies;
- approve major policies and guidelines;
- prepare and approve financial statements, annual report and interim report;
- approve major capital expenditures, acquisition and disposals;
- approve connected transactions;
- approve material borrowings and expenditures;
- review and monitor of internal control and risk management; and
- declare and recommend the payments of dividends.

No corporate governance committee has been established and the Board is responsible for the corporate governance functions of the Company, which includes:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Directors will review the Group's corporate governance policies and compliance with the CG Code each financial year and comply with the "comply or explain" principle in the corporate governance report.

Directors' Insurance

The Company has arranged appropriate insurance coverage for all Directors in relation to the discharge of their responsibilities.

Directors' Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and/or reading relevant material on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills. The above training costs are borne by the Company.

The Directors are required to provide the Company with details of the training's records. Training records of each Director received for the Review Year are summarised below:

	Type of trainings
Mr. Kang Ruipeng	B
Mr. Deng Houhua (appointed on 6 June 2025)	B, C
Mr. Cheng Pak Lam	B
Ms. Ya Li (appointed on 31 December 2024)	B, C
Ms. Chen Yan (appointed on 6 June 2025)	B, C

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

C: attending training session conducted by the legal advisers of the Group

Meetings and Attendance

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least 3 days before the intended date of the Board meeting, or such other period as agreed.

Minutes of the Board and committee meetings are prepared and kept by the joint company secretaries of the Company and are open for inspection by Directors upon request. All Directors have access to the advice and services of the joint company secretaries and are allowed to seek external professional advice if needed.

During the Review Year, the Board held seven meetings and two general meetings. The attendance record of each member of the Board is set out below:

	Number of Board meeting attended/ eligible to attend	Number of General meeting attended/ eligible to attend
Mr. Zheng Chenhui (retired on 23 August 2024)	0/3	0/2
Mr. Liang Wenzhi *(Chairman)* (resigned on 6 November 2024)	2/4	2/2
Mr. Han Dongguang (resigned on 6 June 2025)	7/7	2/2
Mr. Kang Ruipeng	7/7	2/2
Mr. Deng Houhua (appointed on 6 June 2025)	0/0	0/0
Mr. Chen Yidong (retired on 23 August 2024)	0/3	0/2
Mr. Zhou Danqing (retired on 23 August 2024)	0/3	0/2
Mr. He Jianyu (resigned on 6 June 2025)	5/7	2/2
Mr. Zhou Di (resigned on 6 November 2024)	0/4	0/2
Ms. Meng Xiaoying (resigned on 6 November 2024)	0/4	0/2
Mr. Cheng Pak Lam	5/7	1/2
Ms. Ya Li (appointed on 31 December 2024)	0/0	0/0
Ms. Chen Yan (appointed on 6 June 2025)	0/0	0/0

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Company's affairs, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The primary roles of the Audit Committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (b) monitoring the integrity of our financial statements and annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them; and (c) reviewing our financial controls, internal control and risk management systems.

The Audit Committee consists of three members who are all independent non-executive Directors, namely, Ms. Ya Li, Ms. Chen Yan and Mr. Cheng Pak Lam. Mr. Cheng Pak Lam is the chairman of the Audit Committee.

During the Review Year, the Audit Committee held two meetings and the attendance record of each member of the Audit Committee is set out below:

	Number of meeting attended/ eligible to attend
Mr. Cheng Pak Lam *(Chairman)*	2/2
Mr. He Jianyu (resigned on 6 June 2025)	2/2
Mr. Zhou Di (resigned on 6 November 2024)	0/1
Ms. Ya Li (appointed on 31 December 2024)	0/0
Ms. Chen Yan (appointed on 6 June 2025)	0/0

The following is a summary of the work performed by the Audit Committee for the Review Year:

- reviewed the annual results of the Group for FY2024 and the interim report of the Group for the six months ended 30 September 2024;
- reviewed the Group's financial information, financial reporting system, risk management and internal control procedures;
- reviewed the Company's auditors' independence and objectiveness;
- made recommendations to the Board on the re-appointment of the Company's external auditors;
- reviewed the Company's external auditors' management letter, significant findings and recommendations;
- reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- reviewed and discussed the reports from the Company's external consultant with the management; and
- met with the Company's external auditors, in the absence of the management.

There had been no disagreement between the Board and the Audit Committee during the Review Year and up to the date of this report.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The primary roles of the Remuneration Committee include, but are not limited to, (a) making recommendations to the Board on our policy and structure for the remuneration of all of our Directors and senior management personnel and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) reviewing and approving our management's remuneration proposals with reference to the Board's corporate goals and objectives; (c) making recommendations to the Board on the remuneration of the Directors and senior management; and (d) reviewing and approving matters relating to share schemes under chapter 17 of the Listing Rules.

The Remuneration Committee consists of an executive Director, namely Mr. Kang Ruipeng and two independent non-executive Directors, namely Ms. Chen Yan and Mr. Cheng Pak Lam. Mr. Cheng Pak Lam is the chairman of the Remuneration Committee.

The remuneration of the Directors and senior management is determined with reference to the responsibilities, workload, the time devoted and the performance of the Group. The Remuneration Committee also ensures that no individual will be involved in determining his own remuneration.

During the Review Year, the remuneration of senior management is listed as below by band:

Band of remuneration (HK$)	**No. of person**
HK$Nil–HK$1,000,000	1
HK$1,000,001–HK$2,000,000	0

Further details of the Directors' and chief executives' emoluments and the five highest paid individuals is set out in notes 12 and 13 to the consolidated financial statements.

During the Review Year, the Remuneration Committee held three meetings and the attendance record of each member of the Remuneration Committee is set out below:

	Number of meeting attend/ eligible to attend
Mr. Cheng Pak Lam *(Chairman)*	3/3
Mr. He Jianyu (resigned on 6 June 2025)	3/3
Mr. Zhou Di (resigned on 6 November 2024)	0/1
Mr. Kang Ruipeng (appointed on 6 November 2024)	2/2
Ms. Chen Yan (appointed on 6 June 2025)	0/0

The following is a summary of the work performed by the Remuneration Committee during the Review Year:

- considered the remuneration paid to Directors and senior management with reference to their responsibilities, workload, the time devoted and the performance of the Group, as well as remuneration paid by other comparable listed companies;

- reviewed and made recommendations on the management remuneration proposals with reference to the corporate goals and objectives of the Board; and

- made recommendations to the Board on the remuneration of independent non-executive Directors.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The primary roles of the Nomination Committee include, but are not limited to, (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 our corporate strategy; (b) identifying individuals suitably qualified to become the Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; and (c) assessing the independence of our independent non-executive Directors.

The Nomination Committee consists of an executive Director, namely Mr. Kang Ruipeng and two independent non-executive Directors, namely Ms. Chen Yan and Mr. Cheng Pak Lam. Mr. Cheng Pak Lam is the chairman of the Nomination Committee.

During the Review Year, the Nomination Committee held four meetings and the attendance record of each member of the Nomination Committee is set out below:

	Meeting attended/ Meeting convened
Mr. Cheng Pak Lam *(Chairman)*	4/4
Mr. Zhou Di (resigned on 6 November 2024)	0/2
Mr. Kang Ruipeng	4/4
Mr. He Jianyu (appointed on 6 November 2024 and resigned on 6 June 2025)	2/2
Ms. Chen Yan (appointed on 6 June 2025)	0/0

The Nomination Committee had reviewed the Board Diversity Policy and reported on the Board's composition under diversified perspectives and had monitored the implementation of the Board Diversity Policy. In addition, the Nomination Committee has made endeavors to identify suitable candidates, through referrals and interviews, so as to have achieved that (i) the Board has at least one Director with different gender towards the end of 2024; and (ii) the Nomination Committee has at least one Director with different gender before 1 July 2025. Hence, as of the date of the report, the Board is committed to have a Board and the Nomination Committee consisting of at least one director of a different gender.

The Company has adopted a nomination policy which sets out the nomination procedures for selecting candidates for election as Directors. Such policy is adopted by the Board and managed by the Nomination Committee. The Nomination Committee shall review the curriculum vitae to assess whether the potential candidate is 'fit and proper' for the appointment and can meet the requirements of relevant rules and regulations before recommendation is made to the Board.

The Nomination Committee had also recommended to re-elect Mr. Kang Ruipeng, Mr. Deng Houhua, Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan as Directors at the forthcoming annual general meeting of the Company.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The auditors' reporting responsibilities are set out in the section headed "Independent Auditor's Report" in this report.

AUDITORS' REMUNERATION

For the Review Year, the fee paid/payable to Grant Thornton Hong Kong Limited by the Group is set out as follows:

	HK$
Audit services	600,000
Non-audit services	150,000

The amount of fee incurred for the non-audit services represented HK$150,000 of the service fee paid to Grant Thornton Hong Kong Limited in relation to the review of financial information. The Audit Committee was satisfied that non-audit services for the Review Year did not affect the independence of the auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems, and for reviewing its effectiveness.

In meeting its responsibility, the departmental heads of the Group have to complete a risk management and internal control self-assessment questionnaires, identify and evaluate those significant risks and confirm to the management that appropriate internal control policies and procedures have been established and properly complied with. The management then reviewed the findings and summarised all material issues to the Board and the Audit Committee annually.

The Group has established guidelines and procedures for the approval and control of expenditures, to ensure the reliability of the financial reporting, effectiveness and efficiency of operation and the compliance with applicable laws and regulations. Whilst these guidelines and procedures are designed to identify, monitor, report and follow up on risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Although the Company does not have internal audit function, the Board has put in place adequate measures to perform the internal audit function at different aspects of the Group. The Company had engaged Keypoint Consulting Limited to review the effectiveness and efficiency of the Group's risk management and internal control systems in relation to the financial, operational and compliance controls, and the results were summarised and discussed with the Audit Committee and the Board. The Audit Committee and the Board are satisfied with the effectiveness and adequacy of the risk management and internal control systems of the Group.

INSIDE INFORMATION POLICY

The Company has established policy for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations. Procedures such as limit access to inside information to those who need to know and requiring external parties to execute confidentiality agreement have been implemented by the Company to guard against mishandling of inside information. The Company also reminds those relevant personnel and other professional parties to preserve confidentiality of the inside information until it is publicly disclosed.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Lo Cheuk Fung ("**Mr. Lo**") and Mr. Chung Cheuk Man ("**Mr. Chung**"), who are responsible for facilitating the Board process, as well as communications among the Directors, with shareholders and management. Each of Mr. Lo and Mr. Chung has confirmed that for the Review Year, he has taken no less than 15 hours of professional training to upgrade his skills and knowledge. The biography of each of Mr. Lo and Mr. Chung is set out in the section headed "Biographical Details of the Directors and Senior Management" in this report.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to article 58 of the Restated Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting.

Extraordinary general meetings shall also be convened on the requisition of one or more shareholder holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the joint company secretaries of the Company by mail at Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Restated 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 "Procedures for Convening General Meetings by Shareholders".

Pursuant to article 85 of the Restated Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Procedures by which Enquiries may be Put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are welcomed to send their enquiries to the Board by post to the principal place of business set out in the section headed “Corporate Information” in this report.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community, the Company has established a shareholders’ communication policy to set out the Company’s procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to annual and interim reports, circulars, announcements and notices of annual general meetings are updated on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.metaspacex.hk).

In addition, the Company regards the annual general meeting as the primary forum for communication by the Company with its shareholders and for shareholder participation. Shareholders are encouraged to attend the annual general meeting, where all Board members and external auditors are available to answer questions on the Group’s business.

The 2025 annual general meeting will be held on Monday, 25 August 2025, the notice of which shall be sent to the shareholders of the Company at least 21 days prior to the meeting.

Environmental, Social and Governance Report

REPORTING SCOPES AND PRINCIPLES

The Group is a well-known fitting-out contractor based in Hong Kong, established in 1995. As a publicly listed company on the Hong Kong Stock Exchange, the Group emphasises environmental, social responsibility, and corporate governance strategies. The Group is dedicated to establishing a sustainable business model while seeking business expansion and financial success. The Environmental, Social, and Governance Report (the "**ESG Report**" or "**Report**") highlights the Group's efforts and achievements in these areas. The Report covers all key operational procedures, including charitable endeavours beyond production, and showcases the Group's collaboration with reliable partners in managing labour-intensive tasks. Additionally, the energy and resource consumption metrics mentioned in the Report primarily stem from office operations and vehicle utilisation.

This Report is prepared based on the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") from Appendix C2 of the Listing Rules, covering the Review Year ending on March 31, 2025 (FY2025) and the Previous Year ending on March 31, 2024 (FY2024). The Group has adjusted its internal ESG-related policies in accordance with ongoing modifications of relevant regulations. The purpose of this Report is to provide information and data on significant environmental and social issues related to the Group's primary business of interior fit-out works. The Report aims to summarise the Group's efforts and accomplishments in these areas, emphasising compliance with applicable regulations and the enforcement of internal protocols.

The Report has been crafted based on the principles of materiality, quantitative analysis, balance, and coherence. Materiality involves the Group's collaborative efforts with stakeholders to pinpoint and prioritise ESG-related matters pivotal to the Group's economic, environmental, and societal impacts.

ESG key performance indicators (KPIs) within the Report are derived from the initial consumption figures provided by the accounting department and computed following the methodologies recommended by the ESG Reporting Code. It offers a comprehensive, equitable, transparent, and comparable snapshot of the Group's ESG strategies and achievements, ensuring equilibrium.

Moreover, for year-on-year evaluations of the Group's ESG performance, consistent reporting and calculation methodologies have been rigorously applied, with any notable changes in methodologies extensively elucidated within the corresponding sections of the Report.

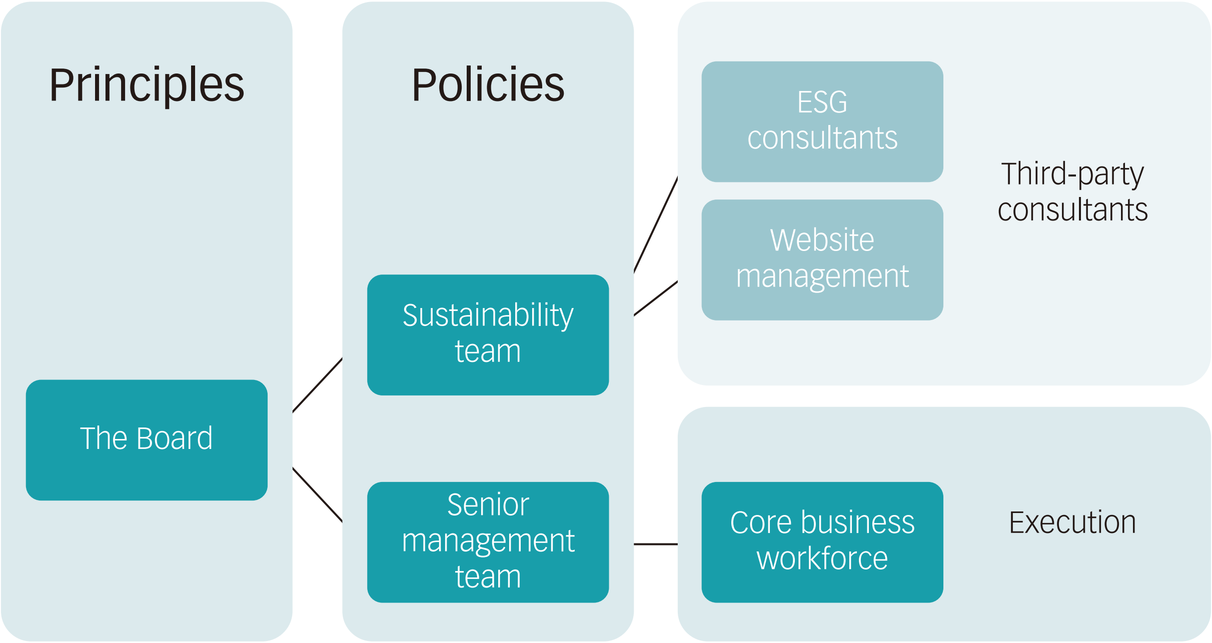
GOVERNANCE STRUCTURE

The governance structure concerning ESG matters within the Group is illustrated in the diagram below. The Board of Directors (the "**Board**") holds the ultimate accountability for ESG principles. They define these principles, oversee their execution, and evaluate the results. Additionally, the Board scrutinises and endorses ESG objectives, tactics, and policies.

The sustainability team, supported by external ESG consultants and web management professionals, plays a pivotal role in embedding ESG principles into the Group's activities. They guarantee information transparency and report directly to the Board.

The senior management team of the Company supervises the enforcement of ESG policies across the primary business units. They collaborate closely with the sustainability team to ensure the integration of ESG practices into daily functions.

At regular intervals, the Board assesses the Group's ESG performance and offers direction to the sustainability team, directing them to adjust strategies or initiatives as necessary.



A Message from the Board

As the formulator of the Group's ESG-related policies and the supervisor of the policy implementation progress, the Board has always attached great importance to the aspects of the Group's production process that impact society and the environment. With an understanding of the specific characteristics of the industry in which the Group operates, the Group recognises that its most significant environmental impacts stem from the materials used during construction and noise emissions. Regarding societal effects, the primary concern is ensuring the well-being and protection of its employees.

During the Review Year, the Group has diligently adhered to all laws and regulations during the production process, aiming to minimise and restrict the negative environmental impacts of operations. Additionally, efforts have been made to create a compliant, secure, and beneficial work environment for employees.

After conducting a thorough review of the Report, the Board believes that it adequately fulfils the requirements outlined in the ESG Reporting Code. Moreover, the Board believes that the Group has largely achieved its ESG targets. The following report will detail the efforts made by the Group in various aspects during this fiscal year. In the upcoming year, the Group will continue to meet the aforementioned requirements as the fundamental ESG objectives and strive to deliver even more satisfactory results.

STAKEHOLDERS' COMMUNICATION MATERIALITY ASSESSMENT

Recognizing the importance of interacting with a diverse range of stakeholders to understand their diverse needs and aspirations, the Group has implemented channels that allow stakeholders to voice their expectations and concerns regarding the Group's business activities and performance related to environmental, social, and governance issues. The Group's key stakeholders include shareholders and investors, government and regulatory authorities, customers, employees, local communities, and the media. Details of their expectations and communication channels are provided in the table below.

Major stakeholders	Demands and expectations	Communication channels
Shareholders and investors	– Return on investment – Corporate governance structure – Prevention of operational risks – Information disclosure and transparency	– Company announcements – General meetings – Annual reports and interim reports – Company's website
Government and regulatory bodies	– Compliance with laws and regulations – Production safety – Energy consumption – Resources conservation – Fulfilment of corporate social responsibilities	– Supervision and evaluation – ESG Report – Inspection – Filings
Customers	– High-quality services – Timely delivery of projects – Data security – Established communication channels – Quality control	– Business communication – Customer feedback
Employees	– Lawful and equal employment practices – Protection of employee rights and interests – Improvement in employee remuneration and welfare – Career development	– Staff meetings and activities – Staff training – Recruitment
Communities	– Community involvement – Environmental protection – Promoting the local economy and providing jobs	– Communication with communities and the government – Charity activities – Company's website

During the Review Year, the Company engaged in extensive stakeholder communication through various channels to identify and assess ESG-related concerns and priorities. The Company welcomes scrutiny from all parties regarding its actions in the ESG realm to better fulfil its obligations as a publicly listed entity in HKEX.

Environmental, Social and Governance Report

ENVIRONMENTAL POLICIES AND PERFORMANCES

Climate Change and Us

Global warming is one of the most significant challenges the world faces after the breach of global ecological boundaries. To address this issue, global organizations, in collaboration with participating nations, have proposed various agreements and management strategies. The most globally impactful agreement is the Paris Climate Agreement signed under the Conference of the Parties (COP) organized by the United Nations. This agreement sets limits on the future global warming temperature and requires efforts from different regions to achieve this.

As a company primarily engaged in the fitting-out industry listed on the Hong Kong Stock Exchange, the physical climate-related risks faced by the Group are consistent with and relatively limited compared to the risks faced by Hong Kong itself. The main transformation risk faced is increasingly stringent disclosure requirements regarding carbon emissions, requiring the Group to adopt a more cautious approach to recording the carbon footprint generated by its production.

Our General Environmental Practices and Compliance with Laws and Regulations

The Group recognises its environmental responsibility and complies with the relevant laws and regulations, considering the environmental implications in every business decision. In addition, we actively seek ways to promote sustainable practices throughout our operations. Our commitment to environmental stewardship extends beyond mere compliance, as we continuously strive to implement innovative solutions that reduce waste, conserve resources, and contribute to a greener future for our community and the planet.

Operating primarily within Hong Kong, the Group adheres to the regulations set forth by the Environmental Protection Department of the Hong Kong Special Administrative Region. Ensuring the seamless progression of our projects necessitates strict compliance with the Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong) and the acquisition of requisite permits. Moreover, our firm places significant emphasis on upholding the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) as integral components of our internal policy framework.

The following points outline the key environmental policies established within the Group:

- Noise control – limiting working hours for heavy machinery to comply with legal requirements and using noise reduction tools if necessary to control noise pollution

- Use of green building materials – recommending the use of environmentally-friendly materials for walls, windows, doors, carpets, etc., and chemicals with lower levels of pollutants to reduce the impact on the environment

- Indoor air quality – isolating areas that produce high concentrations of dust to maintain proper indoor air quality and ventilation

- Waste reduction and disposal – encouraging waste reduction and appropriate disposal of construction waste while also reusing building tools to minimise waste generation

- Water consumption reduction on-site – reminding subcontractors to close all taps after use to reduce water consumption, even though the amount of water used in fitting-out work is relatively small

In the Review Year, the Group adhered completely to all relevant environmental laws and regulations, with no instances of non-compliance. Furthermore, the Group encourages employees to integrate environmentally friendly practices into their work and personal lives to safeguard our community and environment.

Greenhouse Gas Reduction and Air Pollution Control

The emissions of GHG and air pollutants from the operations of the Group represent the most substantial factors affecting the atmospheric environment. These emissions predominantly arise from vehicle usage and electricity consumption. GHGs primarily comprise CO_2, CH_4, and N_2O, standardised into CO_2 equivalents for measurement convenience. Pollutant gases primarily encompass No_x, SO_x, and particulate matter (PM). The table below presents the total emissions and densities of various gases over the two fiscal years.

	For the year ended 31 March			
	2025		2024	
	Key emissions	**Key emissions intensity (per million dollars of revenue)**	Key emissions	Key emissions intensity (per million dollars of revenue)
Direct GHG emissions (Scope 1) (kg in CO_2 equivalent)	**4,971**	**18.84**	5,713	12.40
Indirect GHG emissions (Scope 2) (kg in CO_2 equivalent)	**11,698**	**44.33**	11,684	25.36
Total GHG emissions (kg in CO_2 equivalent)	**16,669**	**63.16**	17,398	37.76
NO_x (g)	**242**	**0.92**	78	0.17
SO_x (g)	**27**	**0.10**	32	0.07
PM (g)	**18**	**0.07**	6	0.01

During the Review Year, the Group's GHG and pollutant gas emissions except NO_x remained stable compared to the Previous Year. However, due to a decrease in revenue, emission intensities slightly increased. In the upcoming year, the Group will continue to strive to optimise its operations to achieve better emission reduction results.

Waste Control

Most of the Group's renovation projects are outsourced to external suppliers. As the actual contractors may vary across different projects, it is difficult to statistically track the types of waste generated at construction sites, making this data effectively unattainable. However, given the inherent characteristics of the renovation industry, the construction waste produced is mostly non-hazardous and suitable for landfill disposal, posing no significant environmental harm.

The Group's office operations generate non-hazardous municipal solid waste, which is disposed of through the office premises and managed by local municipal authorities. Due to the absence of a waste tracking system, the exact quantity of waste produced is not recorded; however, it is deemed insignificant. Notably, the Group's office operations do not produce any hazardous waste. To promote environmentally responsible practices, the Group actively encourages employees to adopt mindful consumption and waste disposal habits, striving to maintain a green office environment.

Use of Resources

As a specialist in fitting-out services, the Group primarily sources on-site labour through external suppliers. Operational resources are limited to unleaded petrol for vehicles, electricity for office use, and paper consumption, with no packaging materials employed. Office water is supplied via the municipal system through building taps. While individual office water usage is not separately metered, consumption is assumed to be negligible. Throughout the Review Year, the Group experienced no challenges in securing water supplies.

The table below demonstrates the Group's resource usage:

	For the year ended 31 March			
	2025		2024	
	Resources Usage	**Usage intensity (per million dollars of revenue)**	Resources Usage	Usage intensity (per million dollars of revenue)
Unleaded petrol (L)	**1,869**	**7.08**	2,148	4.66
Electricity from CLP (kWh)	**21,994**	**83.34**	21,652	47.00
Total energy consumption (kWh)	**40,107**	**151.98**	42,469	92.18
Paper (kg)	**650**	**2.63**	675	1.47

During the Review Year, the Group's energy consumption primarily comprised unleaded petrol and electricity sourced from CLP Power Hong Kong. While total energy use, measured in kilowatt-hours (kWh), saw a modest year-on-year decline, energy usage intensity raised due to the dropped revenue in the fiscal year. In the future, the Group will continue to keep energy consumption at a level equal to or lower than this year.

HUMAN RESOURCES

Our General Employment Practices and Compliance with Laws and Regulations

The Group is committed to adhering to all legal regulations and has established internal policies to protect the rights and interests of employees and job applicants. It is vital that we comply with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and as such, we strictly prohibit the hiring of forced labour or underage individuals. Prior to employment, all employees are required to provide valid proof of age and qualifications. Only individuals with the necessary licences are considered for positions subject to regulation. The Group's internal guidelines state that if any instances of forced or child labour are discovered within its workforce, both the hiring personnel and their supervisors will be held accountable, and immediate action will be taken to terminate such illegal labour practices.

Detailed categorisation and the number of full-time employees is laid out in the table below:

	For the year ended 31 March	
	2025	2024
By Job Function		
Management	**12**	20
Administration	**13**	13
Supervisors	**25**	31
Others (Janitorial)	**5**	5
By Gender		
Male	**39**	54
Female	**16**	15
By Age Group		
≤30	**5**	5
31–40	**20**	26
41–50	**19**	21
51–60	**10**	13
≥61	**1**	3
By Employment Location		
Hong Kong	**55**	69
Total	**55**	69

The table below sets the employee turnover rate by gender, age group, and geographical region for the Review Year and the Previous Year, respectively:

	For the year ended 31 March	
	2025	2024
By Gender		
Male	**44%**	41%
Female	**25%**	13%
By Age Group		
≤30	**60%**	60%
31–40	**35%**	46%
41–50	**26%**	19%
51–60	**40%**	31%
≥61	**200%**	33%
By Employment Location		
Hong Kong	**38%**	35%
Total	**38%**	35%

Equal Opportunities

The Group is dedicated to cultivating a work environment that fosters equality and diversity. Discrimination based on age, race, religion, gender, sexual orientation, or physical disabilities is strictly prohibited. Employment, promotion opportunities, and remuneration are evaluated solely based on personal merit, professional competence, and the candidate's legal right to work in Hong Kong. This commitment has resulted in a diverse age group representation among employees, spanning from below 30 to 60 years old. During the Review Year, the Group received no complaint regarding unequal employment or treatment.

Our commitment to equal opportunities extends beyond recruitment. We ensure equitable access to career development and advancement for all employees, regardless of background or identity. To support this, the Group provides tailored training and development programs designed to enhance skills, knowledge, and career progression across different employee groups and job functions. These programs are continuously refined through employee feedback, reflecting our dedication to improvement. Further details on employee training will be outlined in subsequent sections.

By embracing diversity and offering fair opportunities to those legally entitled to work in Hong Kong, the Group leverages a broader pool of talent, experiences, and perspectives. In addition, the Group's senior management actively promotes diversity and inclusion, regularly reviewing policies to ensure alignment with these principles.

Remuneration and Benefits

The Group adheres strictly to Hong Kong's employment laws, including the Minimum Wage Ordinance (Chapter 608), the Mandatory Provident Fund Schemes Ordinance (Chapter 485), and other relevant regulations. These frameworks ensure employees receive statutory holidays, reasonable working hours, adequate rest days, timely payroll, and full leave entitlements.

Beyond legal compliance, the Group actively exceeds statutory requirements to underscore its recognition of employees as its most valuable asset. We offer competitive remuneration packages – regularly reviewed and adjusted based on performance – to bolster motivation, retention, and job satisfaction.

Equally important is our commitment to work-life balance. Employees are provided ample rest days to manage personal commitments, reflecting our dedication to their well-being. By fostering a supportive environment and fair rewards, the Group ensures employees thrive both professionally and personally.

Employee Development and Training

The Group prioritises enhancing the professional competence of its staff through job-specific training, with particular emphasis on frontline employees who require comprehensive safety knowledge to mitigate work-related injuries. To ensure practical implementation, the Group conducted structured training programs and seminars throughout the Review Year, focusing on equipping employees with critical preventive knowledge and protective skills tailored for construction site environments. These initiatives were designed to guarantee that all staff members, regardless of position, possessed the expertise to maintain a secure workplace.

Importantly, the Group's commitment to safety extends to its leadership. Senior management undergoes regular training sessions to ensure they maintain a thorough understanding of safety regulations and can effectively oversee compliance across all operational levels. This dual focus – on both frontline workers and management – reinforces a culture of accountability and continuous improvement in workplace safety practices.

The table below shows a breakdown of the number of training session attendances by categories:

	For the year ended 31 March					
	2025			2024		
	Total number of employees trained	**The average training hours completed per employee**	**Percentage of employees trained**	Total number of employees trained	The average training hours completed per employee	Percentage of employees trained
By gender						
Male	**8**	**0.5**	**21%**	8	0.75	57%
Female	**7**	**0.5**	**44%**	6	0.75	43%
By job function						
Management	**3**	**0.5**	**25%**	2	0.75	14%
Administration	**12**	**0.5**	**92%**	12	0.75	86%
Supervisors	**0**	**0**	**0%**	0	0	0%
Janitors	**0**	**0**	**0%**	0	0	0%

OCCUPATIONAL HEALTH AND SAFETY

The Group maintains rigorous occupational health and safety standards across all work environments, despite most full-time employees operating in non-construction settings. We prioritise risk awareness training and safety protocols in both office and project-site operations, ensuring employees understand preventive measures for workplace hazards. For construction-related activities such as fitting-out projects, safety policies are systematically updated to align with industry regulations, and all projects begin only after securing mandatory licenses – including those for scaffolding structures – to guarantee compliance. On-site workers and subcontractors are further protected through comprehensive insurance coverage against accidents and occupational injuries.

To reinforce safety culture, the Group conducts regular seminars addressing critical topics such as heatstroke prevention during extreme weather, electrical safety, fire emergency response, safe use of power tools, height work protocols, manual handling techniques, and proper protective equipment usage. These initiatives, combined with proactive compliance management, underscore our commitment to minimising risks and fostering a secure work environment for all personnel.

The table below summarises the Group's safety data recorded during the last three years:

	For the year ended 31 March		
	2025	2024	2023
Number of injuries from occupational accidents	**0**	0	0
Number of fatalities due to occupational accidents or diseases	**0**	0	0
Number of working days lost due to occupational injuries	**0**	0	0

GENERAL OPERATING PRACTICES

Supplier and Subcontractor Management

Operating within the fitting-out industry, the Group maintains rigorous supplier and subcontractor management protocols to ensure material quality, operational legitimacy, and risk mitigation. Our comprehensive workflow procedures continuously monitor subcontracted projects for safety compliance and environmental impact reduction.

The Group's approved supplier list undergoes quarterly review through a multi-tier evaluation process. Potential partners are assessed based on:

1. Competitive pricing and value alignment

2. Material/workmanship quality certifications

3. Historical delivery reliability and contractual compliance

4. Proven track record in sustainable practices

To safeguard innovation while respecting partner rights, all agreements include explicit intellectual property protection clauses. The Group deliberately maintains relationships with diverse suppliers and awards subcontracts on a per-project basis. This competitive approach ensures optimal partner selection for each unique project while preventing over-reliance on single entities.

Collectively, these strategies uphold our commitment to quality assurance, risk minimisation, and comprehensive protection of both Group and client interests throughout our value chain.

The table below shows a breakdown of the Group's suppliers.

	For the year ended 31 March	
By geographic location	**2025**	2024
PRC	**1**	2
Hong Kong	**50**	61
Total	**51**	63

Project Responsibilities

As a professional fitting-out contractor, the Group mandates a 12 to 18-month defects liability period in all project contracts, commencing from the agreed completion date. During this phase, the Group assumes full responsibility for identifying and rectifying any defects at its own cost, ensuring clients receive work of best quality.

Our proactive approach to responsibility management includes:

1. Immediate response to customer complaints or claims within this period

2. Transparent resolution processes for defective works

3. Systematic cost tracking confirming remedial expenses remained minimal

By prioritising rigorous quality control during project execution, the Group successfully avoided significant complaints or claims during the Review Year. This outcome reflects our dual commitment to exceptional craftsmanship and proactive post-completion support.

Retention Money

In certain fitting-out contracts, the Group permits customers to withhold a portion of their payment as retention money. For example, 50% of the total payment is disbursed upon project completion, while the remaining amount is released at the end of the defects liability period. These outstanding payments are documented as retention receivables in the Group's financial records.

Customers' Information Privacy

The Group adheres to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and guarantees the confidentiality and internal use only of all collected personal data. The responsible team members are entrusted with the collection of essential customer information. The assigned individual for each project takes charge of internal communication and ensures that any sharing with external parties is only done with the customer's consent. To safeguard highly confidential information, it is securely stored and encrypted within our electronic system, with the implementation of anti-virus firewalls and the expertise of information technology professionals assigned to protect it.

Intellectual Property Management

Being a well-established fitting-out contractor in Hong Kong, the Group acknowledges the significance of intellectual property and values the rights of its owners. Throughout the Review Year, we strictly adhered to the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong). The Group guarantees that all intellectual property is acquired legally and utilised solely for its intended purposes. Any utilisation or replication of intellectual property is exclusively carried out with explicit consent from the owner. Moreover, the Group implements essential measures to safeguard its own intellectual property, encompassing patents, trademarks, and copyrights. Through upholding these principles, the Group upholds its dedication to ethical and responsible business conduct.

ANTI-CORRUPTION

The Group maintains an unwavering commitment to combating corruption and upholding the highest standards of integrity in all business activities. As a publicly listed entity, we strictly adhere to Hong Kong's Prevention of Bribery Ordinance (Chapter 201) and enforce robust anti-corruption protocols across daily operations. Key measures include:

Systematic Compliance Framework: Mandatory anti-corruption policies are embedded into all business processes and communicated to every employee. A dedicated Anti-Corruption Committee oversees compliance, ensuring protocols align with evolving legal requirements and industry best practices.

Independent Oversight: The Committee ensures objectivity by conducting regular internal audits and reviews, while maintaining strict separation from operational decision-making to avoid conflicts of interest.

Transparent Reporting Channels: An anonymous whistleblowing mechanism is available 24/7, encouraging employees to report unethical behaviour without fear of retaliation. This fosters a culture of accountability and transparency.

Continuous Awareness: While formal anti-corruption training sessions were not conducted during the Review Year, the topic was consistently emphasized in leadership meetings, departmental briefings, and performance evaluations to reinforce ethical standards.

Throughout the Review Year, the Group achieved full compliance with its anti-corruption commitments. Zero incidents of bribery, fraud, money laundering, or other corrupt practices were reported or investigated.

COMMUNITY INVESTMENT

The Group recognises the importance of giving back to the community and strives to foster a corporate culture that values compassion, social engagement, and sustainability. We believe that businesses have a role to play not only in economic development, but also in nurturing the well-being of the society in which they operate. During the Review Year, while the Group did not make direct donations to charities under its name, we actively encouraged our employees to participate in various charitable and community-driven initiatives.

We believe that community contribution should be a daily practice, embedded in small yet meaningful actions. By supporting our team's involvement in these efforts, we aim to create a ripple effect – inspiring kindness, strengthening social bonds, and making a modest yet enduring impact on the communities we call home.

Directors' Report

The Board is pleased to submit this annual report together with the audited financial statements of the Group for the Review Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, the principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

RESULTS/BUSINESS REVIEW

The results of the Group for the Review Year are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 57 in this report. The business review of the Group for the Review Year is set out in the section headed "Management Discussion and Analysis" on pages 6 to 12 in this report.

SHARE CAPITAL

Details of movement in the share capital of the Company during the Review Year are set out in note 27 to the consolidated financial statements.

The Company did not have any treasury shares (as defined in Rule 1.01 of the Listing Rule) as at 31 March 2025.

RESERVES

Details of movements in the reserves of the Group during the Review Year are set out in the section headed "Consolidated Statement of Changes in Equity" on page 59 in this report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2025, calculated under the Companies Law of Cayman Islands amounted to approximately HK$72.5 million.

FINAL DIVIDEND

The Board has reserved not to recommend the declaration of a final dividend for the Review Year (FY2024: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Review Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in property, plant and equipment of the Group during the Review Year are set out in note 15 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Restated Articles or the Laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 17 to 29 in this report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our Group makes best effort in protecting the environment during daily operation and by making conscious decisions when undertaking projects. Our Group's internal guidelines detail the reuse and recycling of resources such as paper and the minimisation of electricity and water consumption as means of environmental protection. Externally, waste generated by works done on site is usually not material. Our Group's project management team would select and thereafter supervise subcontractors' compliance with fitting-out works rules for each project in several aspects including but not limited to (i) noise control; (ii) use of green building materials; (iii) indoor air quality; and (iv) waste reduction and disposal.

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with relevant environmental laws and regulations by our Group that has material impact on the business and operation of our Group.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Review Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by our Group that has material impact on the business and operation of our Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

Employees

We generally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and ensure that the employees appointed are qualified and competent to carry out their duties. We may remunerate our employees with a fixed salary and a discretionary bonus based on our Group's performance. Our employees' benefits also include a grant to fund further education which aims at enhancing our employees' personal development or equipping them with necessary knowledge and skills to perform their job duties. Our ability to attract, retain and motivate qualified personnel is critical to our success. We believe that we are able to attract, retain and motivate qualified personnel by offering competitive remuneration and benefits. With a compact team of energetic employees, we endeavour to provide services that exceed our customers' expectations, which we believe will help us secure new opportunities.

Customers

The Group are aware of the risk of customer concentration, and sought to reduce the reliance on major customer by undertaking more work projects from other customers. Our business relationship with major customers, industry experience and proven track record are essential to our major customers to ensure that we are capable of completing their projects on time and in accordance with their requirements. With our presence in the fitting-out industry, our Directors believe that we are able to extend our services to other customers.

Going forward, our management will continue to capture emerging business opportunities and focus on projects on a selective and prudent basis which are profitable and sizeable in nature to maximise benefits to our Group as a whole.

Suppliers and Sub-contractors

The Group has developed stable and strong working relationships with suppliers and sub-contractors to meet the Group's customers' needs in an effective and efficient manner. Our fitting-out projects are monitored by a project management team which is responsible for the overall quality assurance of the project. Our project management team in each project generally conducts regular on-site inspections and arranges for regular meetings with our subcontractors, to ensure sufficient resources are allocated for each project, and that the works executed at each stage meet the requirements of our customers.

ANNUAL GENERAL MEETING ("AGM")

The 2025 AGM will be held at Unit 1203B, 12/F, World-Wide House, 18 Des Voeux Road, Central, Hong Kong on Monday, 25 August 2025. The notice of the AGM will be published and despatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 August 2025 to Monday, 25 August 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company (the AGM), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Tuesday, 19 August 2025.

DIRECTORS

The Directors during the Review Year and up to the date of this report are:

Executive Directors:

Mr. Zheng Chenhui (retired on 23 August 2024)
Mr. Liang Wenzhi *(Chairman)* (resigned on 6 November 2024)
Mr. Han Dongguang (resigned on 6 June 2025)
Mr. Kang Ruipeng
Mr. Deng Houhua (appointed on 6 June 2025)

Non-executive Directors:

Mr. Chen Yidong (retired on 23 August 2024)
Mr. Zhou Danqing (retired on 23 August 2024)

Independent Non-executive Directors:

Mr. He Jianyu (resigned on 6 June 2025)
Mr. Zhou Di (resigned on 6 November 2024)
Ms. Meng Xiaoying (resigned on 6 November 2024)
Mr. Cheng Pak Lam
Ms. Ya Li (appointed on 31 December 2024)
Ms. Chen Yan (appointed on 6 June 2025)

In accordance with article 84 of the Restated Articles, at each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 83 of the Restated Articles, 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.

In accordance with articles 83 and 84 of the Restated Articles, Mr. Kang Ruipeng, Mr. Deng Houhua, Mr. Cheng Pak Lam, Ms. Ya Li and Ms. Chen Yan will retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to the Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Details of Director's service contracts are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 13 to 16 in this report.

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

COMPETING INTERESTS

Neither the Directors, 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 during the Review Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this report and the Prospectus, is set out on page 112 in this report.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising from corporate activities.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Review Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, no contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which the controlling shareholders of the Company had a material interest, either directly or indirectly, subsisted or at any time during the Review Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Review Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 13 to 16 in this report.

EMOLUMENT POLICY FOR DIRECTORS

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group.

The Remuneration Committee recommends Directors' remuneration to the Board by reference to the benchmarking of the market. The Company also looks into individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' and chief executives' emoluments and the five highest paid individuals are set in notes 12 to 13 to the consolidated financial statements.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND THE ASSOCIATED CORPORATIONS

As at 31 March 2025, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

INTERESTS OF SUBSTANTIAL AND OTHER SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fell 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, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held[(1)]	Percentage of shareholding
China Sports Asset Management Co., Limited (formerly known as Yuan Feng Ventures Limited) [(2), (3) & (4)] ("**China Sports**")	Beneficial owner	360,000,000 (L)	75%
Ms. Huang Hou[(2)]	Interest in controlled corporation	360,000,000 (L)	75%
Tse's Finance Limited[(3)]	Security interest	360,000,000 (L)	75%
Sincere Finance Holding Limited[(4)]	Interest in controlled corporation	360,000,000 (L)	75%
Jade Stones Group Limited[(5)]	Interest in controlled corporation	360,000,000 (L)	75%
Mr. Tse Shiu Hoi[(6)]	Interest in controlled corporation	360,000,000 (L)	75%

Notes:

(1) The letter "L" denote the respective "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.

(2) China Sports held 75% of the total issued share capital of the Company and China Sports was in turn wholly and beneficially owned by Ms. Huang Hou. Therefore, Ms. Huang Hou is deemed or taken to be interested in the Shares held by China Sports under the SFO.

(3) On 4 March 2024, China Sports has executed a share charge ("**TFL Share Charge**") over the 360,000,000 Shares held by China Sports, in favour of Tse's Finance Limited ("**Tse's Finance**") as a security for the loan facility granted by Tse's Finance. As such, under the SFO, Tse's Finance is taken to have a security interest of 360,000,000 Shares under the TFL Share Charge.

(4) Sincere Finance Holding Limited holds approximately 99.99% interest in the issued share capital of Tse's Finance. By virtue of the SFO, Sincere Finance Holding Limited is deemed to be interested in all the Shares held by Tse's Finance.

(5) Jade Stones Group Limited holds approximately 97.02% interest in the issued share capital of Sincere Finance Holding Limited. By virtue of the SFO, Jade Stones Group Limited is deemed to be interested in all the Shares held by Sincere Finance Holding Limited.

(6) Mr. Tse Shiu Hoi holds approximately 51% interest in the issued share capital of Jade Stones Group Limited. By virtue of the SFO, Mr. Tse Shiu Hoi is deemed to be interested in all the Shares held by Jade Stones Group Limited.

Save as disclosed above, as at 31 March 2025, so far as the Directors were aware, none of the persons (other than the Directors or chief executives of the Company) had, or was deemed to have interests or short positions in the Shares and underlying Shares which were required to be recorded in the register of interests kept by the Company pursuant to section 336 of the SFO, and which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 6 December 2018. The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus. The purposes of the Share Option Scheme are to attract and retain the best available personnel of the Group, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

Maximum number of options and maximum entitlement of each participant

The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 48,000,000 Shares (representing 10% of the Shares in issue as at the date of this report), unless otherwise approved by the shareholders of the Company.

No option shall be granted to any eligible participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted and to be granted to such eligible participant (including options exercised, outstanding or cancelled under the Share Option Scheme and/or any other schemes of the Company) in any 12-month period up to the offer date exceeding 1% in aggregate of the Shares in issue on such offer date (the "**1% Individual Limit**"). If the Board decides to grant options to an eligible participant that would exceed the 1% Individual Limit, such grant shall be subject to the approval of the Shareholders at a general meeting, at which that eligible participant and his close associates (or his associates, if the eligible participant is a core connected person) shall abstain from voting.

Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). Where any grant of options to an independent non-executive Director or a substantial Shareholder (or any of their respective associates) would result in the Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, outstanding or cancelled under the Share Option Scheme and/or any other schemes of the Company) to such person in the 12-month period up to and including the offer date, (i) representing in aggregate over 0.1% of the Shares in issue or such other percentage as may be from time to time provided under the Listing Rules; and, (ii) having an aggregate value (based on the closing price of the Shares as quoted on the Stock Exchange on the offer date) in excess of HK$5 million or such other sum as may be from time to time provided under the Listing Rules, such grant of options must be approved by (i) the independent non-executive Directors; and (ii) the Shareholders in general meeting (with such grantee, his associates and all core connected persons of the Company abstaining from voting in favour of the resolution concerning such grant).

Acceptance of option

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance or payment in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company on or before the prescribed acceptance date (being a date not later than 30 days after the offer date). Such remittance or payment shall in no circumstances be refundable.

Vesting period

Unless the Directors otherwise determined and stated in the offer to the eligible participant, there is no minimum period for which an option granted under the Share Option Scheme must be held before it can be exercised.

Exercise period

An option may be exercised in accordance with the terms of the Share Option Scheme after it is deemed to be granted and accepted, and at any time during a period to be determined by the Board in its absolute discretion, provided that no option may be exercised more than ten (10) years after the date of grant.

Exercise price

The exercise price in relation to each option offered to an eligible participant shall, subject to the terms of the Share Option Scheme, be determined by the Board in its absolute discretion but in any event must be at least the higher of (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the offer date; (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the offer date; and, (c) the nominal value of a Share on the offer date.

Term of the Share Option Scheme

Subject to any early termination determined by the Board in accordance with the terms of the Share Option Scheme, the Share Option Scheme is valid and effective for a term of ten (10) years commencing the listing date of the Company.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 6 December 2018, and there is no outstanding share option as at 31 March 2024.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Review Year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of sales and purchases for the Review Year attributable to the Group's major customers and suppliers are as follow:

Sales

– the largest customer	99.8% (FY2024: 96.7%)
– five largest customers	99.9% (FY2024: 99.9%)

Purchases

– the largest supplier	29.2% (FY2024: 27.7%)
– five largest suppliers	83.0% (FY2024: 64.4%)

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major customers or suppliers noted above.

RELATED PARTIES TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are set out in note 32 to the consolidated financial statements. One related parties transaction constituted exempted continuing connected transactions as a de minimis transaction under Rule 14A.76(1)(c) of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in note 14 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Review Year and up to the date of this report.

RETIREMENT SCHEME

The Group participates in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Save as the aforesaid, the Group did not participate in any other pension schemes during the Review Year.

AUDITORS

The consolidated financial statement for the Review Year have been audited by Grant Thornton Hong Kong Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. There has been no change in the auditor of the Company during the Review Year.

DONATIONS

Charitable and other donations made by the Group during the Review Year amounted to approximately HK$23,000 (FY2024: HK$14,000).

EVENTS AFTER THE REVIEW YEAR

The Group did not have any other material subsequent events occurring after 31 March 2025 and up to the date of this report.

On behalf of the Board
Kang Ruipeng
Chief Executive Officer

Hong Kong, 27 June 2025

Independent Auditor's Report

GrantThornton
致同

To the members of Metaspacex Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Metaspacex Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 57 to 111, 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**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current year. This matter was 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 this matter.

Key Audit Matter	How the matter was addressed in our audit
Accounting for construction contracts	
(notes 2.7, 2.11, 4, 5 and 18 to the consolidated financial statements)	
We identified the revenue and costs from construction contracts amounting to approximately HK$263,927,000 and HK$258,405,000, respectively in the consolidated statement of profit or loss and other comprehensive income and related contract assets of approximately HK$94,819,000 and contract liabilities of approximately HK$9,094,000 in the consolidated statement of financial position as a key audit matter due to significant management judgements and estimation required in determining the percentage of completion of contract revenue and corresponding profit/loss margin incurred.	Our audit procedures in relation to the construction contracts included the following: • Understood and discussed with management the basis of estimation of budgets and the determination of the respective percentage of completion, and inspected, on a sample basis, the contract sum and key terms/conditions to respective signed contracts and budgets prepared by the management; • Assessed the reasonableness of key judgements inherent in the budgets by evaluating and recalculating the percentage of completion based on the latest budgeted costs and the actual costs incurred; • Tested, on a sample basis, the actual cost incurred to supporting documents including but not limited to the payment certificates and invoices; • Obtained, on a sample basis, the progress certificates issued by the customers, their appointed surveyors or other representatives to evaluate the reasonableness of the percentage of completion as at year end and discussed with management or the respective project managers on the progress of the project and actual costs incurred for works performed but not certified; and • Recalculated and evaluated the management's assessment on the estimated gross profit/loss margin and, compared to the latest budgeted and the actual gross profit/loss margin.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS 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.

The directors assisted by the Audit Committee 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. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagements 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.

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

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

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

27 June 2025

Shaw Chi Kit
Practising Certificate No.: P04834

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	5	**263,927**	460,270
Direct costs		**(258,405)**	(440,021)
Gross profit		**5,522**	20,249
Other gains	6	**6**	290
Administrative and other operating expenses		**(19,028)**	(16,670)
Provision for expected credit losses ("**ECL**") allowance on trade and other receivables and contract assets, net		**(13,627)**	(2,468)
Finance costs	7	**(5,056)**	(5,840)
Loss before income tax	8	**(32,183)**	(4,439)
Income tax	9	**–**	–
Loss and total comprehensive expense for the year attributable to equity holders of the Company		**(32,183)**	(4,439)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
– Basic and diluted	11	**(6.70)**	(0.92)

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**–**	7
Right-of-use assets	16	**1,625**	927
		1,625	934
Current assets			
Trade and other receivables	17	**25,541**	28,918
Contract assets	18	**94,819**	123,211
Cash and bank balances	19	**43,089**	49,527
Restricted cash	20	**–**	3,046
		163,449	204,702
Current liabilities			
Trade and other payables	21	**15,128**	33,035
Contract liabilities	18	**9,094**	4,036
Borrowings	24	**–**	48,000
Interest payables	24	**–**	10,873
Amount due to a director	22	**71**	1
Lease liabilities	23	**908**	902
		25,201	96,847
Net current assets		**138,248**	107,855
Total assets less current liabilities		**139,873**	108,789
Non-current liabilities			
Lease liabilities	23	**724**	46
Borrowings	24	**50,897**	–
Interest payables	24	**10,797**	–
Long service payment obligations	26	**895**	–
		63,313	46
Net assets		**76,560**	108,743
CAPITAL AND RESERVES			
Share capital	27	**4,800**	4,800
Reserves	28	**71,760**	103,943
Total equity		**76,560**	108,743

Mr. Kang Ruipeng
Director

Mr. Deng Houhua
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK$'000 *(note 27)*	Share premium* HK$'000 *(note 28)*	Other reserve* HK$'000 *(note 28)*	Retained earnings/ (Accumulated losses)* HK$'000	Total HK$'000
Balance as at 1 April 2023	4,800	105,059	200	3,123	113,182
Loss and total comprehensive expense for the year	–	–	–	(4,439)	(4,439)
Balance as at 31 March 2024 and 1 April 2024	**4,800**	**105,059**	**200**	**(1,316)**	**108,743**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(32,183)**	**(32,183)**
Balance as at 31 March 2025	**4,800**	**105,059**	**200**	**(33,499)**	**(76,560)**

* These reserve accounts comprise the consolidated reserves of approximately HK$71,760,000 (2024: approximately HK$103,943,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Loss before income tax		**(32,183)**	(4,439)
Adjustments for:			
Depreciation of owned property, plant and equipment		**7**	183
Depreciation of right-of-use assets		**980**	952
Interest income		**(2)**	(2)
Interest expense	7	**5,056**	5,840
Provision/(Reversal) for ECL allowance on trade and other receivables – net		**1,388**	(83)
Provision for ECL allowance on contract assets – net		**12,239**	2,551
Written off of retention receivable		**6,395**	1,000
Long service payment obligations:			
– expenses recognised in profit or loss		**895**	–
Operating (loss)/profit before changes in working capital		**(5,225)**	6,002
Decrease in trade and other receivables		**82,959**	91,317
Increase in contract assets		**(71,213)**	(73,779)
(Decrease)/Increase in trade and other payables		**(17,906)**	8,596
Increase in contract liabilities		**5,058**	1,301
Decrease in restricted cash		**3,046**	–
Cash (used in)/generated from operations		**(3,281)**	33,437
Income tax		**–**	–
Net cash (used in)/generated from operating activities		**(3,281)**	33,437
Cash flows from investing activity			
Interest received		**2**	2
Cash flows from financing activities			
Interest paid		**(5,132)**	(64)
Payment of lease liabilities		**(994)**	(936)
Proceeds from borrowings		**22,000**	–
Repayments of borrowings		**(19,103)**	–
Increase in amount due to a director		**70**	1
Net cash used in financing activities		**(3,159)**	(999)
Net (decrease)/increase in cash and cash equivalents		**(6,438)**	32,440
Cash and cash equivalents at beginning of the year		**49,527**	17,087
Cash and cash equivalents at end of the year	19	**43,089**	49,527

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Metaspacex Limited (formerly known as Yield Go Holdings Ltd.) (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing**") with effect from 31 December 2018. The addresses of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Unit 3, 32/F, Cable TV Tower, No. 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. Pursuant to an extraordinary general meeting held on 22 July 2024, the name of the Company was changed from Yield Go Holdings Ltd. to Metaspacex Limited.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred as the "**Group**") are principally engaged in fitting-out services and supply of fitting-out materials.

As at 31 March 2025, to the best knowledge of the directors, the Company's immediate and ultimate holding company is China Sports Asset Management Co., Limited ("**China Sports**") (formerly known as Yuan Feng Ventures Limited), a company incorporated in Hong Kong and controlled by Ms. Huang Hou.

The consolidated financial statements for the year ended 31 March 2025 were approved for issue by the Board of Directors on 27 June 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("**HKFRS Accounting Standards**") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group's financial statements, if any, are disclosed in note 3.

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

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("**HK$'000**"), except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. Cost includes directly attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.3 Foreign currency translation

The consolidated financial statements are presented in HK$, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into the HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, plant and equipment is recognised so as to write off the cost of asset, less their residual values over their estimated useful lives or lease term, using the straight-line method, at the following rates per annum:

Furniture, fixtures and office equipments	20%
Motor vehicle	30%
Leasehold improvement	Over the lease terms

The accounting policy for depreciation of right-of-use assets is set out in note 2.8.

Estimates of residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gain or loss arising on retirement or disposals is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the profit or loss.

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 costs are charged to profit or loss during the financial period in which they are incurred.

2.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. Financial liabilities are derecognised when it is extinguished, discharged, cancelled or expires.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

– amortised cost;

– FVTPL; or

– fair value through other comprehensive income ("**FVOCI**").

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other gains or other financial items.

Subsequent measurement of financial assets

Debt investments – Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other gains in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables, cash and bank balances and restricted cash fall into this category of financial instruments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments (Continued)

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities including borrowings, amount due to a director, lease liabilities, trade and other payables and interest payables.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or other gains.

Accounting policies of lease liabilities are set out in note 2.8.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade and other payables, amount due to a director and interest payables

These are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

2.6 Impairment of financial assets and contract assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables and contract assets recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables, retention receivables and contract assets

For trade receivables, retention receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables, retention receivables and contract assets have been grouped based on shared credit risk characteristics by reference to past default experience, current past due exposure of the debtor and forward-looking information and the days past due. The contract assets relate to unbilled work in progress, and retention receivables have substantially the same risk characteristics as the trade receivables for the same types of contracts. For balances of contract assets meeting certain criteria such as long outstanding, ECL is assessed on an individual basis.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other financial assets at amortised cost equal to 12-month ECL unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of financial assets and contract assets (Continued)

Other financial assets measured at amortised cost (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; and

– 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.

Despite the aforegoing, 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 end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

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 collateral held by the Group).

Detailed analysis of the ECL assessment are set out in note 33.2.

2.7 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.6 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

– the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

– the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

– the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined and the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Leases (Continued)

Definition of a lease and the Group as a lessee (Continued)

Measurement and recognition of leases as a lessee (Continued)

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

– there are changes in lease term or 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.

– the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability 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 modification.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been presented in separate line item.

Refundable rental deposits paid are accounted for 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.

2.9 Cash and cash equivalents

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

2.10 Share capital

Ordinary shares are classified as equity. The amount of share capital recognised is determined using the nominal value and any related transaction costs are deducted from the share premium.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition

Revenue arises mainly from the provision of fitting-out works in Hong Kong.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer. "Control" refers to the customer's ability to direct the use of and obtain substantially all of the remaining benefits from an asset.

Contract revenue

When control of products and services is transferred over time, revenue is recognised progressively using output method which recognises revenue on the basis of direct measurements of the value to the customer of the promised goods or services transferred to date relative to the remaining goods or services promised under the contract with the customer. The progress towards complete satisfaction of the performance obligations in the contract is determined based on the value of performance completed to date as a percentage of total transaction price to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

The values of performance completed to date of each of the individual contracts are determined by the Group based on surveys of the fitting-out works completed by the Group to date as stated on the payment certificates issued by the Group's customers, surveyors or other representatives appointed by the Group's customers. Such payment certificates certifying the value of works carried out to date are issued taken into account of the payment applications submitted by the Group in relation to the actual amounts of works completed by the Group which are prepared based on internal progress reports of the Group.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition (Continued)

Contract revenue (Continued)

In cases where the payment certificates do not take place as at the Group's reporting period-end dates or do not exactly cover periods up to the reporting period-end dates, the revenue for the period from the last payment certificates up to the reporting period-end dates is estimated based on the actual amounts of works performed by the Group during such period as indicated by the internal progress reports and the payment applications prepared by the surveyors of the Group and may also be determined with reference to the next payment certificates issued by the Group's customers or other representatives appointed by the Group's customers that takes place subsequent to the reporting period-end dates. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with HKAS 37.

When control of products is transferred at a point in time, revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the Group transfers control over the products to the customer.

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

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

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

Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Dividend

Dividend to the Company's shareholders is recognised as a liability in the Group's and the Company's financial information in the period in which the dividends are declared by the directors in case of interim dividends or approved by the Company's shareholders in case of final dividends.

2.13 Impairment of non-financial assets (other than contract assets)

Property, plant and equipment, right-of-use assets and the Company's investment in a subsidiary are subject to impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("**LSP**") if the eligibility criteria are met. The LSP are defined benefits plans.

Defined contribution plans

The Group operates a defined contribution retirement benefit plan (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' salaries.

Payments to the MPF Scheme are recognised as expense when employees have rendered service entitling them to the contributions.

The Group's obligations under MPF Scheme are limited to the fixed percentage contributions payable.

There were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2025 and 2024, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

Defined benefit plans

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remains with the Group.

The LSP obligations recognised in the consolidated statement of financial position is the present value of the LSP obligation at the end of the reporting period.

Management estimates the LSP obligations annually. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Discount factors are determined close to the end of each annual reporting period by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related defined benefit liability.

Defined benefit costs are categorised as follows:

- service cost (including current and past service cost, and gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits (Continued)

Defined benefit plans (Continued)

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Net interest expense on the net defined benefit liability is included in employee benefits expenses.

Gains and losses resulting from remeasurements of the net defined benefit liability, comprising actuarial gains and losses, are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.15 Borrowing costs

All borrowing costs are expensed when they are incurred.

2.16 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, and it is probable that an outflow of economic benefit will be required to settle the obligation and the amounts have been reliably estimated. Provisions are not recognised for future operating losses. All provisions are review at the end of each reporting period and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling the contract).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.18 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes (Continued)

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the 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.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(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) the entity and the Group 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 employees of either 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 the 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 parent of the Group.

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.

2.20 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, i.e. the chief operating decision maker (the "**CODM**"), for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

3.1 Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards as issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and 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

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3.2 Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective date not yet determined

The directors anticipate that all of the new and amended HKFRS Accounting Standards will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (CONTINUED)

3.2 Issued but not yet effective HKFRS Accounting Standards (Continued)

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- Disclosure of management-defined performance measures ("**MPMs**") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and

- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as "other".

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Contract Revenue

The contract revenue recognised on a project is dependent on management's estimation of the progress of the satisfaction of performance obligations of a contract over time, measured by the value of performance completed to date of the individual contract as a percentage of total transaction price. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders, prepared for each contract as the contract progresses. Budgeted construction costs are prepared by management on the basis of quotations from time to time provided by the major subcontractors, suppliers and vendors involved and the experience of management. Management conducts periodic reviews of the budgeted construction costs and revises the budgeted construction costs as appropriate.

Significant judgement required in estimating the value of performance completed, contract revenue, contract costs and variation orders which may impact on percentage of completion and the corresponding contract revenue and gross profit/loss margin recognised in respective years. In addition, actual outcome in terms of total revenue or costs may be higher or lower than estimation at the end of the reporting period, which would affect the contract revenue and gross profit/loss recognised in future years as an adjustment to the amounts recorded to date. Details of contract revenue are set out in note 5.

Provision for impairment of trade and other receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade and other receivables and contract assets based on the credit risk. The loss allowance amount measured as difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss. The assessment of the credit risk involves high degree of estimation and uncertainty as the directors of the Company estimated the loss rates for debtors by using forward-looking information. When the actual cash flows are less than expected or more than expected, a material impairment loss or a reversal of impairment loss may arise, accordingly. Details of the ECL movement are set out in note 33.2.

Impairment of property, plant and equipment and right-of-use assets

Items of property, plant and equipment (note 15) and right-of-use assets (note 16) are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management's estimate of future cash flows generated by each cash-generating unit. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. During the year ended 31 March 2025, no impairment loss was recognised for property, plant and equipment and right-of-use assets (2024: nil).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation of LSP obligations

Management's estimate of the LSP obligations is based on a number of critical underlying assumptions such as the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Variation in these assumptions may significantly impact the LSP obligations amount and the annual defined benefit expenses amount.

Any changes in these assumptions will impact the carrying amount of LSP obligations.

As at 31 March 2025, the carrying amounts of LSP obligations are HK$895,000 (2024: HK$Nil). Details of key assumptions and impact of possible changes in key assumptions are disclosed in note 26.

5. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue recognised during the years ended 31 March 2025 and 2024 are as follows:

	2025 **HK$'000**	2024 HK$'000
Revenue from contracts with customers		
By timing of revenue recognition:		
Control transferred over time	**263,927**	460,270
By type of services:		
Fitting-out services	**263,927**	460,270

The CODM has been identified as the board of directors of the Company. The board of directors regards the Group's fitting-out services business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

Information about major customers

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

	2025 **HK$'000**	2024 HK$'000
Customer A[1]	**263,518**	444,097

[1] The customer represents a collection of companies within a group.

5. REVENUE (CONTINUED)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2025 and 2024.

	2025 **HK$'000**
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2026	**101,187**

	2024 HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
31 March 2025	104,360
31 March 2026	18,600
	122,960

6. OTHER GAINS

	2025 **HK$'000**	2024 HK$'000
Bank interest income	**2**	2
Sundry income	**4**	288
	6	290

7. FINANCE COSTS

	2025 **HK$'000**	2024 HK$'000
Interest on borrowings	**5,021**	5,776
Finance charges on lease liabilities	**35**	64
	5,056	5,840

8. LOSS BEFORE INCOME TAX

	2025 HK$'000	2024 HK$'000
Loss before income tax is arrived at after charging/(crediting):		
(a) Staff costs (including directors' remuneration) *(note (i))*		
Salaries, wages and other benefits *(note (ii))*	**21,855**	24,394
Contributions to defined contribution retirement plans	**834**	896
Expenses arising from LSP obligations	**895**	–
	23,584	25,290
(b) Other items		
Depreciation, included in:		
Direct costs		
– Owned assets	**3**	23
Administrative expenses		
– Owned assets	**4**	160
– Right-of-use assets	**980**	952
	987	1,135
Subcontracting charges (included in direct costs)	**175,467**	309,725
Cost of materials and finished goods	**61,367**	109,798
Auditors' remuneration	**750**	850
Written off of retention receivable	**6,395**	1,000
Provision/(Reversal) for ECL allowance on trade and other receivables – net	**1,388**	(83)
Provision for ECL allowance on contract assets – net	**12,239**	2,551

Notes:

(i) Staff costs (including directors' remuneration) included in:

	2025 HK$'000	2024 HK$'000
Direct costs	**16,468**	17,448
Administrative expenses	**7,116**	7,842
	23,584	25,290

(ii) During the year ended 31 March 2025, one directors quarter has been recognised as lease liability and corresponding right-of-use asset. The depreciation and lease payments in respect of the relevant right-of-use asset and lease liability amounted to approximately HK$451,000 and HK$473,000 (2024: HK$434,000 and HK$456,000), respectively.

9. INCOME TAX

No provision for the Hong Kong profits tax has been made for the year ended 31 March 2025 as the Group incurred loss for tax purpose for the year (2024: nil).

Reconciliation between tax expenses and accounting loss at applicable tax rate:

	2025 **HK$'000**	2024 HK$'000
Loss before income tax	**(32,183)**	(4,439)
Tax on loss before income tax, calculated at the Hong Kong Profits Tax rate of 16.5%	**(5,310)**	(733)
Tax effect of non-deductible expenses	**400**	764
Tax effect of tax losses not recognised	**2,778**	689
Utilisation of tax losses previously not recognised	**–**	(693)
Tax effect of deductible temporary differences not recognised	**2,132**	(27)
Income tax	**–**	–

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of the tax losses as the directors of the Company consider that it is uncertain as to the extent that future profits will be available against which tax losses can be utilised in the foreseeable future.

As at 31 March 2025, the Group had unused tax losses of approximately HK$94,095,000 (2024: approximately HK$77,257,000), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department.

10. DIVIDEND

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

11. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Loss attributable to equity holders of the Company (HK$'000)	**32,183**	4,439
Weighted average number of ordinary shares in issue (in thousands)	**480,000**	480,000
Basic loss per share (HK cents)	**6.70**	0.92

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 March 2025 and 2024.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The remuneration of each director and chief executive, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, were as follows:

	Fees	Salaries, allowances and other benefits in kind	Retirement scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2025				
Executive Directors				
Mr. Zheng Chenhui *(note (c))*	–	–	–	–
Mr. Liang Wenzhi *(note (i))*	–	–	–	–
Mr. Han Dongguang *(note (k))*	–	120	6	126
Mr. Kang Ruipeng ("**Mr. Kang**")	–	120	6	126
Non-executive Directors				
Mr. Chen Yidong *(note (d))*	–	–	–	–
Mr. Zhou Danqing *(note (h))*	118	–	–	118
Independent non-executive directors				
Mr. He Jianyu *(note (k))*	120	–	–	120
Mr. Zhou Di *(note (i))*	–	–	–	–
Ms. Meng Xiaoying *(note (i))*	–	–	–	–
Mr. Cheng Pak Lam	120	–	–	120
Ms. Ya Li *(note (j))*	24	–	–	24
	382	240	12	634

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

	Fees HK$'000	Salaries, allowances and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2024				
Executive Directors				
Mr. Man Hoi Yuen ("**Mr. Man**") *(note (a))*	–	901	14	915
Ms. Ng Yuen Chun ("**Mrs. Man**") *(note (f))*	–	310	14	324
Mr. Ho Chi Hong *(note (f))*	–	726	14	740
Mr. Zheng Gang *(note (b))*	–	270	–	270
Mr. Lin Zheng *(note (b))*	–	–	–	–
Mr. Zheng Chenhui	–	360	18	378
Mr. Liang Wenzhi *(note (g))*	–	41	2	43
Mr. Han Dongguang *(note (g))*	–	41	2	43
Mr. Kang Ruipeng ("**Mr. Kang**") *(note (g))*	–	41	2	43
Non-executive Directors				
Mr. Chen Jian *(note (f))*	–	–	–	–
Mr. Chen Yidong	180	–	–	180
Mr. Zhou Danqing *(note (g))*	102	–	–	102
Independent non-executive directors				
Mr. Chan Ka Yu *(note (f))*	150	–	–	150
Dr. Lo Ki Chiu *(note (f))*	150	–	–	150
Mr. Leung Wai Lim *(note (f))*	150	–	–	150
Mr. Ma Hon Yiu *(note (e))*	150	–	–	150
Mr. He Jianyu *(note (g))*	41	–	–	41
Mr. Zhou Di *(note (g))*	41	–	–	41
Ms. Meng Xiaoying *(note (g))*	41	–	–	41
Mr. Cheng Pak Lam *(note (g))*	41	–	–	41
	1,046	2,690	66	3,802

Notes:

(a) Mr. Man resigned as the executive director on 3 January 2024, and director's quarter for Mr. Man has been recognised as lease liability and corresponding right-of-use assets as set out in note 8.

(b) Mr. Zheng Gang and Mr. Lin Zheng resigned as the executive directors on 3 January 2024.

(c) Mr. Zheng Chenhui retired as the executive director on 23 August 2024.

(d) Mr. Chen Yidong retired as the non-executive director on 23 August 2024.

(e) Mr. Ma Hon Yiu resigned as the independent non-executive director on 3 January 2024.

(f) Mrs. Man and Mr. Ho Chi Hong resigned as the executive directors and Mr. Chen Jian resigned as the non-executive director and Mr. Chan Ka Yu, Dr. Lo Ki Chiu, and Mr. Leung Wai Lim resigned as the independent non-executive directors on 3 January 2024.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Notes: (Continued)

(g) Mr. Liang Wenzhi, Mr. Han Dongguang and Mr. Kang were appointed as the executive directors; Mr. Zhou Danqing was appointed as the non-executive director and Mr. He Jianyu, Mr. Zhou Di, Ms. Meng Xiaoying and Mr. Cheng Pak Lam were appointed as the independent non-executive directors on 29 November 2023.

(h) Mr. Zhou Danqing retired as the non-executive directors on 23 August 2024.

(i) Mr. Liang Wenzhi resigned as the Chairman and executive director and Mr. Zhou Di and Ms. Meng Xiaoying resigned as independent non-executive director on 6 November 2024.

(j) Ms. Ya Li was appointed as the independent non-executive director on 31 December 2024.

(k) Mr. Han Dongguang resigned as an executive director on 6 June 2025 and Mr. He Jianyu resigned as an independent non-executive director on 6 June 2025.

During the year ended 31 March 2025, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: nil).

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments and non-executive directors shown above were mainly for their services as directors of the Company.

13. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Of the five individuals with the highest emoluments, none (2024: two) of them are directors for the year ended 31 March 2025. The emoluments in respect of the remaining five (2024: three) individuals for the years ended 31 March 2025 and 2024 are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, allowances and other benefits in kind	**3,818**	2,100
Retirement scheme contributions	**90**	54
	3,908	2,154

The emoluments fell within the following bands:

	2025	2024
Emolument bands:		
Below HK$1,000,000	**4**	3
HK$1,000,001–HK$1,500,000	**1**	0

During the year ended 31 March 2025, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2024: nil).

14. SUBSIDIARIES OF THE COMPANY

Particulars of principal subsidiaries at 31 March 2025 and 2024 are as follows:

Name of subsidiary	Legal form, date and place of incorporation/ operations	Particulars of issued and paid up capital	Attributable equity interest		Principal activities
			2025	2024	
Link Shing Holdings Ltd. ("**Link Shing**")	Limited liability company incorporated on 11 May 2018, British Virgin Islands ("**BVI**")	United States dollars ("**US$**") 100	**100% (direct)**	100% (direct)	Investment holding
Yield Go Investment Group Limited	Limited liability company incorporated on 12 May 2022, BVI	US$100	**N/A**	100% (direct)	Investment holding
Tianma Energy Limited	Limited liability company incorporated on 12 January 2024, Hong Kong	HK$1 (not yet paid up)	**100% (direct)**	100% (direct)	Investment holding
Yield Go Investment Holdings Limited	Limited liability company incorporated on 4 May 2022, Hong Kong	HK$1	**N/A**	100% (indirect)	Dormant
Chun Shing Development Co., Limited ("**Chun Shing Development**")	Limited liability company incorporated on 29 January 2015, Hong Kong	HK$1	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials
Hoi Sing Construction (H.K.) Limited	Limited liability company incorporated on 21 February 2001, Hong Kong	HK$2	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Hoi Sing Decoration Engineering Company Limited ("**Hoi Sing Decoration**")	Limited liability company incorporated on 21 September 1995, Hong Kong	HK$110,000	**100% (indirect)**	100% (indirect)	Provision of fitting-out services
Milieu Wooden Company Limited ("**Milieu**")	Limited liability company incorporated on 16 December 2010, Hong Kong	HK$100,000	**100% (indirect)**	100% (indirect)	Provision of fitting-out services and supply of fitting-out materials
深圳市星躍新能源有限公司	Limited liability company incorporated on 1 August 2024, China	RMB10,000,000 (not yet paid up)	**100% (indirect)**	N/A	Dormant

14. SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of subsidiary	Legal form, date and place of incorporation/ operations	Particulars of issued and paid up capital	Attributable equity interest		Principal activities
			2025	2024	
Guokang Holdings Limited	Limited liability company incorporated on 7 June 2024, BVI	US$1 (not yet paid up)	**100% (direct)**	N/A	Dormant
Asia Pacific Innovation Investment Holding Group Co., Ltd	Limited liability company incorporated on 23 May 2024, BVI	US$1 (not yet paid up)	**100% (direct)**	N/A	Dormant
Shuke Industrial Development Co., Ltd	Limited liability company incorporated on 24 June 2024, BVI	US$1 (not yet paid up)	**100% (direct)**	N/A	Dormant
Global Reform Limited	Limited liability company incorporated on 19 May 2023, BVI	US$50,000 (not yet paid up)	**100% (direct)**	N/A	Investment holding
Sanitic Technology Limited	Limited liability company incorporated on 6 April 2023, Hong Kong	HK$2 (not yet paid up)	**100% (indirect)**	N/A	Dormant

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipments HK$'000	Motor Vehicle HK$'000	Leasehold improvement HK$'000	Total HK$'000
Cost				
As at 1 April 2023 and 31 March 2024	990	1,444	1,722	4,156
Accumulated depreciation				
As at 1 April 2023	800	1,444	1,722	3,966
Charge for the year	183	–	–	183
As at 31 March 2024	983	1,444	1,722	4,149
Net book value				
As at 31 March 2024	7	–	–	7
Cost				
As at 1 April 2024 and 31 March 2025	**990**	**1,444**	**1,722**	**4,156**
Accumulated depreciation				
As at 1 April 2024	**983**	**1,444**	**1,722**	**4,149**
Charge for the year	**7**	**–**	**–**	**7**
As at 31 March 2025	**990**	**1,444**	**1,722**	**4,156**
Net book value				
As at 31 March 2025	**–**	**–**	**–**	**–**

16. RIGHT-OF-USE ASSETS

	HK$'000
Cost	
As at 1 April 2023	4,730
Lease modification	107
As at 31 March 2024 and 1 April 2024	**4,837**
Addition	**818**
Lease modification	**933**
Written off	**(1,721)**
As at 31 March 2025	**4,867**
Accumulated depreciation	
As at 1 April 2023	2,958
Charge for the year	952
As at 31 March 2024 and 1 April 2024	**3,910**
Charge for the year	**980**
Written off	**(1,648)**
As at 31 March 2025	**3,242**
Net book value	
As at 31 March 2025	**1,625**
As at 31 March 2024	927

As at 31 March 2025 and 2024, included in the carrying amount is the right-of-use assets related to an office premise, a staff quarter and two carparks, which have been depreciated over the lease period of 24 months on a straight line basis.

17. TRADE AND OTHER RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Trade receivables	**18,182**	12,540
Less: ECL allowance	**–**	–
Trade receivables – net *(note (a))*	**18,182**	12,540
Retention receivables *(note (b))*	**4,401**	13,766
Other receivables, deposits and prepayments *(note (c))*	**2,958**	2,612
	25,541	28,918

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Trade receivables – net

The credit period granted to customers are 30 days generally. The ageing analysis of the trade receivables based on invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0–30 days	**18,182**	12,540

During the year ended 31 March 2025, reversal of ECL allowance of approximately HK$Nil (2024: reversal of ECL allowance of approximately HK$3,000) were made against the gross amount of trade receivables (note 33.2).

(b) Retention receivables

Retention receivables were not past due as at 31 March 2025, and were due for settlement in accordance with the terms of respective contract (2024: nil).

The Group generally allows 5% to 10% of total contract price of its contracts as retention, which are unsecured, interest-free and recoverable at the completion of the defects liability period of individual contracts which range from 16 months to 18 months from the date of the completion of the respective contract.

The due date for settlement of the Group's retention receivables based on the completion of defects liability period as at 31 March 2025 and 2024 are as follows:

	2025 HK$'000	2024 HK$'000
Due within one year	**4,401**	13,766

During the year ended 31 March 2025, write-off of retention receivables amounted to HK$6,395,000 (31 March 2024: HK$1,000,000) and additional provision of ECL allowance of approximately HK$1,374,000 (2024: reversal of ECL allowance of approximately HK$8,000) were made (note 33.2).

(c) Other receivables, deposits and prepayments

	2025 HK$'000	2024 HK$'000
Other receivables	**1,530**	1,038
Deposits	**213**	200
Prepayments *(note (i))*	**1,260**	1,405
	3,003	2,643
Less: ECL allowance *(note (ii))*	**(45)**	(31)
Balance at 31 March	**2,958**	2,612

Notes:

(i) Prepayment included payment in advance to suppliers of approximately HK$770,000 (2024: approximately HK$933,000).

(ii) During the year ended 31 March 2025, additional provision of ECL allowance of approximately HK$14,000 (2024: reversal of ECL allowance of approximately HK$72,000) were made (note 33.2).

18. CONTRACT ASSETS AND LIABILITIES

The Group has recognised the following revenue-related contract assets and liabilities:

	2025 HK$'000	2024 HK$'000
Contract assets	**109,693**	125,846
Less: ECL allowance	**(14,874)**	(2,635)
Contract assets – net	**94,819**	123,211
Contract liabilities	**(9,094)**	(4,036)
	85,725	119,175

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional upon rendering of the billings. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services. During the year ended 31 March 2025, additional provision of ECL allowance of approximately HK$12,239,000 (2024: approximately HK$2,551,000) were made against the gross amounts of contract assets (note 33.2).

As at 31 March 2025, the decrease in contract assets is mainly due to increase in transfer to trade receivables when the rights become unconditional upon rendering of the billings. The increase in contract liabilities is mainly due to increase in advance consideration received. The following table shows how much of the revenue recognised in the respective reporting period relates to carried-forward contract assets and contract liabilities.

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**4,036**	2,735
Transfers from the contract assets recognised at the beginning of the year to trade receivables	**(87,365)**	(75,945)

19. CASH AND BANK BALANCES

	2025 HK$'000	2024 HK$'000
Cash at banks	**43,089**	49,527

Note: Cash at banks earns interest at floating rates based on daily bank deposit rates.

20. RESTRICTED CASH

Restricted cash represented deposits held at an insurance company for faithful performance in accordance with the terms of the contract between the Group and the customer.

21. TRADE AND OTHER PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables *(note (a))*	**9,018**	28,050
Accruals and other payables *(note (b))*	**6,110**	4,985
	15,128	33,035

Notes:

(a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally.

The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK$'000	2024 HK$'000
0–30 days	**8,178**	21,974
31–60 days	**–**	2,025
61–90 days	**–**	3,152
Over 90 days	**840**	899
	9,018	28,050

(b) Accruals and other payables mainly comprise (i) accrued salaries of approximately HK$2,414,000 (2024: HK$3,137,000); (ii) accrued refund in relation to Employment Support Scheme for Construction Sector (Casual Employees) under Anti-epidemic Fund of approximately HK$173,000 (2024: HK389,000); (iii) advance from subcontractors of approximately HK$14,000 (2024: HK$14,000) and (iv) accrued professional fees of approximately HK$1,534,000 (2024: HK$950,000).

22. AMOUNT DUE TO A DIRECTOR

Name of director	2025 HK$'000	2024 HK$'000
Mr. Kang	71	1

As at 31 March 2025, the balance was denominated in HK$. The amount due to a director was non-trade nature, unsecured, interest-free and repayable on demand.

23. LEASE LIABILITIES

The analysis of the Group's obligations under lease is as follows:

	2025 HK$'000	2024 HK$'000
Total minimum lease payments:		
Within one year	966	926
After one year but within two years	740	47
	1,706	973
Future finance charges on lease liabilities	(74)	(25)
Present value of lease liabilities	1,632	948
Present value of minimum lease payments:		
Within one year	908	902
After one year but within two years	724	46
	1,632	948
Less: Portion due within one year included under current liabilities	(908)	(902)
Portion due after one year included under non-current liabilities	724	46

Note: As at 31 March 2025, the carrying amounts of the Group's right-of-use assets in relation to an office premise, a staff quarter and two carparks are HK$1,625,000 (2024: HK$927,000) (note 16).

During the year ended 31 March 2025, the Group had three lease agreements comprising one office premise, one staff quarter and two carparks for 2 years with total cash outflows for the leases of HK$1,029,000 (2024: HK$1,000,000). The Group considered that no extension option or termination option would be exercised at the lease commencement date.

24. BORROWINGS

	2025 HK$'000	2024 HK$'000
Borrowings	**50,897**	48,000

All the borrowings are analysed as follows:

	2025 HK$'000	2024 HK$'000
Within one year and amount shown under current liabilities	**–**	48,000
Within two to five years and amount shown under non-current liabilities	**50,897**	–
Total	**50,897**	48,000

The amounts due are based on the schedule repayment dates set out in the loan agreements. The carrying amounts of the borrowings approximately equal to their fair values, as the market interest rates are relatively stable and are denominated in HK$.

As at 31 March 2024, borrowings granted from non-bank financial institution were unsecured and the interest rate of the borrowings were charged at 12% per annum and repayable on maturity date.

In May 2024, the loan principal and interest have been extended to May 2025 under a supplemental agreement with the non-bank financial institution. The Group made partial settlement and in August 2024, unsettled principal of HK$31,097,000 and interest have been assigned from non-bank financial institution to a former director of the Company and certain subsidiaries. The terms of the borrowing remained unchanged after the assignment.

In December 2024, the Group entered into a refinancing arrangement with the former director of the Company and certain subsidiaries to extend the repayment date of borrowing to December 2027 with interest rate of 10% per annum. The amount outstanding was HK$28,897,000 as at 31 March 2025.

During the year, the Group borrowed HK$22,000,000 with interest rate of 6% per annum from a third party. The loan is unsecured and is repayable in July 2027.

25. BANKING FACILITIES

As at 31 March 2025 and 2024, the Group had no unutilised banking facilities for borrowings.

26. LONG SERVICE PAYMENT OBLIGATIONS

Pursuant to the Hong Kong Employment Ordinance, Chapter 57, Hong Kong employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme, with an overall cap of HK$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligations.

In June 2022, the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Amendment Ordinance takes effect on 1 May 2025 (the "**Transition Date**"). Separately, the Government has indicated that it would launch a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The benefit payment under LSP remains capped at HK$390,000 per employee. If an employee's total benefit payment exceeds HK$390,000, the amount in excess of the cap is deducted from the portion accrued from the Transition Date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in Note 2.14 to the consolidated financial statements.

26. LONG SERVICE PAYMENT OBLIGATIONS (CONTINUED)

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP obligations with respect to Hong Kong employees.

The present value of unfunded LSP obligations and its movements are as follows:

	2025 **HK$'000**	2024 HK$'000
At 1 April	**–**	–
Expenses recognised in profit or loss		
– Current service cost	**895**	–
At 31 March	**895**	–

The current service cost and past service cost are included in employee benefits expenses. They are recognised in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2025 **HK$'000**	2024 HK$'000
Direct costs	**510**	–
Administrative expenses	**385**	–
	895	–

26. LONG SERVICE PAYMENT OBLIGATIONS (CONTINUED)

Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	2025	2024
Discount rate	**3.835%**	N/A
Salary growth rate	**5%**	N/A

These assumptions were developed by management. Discount factors are determined close to each period-end by reference to market yields of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and management's historical experience. The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 3.51 years (2024: N/A).

Expected maturity analysis of undiscounted LSP obligations in the next 8.54 years as at 31 March 2025 is disclosed as follows:

	Within 1 year HK$'000	**Over 1 year but within 2 years HK$'000**	**Over 2 years but within 5 years HK$'000**	**Over 5 years HK$'000**
31 March 2025				
LSP obligations	16	85	832	67

The LSP obligations expose the Group to actuarial risks such as interest rate risk, salary risk and the investment risk of the Group's MPF scheme's constituent funds.

26. LONG SERVICE PAYMENT OBLIGATIONS (CONTINUED)

Changes in the significant actuarial assumptions

The calculation of the LSP obligations is sensitive to the significant actuarial assumptions mentioned above. The following table summarises the effects of changes in these actuarial assumptions on the LSP obligations at the end of each reporting periods.

	Impact on LSP obligations		
	Changes in assumption	**Increase in the assumption** HK$'000	**Decrease in the assumption** HK$'000
As at 31 March 2025			
Discount rate	5%	(149)	149
Salary growth rate	5%	1	(1)

The sensitivity analyses presented above may not be representative of actual change in the LSP obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. When calculating the sensitivity of the LSP obligation to significant actuarial assumptions, the same actuarial valuation method has been applied when calculating the LSP obligations recognised in the consolidated statement of financial position.

27. SHARE CAPITAL

	Number of ordinary shares	**Share capital HK$'000**
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2024 and 2025	**1,000,000,000**	**10,000**
Issued and fully paid:		
At 31 March 2024 and 2025	**480,000,000**	**4,800**

28. RESERVES

28.1 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 expenses incurred in connection with the issue of the shares.

28.2 Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation.

29. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2025 **HK$'000**	2024 HK$'000
ASSETS AND LIABILITIES		
Non-current asset		
Investment in subsidiaries	**82,781**	82,391
Current assets		
Prepayments	**169**	219
Cash and bank balances	**435**	436
	604	655
Current liabilities		
Accruals	**1,804**	1,135
Amount due to a subsidiary	**9,128**	6,592
	10,932	7,727
Net current liabilities	**(10,328)**	(7,072)
Net assets	**72,453**	75,319
CAPITAL AND RESERVES		
Share capital	**4,800**	4,800
Reserve *(note a)*	**67,653**	70,519
Total equity	**72,453**	75,319

Approved and authorised for issue by the board of directors on 27 June 2025.

Mr. Deng Houhua
Director

Mr. Kang Ruipeng
Director

29. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (CONTINUED)

Note (a):

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance as at 1 April 2023	105,059	(30,587)	74,472
Loss and total comprehensive expense for the year	–	(3,953)	(3,953)
Balance as at 31 March 2024 and 1 April 2024	**105,059**	**(34,540)**	**70,519**
Loss and total comprehensive expense for the year	**–**	**(2,866)**	**(2,866)**
Balance as at 31 March 2025	**105,059**	**(37,406)**	**67,653**

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Interest payables HK$'000	Borrowings HK$'000	Lease liabilities HK$'000	Amount due to a director HK$'000	Total HK$'000
As at 1 April 2023	5,097	48,000	1,777	–	54,874
Cash flows:					
Capital element of lease rental paid	–	–	(936)	–	(936)
Interest element of lease rental paid	–	–	(64)	–	(64)
Increase in amount due to a director	–	–	–	1	1
Non-cash:					
Lease modification	–	–	107	–	107
Interest on borrowings	5,776	–	–	–	5,776
Finance charges on lease liabilities	–	–	64	–	64
As at 31 March 2024 and 1 April 2024	**10,873**	**48,000**	**948**	**1**	**59,822**
Cash flows:					
Capital element of lease rental paid	**–**	**–**	**(994)**	**–**	**(994)**
Interest element of lease rental paid	**–**	**–**	**(35)**	**–**	**(35)**
Increase in amount due to a director	**–**	**–**	**–**	**70**	**70**
Interest on borrowings paid	**(5,097)**	**–**	**–**	**–**	**(5,097)**
Borrowings paid	**–**	**(19,103)**	**–**	**–**	**(19,103)**
Proceeds from borrowings	**–**	**22,000**	**–**	**–**	**22,000**
Non-cash:					
Written off lease liabilities	**–**	**–**	**(73)**	**–**	**(73)**
Lease modification	**–**	**–**	**818**	**–**	**818**
Entering into new lease	**–**	**–**	**933**	**–**	**933**
Interest on borrowings	**5,021**	**–**	**–**	**–**	**5,021**
Finance charges on lease liabilities	**–**	**–**	**35**	**–**	**35**
As at 31 March 2025	**10,797**	**50,897**	**1,632**	**71**	**63,397**

31. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2025 **HK$'000**	2024 HK$'000
Property, plant and equipment	**92**	92

32. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Key management personnel remuneration

The emoluments of the directors and senior management of the Group, who represent the key management personnel during the years are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, fee, allowances and other benefits	**2,368**	4,469
Retirement benefit scheme contributions	**53**	92
	2,421	4,561

33. FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include trade and other receivables, cash and bank balances, restricted cash, trade and other payables, amount due to a director, lease liabilities, interest payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, liquidity risk and credit risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

33.1 Categories of financial assets and liabilities

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

	2025 **HK$'000**	2024 HK$'000
Financial assets		
At amortised cost:		
Trade and other receivables	**24,181**	27,513
Cash and bank balances	**43,089**	49,527
Restricted cash	**–**	3,046
	67,370	80,086
Financial liabilities		
At amortised cost:		
Trade and other payables	**15,128**	33,035
Amount due to a director	**71**	1
Lease liabilities	**1,632**	948
Interest payables	**10,797**	10,873
Borrowings	**50,897**	48,000
	78,525	92,857

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk

(i) Currency risk

The assets and liabilities of each company within the Group are mainly denominated in their respective functional currencies. No sensitivity analysis is presented due to the directors are of the opinion that the volatility of the Group's losses against changes in exchange rates of foreign currencies arising from these assets and liabilities is insignificant.

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group currently does not have a formal interest rate hedging policy in relation to cash flow and fair value interest rate risks as the management considers that such risks are insignificant to the Group. The management monitors the Group's exposure on an ongoing basis and will consider hedging the interest rate when the need arise.

The interest rates and terms of repayment of the Group's interest-bearing borrowings are disclosed in note 24.

As at 31 March 2025 and 2024, borrowings bearing fixed rate expose the Group to fair value interest rate risk and the exposure to the Group is considered immaterial.

(iii) 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 operations and from its investing activities.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at 31 March 2025 and 2024 is limited to the carrying amount as disclosed in note 33.1.

The Group uses four categories for those receivables which reflect their credit risk and how the loss allowance provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iii) Credit risk (Continued)

The following table shows the Group's credit risk grading framework:

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

Trade receivables, retention receivables and contract assets

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables, retention receivables and contract assets.

The Group has a concentration of credit risk in respect of trade and retention receivables and contract assets. As at 31 March 2025, there were two customers (2024: four customers) which individually contributed over 10% of the Group's trade and retention receivables and contract assets. The aggregate amounts from these customers amounted to 88.7% (2024: 84.1%) of the Group's trade and retention receivables and contract assets as at 31 March 2025. The Group has set up long-term cooperative relationship with these debtors. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk, inherent in the Group's outstanding receivables balance due from these debtors.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iii) Credit risk (Continued)

Trade receivables, retention receivables and contract assets (Continued)

Based on historical and forward-looking elements of the Group, the movement in the provision for loss allowance in respect of trade receivables, retention receivables and contract assets during the years ended 31 March 2025 and 2024 were as follows:

	Trade receivables HK$'000	Retention receivables HK$'000	Contract assets HK$'000	Total HK$'000
As at 1 April 2023	3	287	84	374
Additional provision/(Reversal) for the year	(3)	(8)	2,551	2,540
As at 31 March 2024 and 1 April 2024	**–**	**279**	**2,635**	**2,914**
Additional provision for the year	**–**	**1,374**	**12,239**	**13,613**
As at 31 March 2025	**–**	**1,653**	**14,874**	**16,527**

During the year ended 31 March 2025, the management reviewed and re-assessed the ECL on certain balances of long outstanding contract assets which have no significant progress, taking into account a number of factors including but not limited to age of contract assets, length of inactiveness, the background of customers and relationship with these customers. As a result, additional provision of ECL on contract assets amounting to HK$12,239,000 has been recognised for the year (2024: additional provision of ECL allowance of approximately HK$2,551,000).

Deposits and other receivables

The Group considered the ECL is low based on historical settlement records and past experiences and the counterparties have a strong capacity to meet its contractual cash flow obligations in the near term. During the year ended 31 March 2025, additional provision of ECL allowance of approximately HK$14,000 (2024: reversal of ECL allowance of approximately HK$72,000) were made against the gross amount of deposits and other receivables.

Cash and bank balances and restricted cash

Bank balances were placed at financial institutions that have sound credit rating. The risk of default is low and the Group considers the credit risk to be insignificant.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.2 Market risk (Continued)

(iv) Liquidity risk

Liquidity risk refers to the risk in which the Group will not be able to meet its obligations with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and accruals and its financing obligations, and also in respect of its cash flow management.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the reporting date) and the earliest date the Group may be required to pay.

	Within one year or on demand HK$'000	Over one year but within two years HK$'000	Over two years but within five years HK$'000	Total contractual cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2025					
Trade and other payables	**15,128**	**–**	**–**	**15,128**	**15,128**
Amount due to a director	**71**	**–**	**–**	**71**	**71**
Lease liabilities	**966**	**740**	**–**	**1,706**	**1,632**
Borrowings	**–**	**–**	**50,897**	**50,897**	**50,897**
Interest payables	**–**	**–**	**10,797**	**10,797**	**10,797**
	16,165	**740**	**61,694**	**78,599**	**78,525**
As at 31 March 2024					
Trade and other payables	33,035	–	–	33,035	33,035
Amount due to a director	1	–	–	1	1
Lease liabilities	926	47	–	973	948
Borrowings	48,663	–	–	48,663	48,000
Interest payables	10,873	–	–	10,873	10,873
	93,498	47	–	93,545	92,857

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

33.3 Fair value

The directors consider the carrying amounts of the Group's financial assets and financial liabilities are approximate to their fair value because of the immediate or short term maturity of these financial instruments.

34. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities, lease liabilities, interest payables and amount due to a director divided by the total equity.

The gearing ratios of the Group are as follows:

	2025 **HK$'000**	2024 HK$'000
Total debt	**63,397**	59,822
Total equity	**76,560**	108,743
Gearing ratio	**82.8%**	55.0%

Summary of Financial Information

The financial summary of the Group for the last five years is set as follows:

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**263,927**	460,270	205,872	232,203	278,182
Direct costs	**(258,405)**	(440,021)	(193,750)	(222,313)	(306,323)
Gross profit/(loss)	**5,522**	20,249	12,122	9,890	(28,141)
Other gains	**6**	290	1	148	11,627
Administrative and other operating expenses	**(19,028)**	(16,670)	(24,882)	(12,635)	(14,147)
(Provision)/Reversal for expected credit losses allowance on trade and other receivables and contract assets, net	**(13,627)**	(2,468)	(396)	3	(190)
Finance costs	**(5,056)**	(5,840)	(5,508)	(1,432)	(1,703)
Losses before income tax	**(32,183)**	(4,439)	(18,663)	(4,026)	(32,554)
Income tax	**–**	–	–	6	39
Loss and total comprehensive expense for the year attributable to equity holders of the Company	**(32,183)**	(4,439)	(18,663)	(4,020)	(32,515)
Loss per share attributable to equity holders of the Company: – Basic and diluted	**(HK6.70 cents)**	(HK0.92 cents)	(HK3.89 cents)	(HK0.84 cents)	(HK6.77 cents)

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Non-current assets	**1,625**	934	1,962	1,298	2,339
Current assets	**163,449**	204,702	193,268	206,548	208,210
Non-current liabilities	**(63,313)**	(46)	(53,947)	(44)	(842)
Current liabilities	**(25,201)**	(96,847)	(28,101)	(75,957)	(73,842)
Total equity	**76,560**	108,743	113,182	131,845	135,865