



UNITY GROUP
知行集團

2024/25

Annual Report 年報

Unity Group Holdings International Limited

知行集團控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1539





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FINANCIAL SUMMARY

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	157,371	92,619	46,550	80,434	53,784
Continuing operations	157,371	92,619	46,550	80,434	53,784
Leasing services of energy saving systems and products	85,134	39,322	20,453	6,603	9,826
Trading of energy saving products	65,033	40,278	18,538	64,646	24,873
Consultancy service	7,204	12,931	4,863	9,185	19,085
Renewable energy service	–	88	2,696	–	–
Discontinued operations	–	–	–	–	–
Gross profit	93,385	56,744	27,713	32,563	26,376
Continuing operations	93,385	56,744	27,713	32,563	26,376
Discontinued operations	–	–	–	–	–
EBITDA (note 1)	48,301	20,969	(8,617)	(341,351)	(246,211)
EBIT (note 1)	45,151	18,168	(11,395)	(346,541)	(251,237)
Profit/(loss) for the year	39,597	11,602	(24,014)	(386,905)	(282,534)
Basic earnings/(loss) per share (HK cents)	1.04	0.28	(1.05)	(22.80)	(20.01)
Diluted earnings/(loss) per share (HK cents)	1.03	0.08	(1.05)	(22.80)	(20.01)
Adjusted profit/(loss) for the year excluding major extraordinary items (note 2)	35,222	36,311	(63,671)	(77,789)	(197,895)
Adjusted basic earnings/(loss) per share (HK cents) (note 2)	0.91	1.09	(2.71)	(4.64)	(14.15)
Adjusted diluted earnings/(loss) per share (HK cents) (note 2)	0.90	1.05	(2.71)	(4.64)	(14.15)
Total assets	565,908	468,382	373,638	417,811	404,890
Total liabilities	372,184	154,272	246,986	272,170	350,341
Net assets	193,724	314,110	126,652	145,641	54,549

FINANCIAL SUMMARY

Note 1: EBITDA is defined as earnings before interest expenses and other finance costs, tax and depreciation. EBIT is defined as earnings before interest expenses and other finance costs and tax. Both EBITDA and EBIT are not measures of performance under HKFRS Accounting Standards.

Note 2: Amounts are calculated based on adjusted profit/(loss) for the year after excluding major extraordinary items as defined by the Group's management. Details of which can be referred to page 8 of this report. Adjusted profit/(loss) for the year excluding extraordinary items is not a measure of performance under HKFRS Accounting Standards.

- The Group's revenue increased by 70% from approximately HK\$92.6 million for the year ended 31 March 2024 to approximately HK\$157.4 million for the year ended 31 March 2025.
- The Group's gross profit increased by 64.7% from approximately HK\$56.7 million for the year ended 31 March 2024 to approximately HK\$93.4 million for the year ended 31 March 2025.
- The Group's EBITDA increased from approximately HK\$21.0 million for the year end 31 March 2024 to approximately HK\$48.3 million for the year ended 31 March 2025.
- The Group's profit for the year increased from approximately HK\$11.6 million for the year ended 31 March 2024 to approximately HK\$39.6 million for the year ended 31 March 2025.
- The Group's adjusted profit excluding major extraordinary items decreased slightly from approximately HK\$36.3 million for the year ended 31 March 2024 to approximately HK\$35.2 million for the year ended 31 March 2025 as a result of impact from provision of expected credit losses on financial assets.
- Basic and diluted earnings per share increased from approximately HK0.28 cents and HK0.08 cents, respectively, for the year ended 31 March 2024 to approximately HK1.04 cents and HK1.03 cents, respectively, for the year ended 31 March 2025.
- Adjusted basic and diluted earnings per share were approximately HK1.09 cents and HK1.05 cents, respectively, for the year ended 31 March 2024 while adjusted basic and diluted earnings per share were approximately HK0.91 cent and HK0.90 cent, respectively, for the year ended 31 March 2025.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2025 (the "**Year**").

I am thrilled to share that we are actively preparing for a potential secondary listing in Malaysia. This potential listing will not only broaden our investor base but also strengthen our dedication to sustainable practices in the region.

Committed to innovation, we are enhancing our Digital ESG Vertical Farming efforts. We believe this does not only optimise resource efficiency, but also contributes significantly to sustainable food production, aligning with our environmental objectives.

In addition, I am proud to announce that we have launched the world's first carbon credit ESG lighting system, a breakthrough that highlights our commitment to minimise carbon footprints and setting new standards through eco-friendly technology.

Thank you for your continued support as we strive to lead in sustainability and innovation. I want to extend my heartfelt gratitude to our shareholders for their unwavering support and to our exceptional team for their hard work over the past year. United, we will sustain our success, fostering collaboration to create a brighter future for everyone.

Sincerely,

Wong Man Fai Mansfield

Chairman, Chief Executive Officer and Executive Director



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

The total revenue of the Group was approximately HK\$157.4 million for the year ended 31 March 2025, representing an increase of approximately 70.0% as compared to approximately HK\$92.6 million for the year ended 31 March 2024.

An analysis of revenue is presented as follows:

	Note	2025 HK\$'000	2024 HK\$'000
Leasing service of energy saving systems and products			
Malaysia Project	(a)	82,814	36,160
Others		2,320	3,162
Trading of energy saving products	(b)	65,033	40,278
Consultancy service income	(c)	7,204	12,931
Renewable energy service income	(d)	-	88
		157,371	92,619

Notes:

- (a) This refers to the "Light Source in the Darkness" project in Malaysia (the "**Malaysia Project**"), which helps local condominiums to solve their lighting problems and achieve energy efficiency at the same time. The Malaysia Project is receiving a lot of compliments from customers and government support locally. The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights by 2025. During the year ended 31 March 2025, installation of approximately 243,000 (2024: 121,000) LED lights had been completed under the Malaysia Project, which led to an increase of revenue from approximately HK\$36.2 million for the year ended 31 March 2024 to approximately HK\$82.8 million for the year ended 31 March 2025.

The customers under the Malaysia Project mainly represents management offices of local condominiums in Malaysia. The Malaysia Project helps the local condominiums to save energy and lighting cost and revenue is recorded as finance lease income under the relevant accounting standards. During the year, the Malaysia Project served 170 (2024: 81) customers. An analysis of the contribution of finance lease receivables by the five largest customers under the Malaysia Project is presented as follows:

	As at 31 March 2025 HK\$'million	As at 31 March 2024 HK\$'million
Total finance lease receivables from the five largest customers	24.4	9.3
Total finance lease receivables	116.1	43.7
% contribution by the five largest customers	21.0%	21.3%

- (b) This refers to revenue from trading of lighting products of the Group. The increase was due to increase in demand from existing trading customers.
- (c) The decrease was due to the decrease in the number of consultancy projects from three for the year ended 31 March 2024 to one for the year ended 31 March 2025.
- (d) There were no solar photovoltaic systems installation project during the year ended 31 March 2025, hence the renewable energy service income decreased.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gross profit margin decreased from approximately 61.3% for the year ended 31 March 2024 to approximately 59.3% for the year ended 31 March 2025 mainly due to the reduction of profit margin with trading customers.

Other income and expenses, net

The Group's net other income for the year ended 31 March 2024 of approximately HK\$10.9 million was mainly comprised of the combined effect on (i) interest income of approximately HK\$0.7 million; (ii) reversal of expected credit loss on financial assets of approximately HK\$20.3 million; (iii) change in fair value through profit or loss in relation to convertible bonds of approximately HK\$14.4 million and amortisation of deferred day-one loss in relation to convertible bonds of approximately HK\$8.6 million; and (iv) fair value loss on equity investment at fair value through profit or loss ("FVTPL") of approximately HK\$15.1 million.

The Group's net other expense for the year ended 31 March 2025 of approximately HK\$16.9 million was mainly comprised of the combined effect on (i) interest income of approximately HK\$1.5 million; (ii) provision for expected credit loss on financial assets of approximately HK\$14.4 million; (iii) change in fair value through profit or loss in relation to convertible bonds of approximately HK\$0.7 million and amortisation of deferred day-one loss in relation to convertible bonds of approximately HK\$1.5 million; and (iv) fair value loss on equity investment at FVTPL of approximately HK\$3.7 million.

Further to the above, a gain on modification of financial assets of approximately HK\$39.2 million was recognised during the year ended 31 March 2025 as a result of restructuring of trade receivables with various debtors.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 March 2025 was approximately HK\$10.1 million, increasing from approximately HK\$5.6 million for the year ended 31 March 2024. The increase was mainly due to (i) the increase of sales commission from approximately HK\$0.7 million for the year ended 31 March 2024 to approximately HK\$1.1 million for the year ended 31 March 2025; and (ii) the increase of advertising and promotion expenses from approximately HK\$1.0 million for the year ended 31 March 2024 to approximately HK\$4.5 million for the year ended 31 March 2025.

Administrative expenses

The Group's administrative expenses increased from approximately HK\$46.6 million for the year ended 31 March 2024 to approximately HK\$56.6 million for the year ended 31 March 2025.

The increase was the combined effect of the (i) increase in legal and professional fees from approximately HK\$4.7 million for the year ended 31 March 2024 to approximately HK\$6.3 million for the year ended 31 March 2025; and (ii) increase in employee benefit expenses from approximately HK\$19.2 million for the year ended 31 March 2024 to approximately HK\$32.9 million for the year ended 31 March 2025, as a result of increase in equity-settled share option expenses by approximately HK\$12.7 million; partially off-set by the decrease in currency exchange loss from approximately HK\$6.9 million for the year ended 31 March 2024 to approximately HK\$2.5 million for the year ended 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The Group's finance costs increased from approximately HK\$3.0 million for the year ended 31 March 2024 to approximately HK\$6.3 million for the year ended 31 March 2025.

The increase was mainly due to (i) the increase of interest from borrowings from approximately HK\$1.4 million for the year ended 31 March 2024 to approximately HK\$2.8 million for the year ended 31 March 2025; and (ii) the increase of interest expenses as a result of the Scheme from approximately HK\$1.3 million for the year ended 31 March 2024 to approximately HK\$3.1 million for the year ended 31 March 2025.

Income tax credit/(expense)

The Group recognised income tax credit amounted to approximately HK\$0.8 million for the year ended 31 March 2025, which was mainly attributable to the deferred tax effect of tax losses and impairment losses. While for the year ended 31 March 2024, an income tax expense approximately HK\$3.6 million was recognised, of which attributable to the deferred tax effect of tax losses and impairment losses.

Share of results of associates

The Group's share of results of associates for the year ended 31 March 2025 was a loss of approximately HK\$4.0 million, which decreased from a profit of approximately HK\$2.7 million for the year ended 31 March 2024. The decrease was mainly due to the one-off loss resulted from early settlement of certain trade receivables of KSL Group (as defined below).

EBITDA/EBIT

As a result of the foregoing, the Group's EBITDA increased from approximately HK\$21.0 million for the year ended 31 March 2024 to approximately HK\$48.3 million for the year ended 31 March 2025. The Group's EBIT increased from approximately HK\$18.2 million for the year ended 31 March 2024 to approximately HK\$45.2 million for the year ended 31 March 2025.

Non-HKFRS financial measures – Adjusted profit for the year excluding extraordinary items

To supplement the consolidated results of the Group prepared in accordance with HKFRS, certain additional non-HKFRS financial measures such as EBITDA, EBIT and adjusted profit for the year excluding extraordinary items have been presented in this report. These unaudited non-HKFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies. The Company believes that these non-HKFRS measures provide useful information to help investors and others understand and evaluate the Company's consolidated results of operation in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies by excluding certain non-operating and non-recurring items.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table reconciles the adjusted profit for the year excluding some major extraordinary or non-operating income and expenses as defined by the Group's management for the years indicated:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Profit for the year	39,597	11,602
Add back/(less) other major extraordinary items:		
Amortisation of deferred day-one loss (note (a))	1,540	8,638
Change in fair value through profit or loss in relation to convertible bonds (note (a))	(696)	(14,392)
Gain on modifications of financial assets (note (b))	(39,253)	-
Fair value loss on equity investment at FVTPL (note (a))	3,738	15,078
Share-based payment expenses in respect of share options (note (a))	21,117	8,462
Net foreign exchange loss (note (a))	2,473	6,923
Expenses in relation to potential secondary listing in Malaysia (note (a))	1,925	-
Share of results of associate – one-off net loss from early settlement of certain trade receivables (note (b))	4,781	-
Adjusted profit for the year excluding major extraordinary items	35,222	36,311

Note:

- (a) These items were considered as non-operating in nature. All fair value changes and amortisation of deferred day-one loss related to convertible bonds, fair value loss on equity investment at FVTPL, share-based payment expenses in respect of share options, net foreign exchange loss and expenses in relation to potential secondary listing were considered as not related to principal business and core operation of the Group, therefore all these changes were considered as non-operating.
- (b) These items were considered as non-recurring in nature. Gain on modifications of financial assets and one-off loss shared from associates are one-off in nature, therefore these changes were considered non-recurring.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group mainly finances its business with internally generated cash flows and bank and other borrowings. As at 31 March 2025, current assets of the Group amounted to approximately HK\$340.0 million, representing an increase of 19.5% from approximately HK\$284.6 million as at 31 March 2024. The current assets mainly comprised cash and bank balances of approximately HK\$12.4 million (31 March 2024: approximately HK\$31.9 million), trade receivables of approximately HK\$276.7 million (31 March 2024: approximately HK\$193.7 million), finance lease receivables of approximately HK\$9.6 million (31 March 2024: approximately HK\$3.0 million), amount due from an associate of approximately HK\$0.1 million (31 March 2024: approximately HK\$4.5 million), and deposits, prepayments and other receivables of approximately HK\$28.6 million (31 March 2024: approximately HK\$47.3 million).

As at 31 March 2025, the Group's current liabilities mainly comprised borrowings of approximately HK\$89.0 million (31 March 2024: approximately HK\$17.4 million), amounts due to the scheme creditors of approximately HK\$40.5 million (31 March 2024: approximately HK\$29.8 million), trade payables of approximately HK\$9.1 million (31 March 2024: approximately HK\$11.1 million), accruals, other payables and deposits received of approximately HK\$221.0 million (31 March 2024: approximately HK\$37.9 million), amount due to associates of approximately HK\$4.8 million (31 March 2024: nil) and convertible bonds of nil (31 March 2024: approximately HK\$12.9 million). The Group's current ratio decreased from approximately 2.5 times as at 31 March 2024 to approximately 0.9 times as at 31 March 2025.

Changes in the debt structure of the Group is summarized as follows:

	As of 31 March	
	2025	2024
	HK\$'000	HK\$'000
Bank borrowings	72,420	8,787
Other borrowings	16,543	8,630
Due to scheme creditors	40,491	70,096
	129,454	87,513

MANAGEMENT DISCUSSION AND ANALYSIS

The amount due to the scheme creditors will be due in the next financial year and bears interest at a fixed interest rate of 2.5% per annum. For further details, please refer to the Company's announcements dated 3 August 2022, 14 October 2022, 11 November 2022, 17 February 2023, 14 April 2023 and 15 June 2023.

On the other hand, other borrowings amounted to HK\$6.5 million have a maturity of five years and incur interest at floating interest rate; and other borrowings amounted to HK\$10.0 million have a maturity of six months and incur interest at fixed interest rate.

As at 31 March 2025, the Group's total equity was approximately HK\$193.7 million, representing a decrease of approximately 38.3% from approximately HK\$314.1 million as at 31 March 2024. As at 31 March 2025, the Group has charged on the trade and finance lease receivables of a subsidiary, and shares of a subsidiary and an associated company to secure certain borrowings.

TRADE RECEIVABLES

As of 31 March 2025, trade receivables amounted to a total of approximately HK\$287.1 million, and approximately HK\$35.5 million of the trade receivables was subsequently settled up to the date of annual results announcement on 27 June 2025.

An analysis of the Group's exposure to credit risk on its trade receivables (after expected credit losses) based on its ageing was presented as follows:

	As of 31 March	
	2025 HK\$ million	2024 HK\$ million
Not past due	233.4	47.1
1 to 30 days past due	0.8	16.2
31 to 90 days past due	0.9	6.1
91 to 180 days past due	1.0	10.4
181 to 365 days past due	2.2	6.5
Over 365 days past due	48.8	117.6
	287.1	203.9

MANAGEMENT DISCUSSION AND ANALYSIS

As of 31 March 2024, HK\$117.6 million of the trade receivables were past due over a year, which was mainly attributable to a number of customers that were adversely affected by COVID in the past few years, which in turn affected their payment to the Group.

During the year ended 31 March 2025, the Group entered into settlement agreements with various customers to restructure their long outstanding trade receivables, in which these customers will accelerate payment to the Group while the Group has provided them with discount. As of 31 March 2025, the relevant outstanding trade receivables after such restructuring amounted to approximately HK\$226.9 million, and approximately HK\$33.0 million was subsequently settled up to the date of annual results announcement on 27 June 2025. As a result of the Group's action, the credit risk profile of the trade receivables has improved. The Group will continue to communicate and negotiate with customers which have long aged receivables to recover outstanding receivables as soon as possible.

The Group made a total amount of approximately of HK\$124.2 million provision for expected credit losses for trade receivables as of 31 March 2025. As settlements from debtors are ongoing and improving, and that an independent valuer was engaged to determine the necessary expected credit losses for trade receivables, management assessed that the expected credit losses provided as of 31 March 2025 on trade receivables were adequate.

CONTINGENT LIABILITIES

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

GUARANTEES

The Group had no material guarantees as at 31 March 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARY OR ASSOCIATED COMPANY

On 15 January 2025, Synergy Group Worldwide Limited, a wholly-owned subsidiary of the Company entered into the sale and purchase agreement in relation to the acquisition of 25% equity interest in Synergy Cooling Management Limited ("**SCML**"), a non-wholly owned subsidiary of the Company and the holding company of the Group's Malaysian business operations, at a consideration of HK\$200 million, where HK\$5.00 million was payable on the completion date and HK\$195.00 million shall be payable on or before 30 June 2027 (the "**Acquisition**"). The Acquisition was completed on 20 January 2025, after which the Group's interest in SCML increased from approximately 63.04% to 88.04%.

As certain applicable percentage ratios of the Acquisition was more than 5% but less than 25%, the Acquisition constituted a discloseable transaction for the Company. Moreover, as at 15 January 2025, the vendor, i.e. Synergy Green Technology Limited, (the "**Vendor**") owned approximately 28.69% of the issued share capital of SCML. As a substantial shareholder of the Company's subsidiary, the Vendor was a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Thus, the Acquisition also constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. Please refer to the Company's announcements dated 15 January 2025, 20 January 2025 and 24 January 2025 for further details.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the year ended 31 March 2025.

SIGNIFICANT INVESTMENT

As at 31 March 2025, the Group held an investment with total value above 5% of the total assets of the Group, which are the interests in associates in Kedah Synergy Limited ("**KSL**"), together with its subsidiaries (the "**KSL Group**"), which accounted for approximately 7.5% of the Group's total assets as at 31 March 2025 (the "**Investment in Associates**").

MANAGEMENT DISCUSSION AND ANALYSIS

Investment in Associates

The Investment in Associates represents the Group's investment in the KSL Group. The KSL Group includes associated companies of the Group which were owned as to 47.5% by the Group as at 31 March 2025. The KSL Group is principally engaged in trading of energy saving products and provision of cost-saving energy management solutions. The total initial investment cost in the KSL Group was approximately HK\$27.7 million. As at 31 March 2025, the Investment in Associates was approximately HK\$42.3 million.

The Investment in Associates is accounted for by equity method in which 47.5% share of the results of the KSL Group is reflected in the carrying amount of the investment. For the year ended 31 March 2025, share of loss from the KSL Group amounted to approximately HK\$4.0 million (2024: share of profit approximately HK\$2.7 million) was recognised in the consolidated statement of comprehensive income of the Group.

The decrease in share of profit was due to the decrease in the net profit attributable to the shareholders of the KSL Group from approximately a profit of HK\$5.8 million for the year ended 31 March 2024 to a loss of approximately HK\$8.4 million for the year ended 31 March 2025 as a result of the one-off loss resulted from early settlement of certain trade receivables of KSL Group.

Dividend payment of approximately HK\$23.8 million from KSL was recognised during the year ended 31 March 2025. The Group will continue to hold the investment in the KSL Group as long-term investment as the management believes the investment will continue to generate profit for the Group and the business of the KSL Group is in line with the Group's core business.

The amount due to KSL Group as of 31 March 2025 amounted to approximately HK\$4.7 million (31 March 2024: amount due from KSL Group approximately HK\$4.5 million). The change is the result of transfer of excess cash under KSL Group to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 March 2025, the Group had 83 full-time employees (31 March 2024: 70). The Group offers a competitive remuneration package commensurate with industry practice and provides benefits to its employees, including bonuses, medical coverage and provident fund contributions.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("**MPF Scheme**"). Under the MPF Scheme, each of the Group companies (i.e. the employer) and its employees make monthly contributions to the scheme at 5% of the employees' monthly earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The Group also operates a number of defined contribution retirement schemes outside Hong Kong in accordance with local statutory requirements. The assets of these schemes are generally held in separate administered funds and are generally funded by payments from employees and by the relevant Group companies.

MANAGEMENT DISCUSSION AND ANALYSIS

THE SHARE OPTION SCHEMES

The Company adopted a share option scheme on 5 March 2015 (which was amended on 26 October 2016) ("**2015 Share Option Scheme**"), which was terminated on 1 November 2024 pursuant to a resolution passed by the shareholders of the Company at the annual general meeting on 30 October 2024 in accordance to the terms of the 2015 Share Option Scheme. Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 30 October 2024, the Company adopted a new share option scheme ("**2024 Share Option Scheme**", "2015 Share Option Scheme" and "2024 Share Option Scheme" collectively, the "**Share Option Schemes**"). The 2024 Share Option Scheme is valid and effective for a period of ten years from the adoption of the scheme on 1 November 2024.

Under the Share Option Schemes, the Board may/might in its absolute discretion grant options to the eligible participants to subscribe for its shares. The purpose of the Share Option Schemes is to enable the Company to provide an incentive for the eligible participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of the shareholders, and to maintain or attract business relationships with the eligible participants whose contributions are or may be beneficial to the growth of the Group.

GRANT OF SHARE OPTIONS

On 10 December 2024, the Company granted a total of 166,724,000 share options to subscribe for an aggregate of 166,724,000 ordinary shares of HK\$0.01 each in the share capital of the Company, comprising (i) 26,144,000 Share Options to a non-executive Director; and (ii) 1,000,000 Share Options to four independent non-executive Directors; and (iii) 139,580,000 Share Options to certain eligible participants, being employees of the Group, under the 2024 Share Option Scheme. Details of the grant are set out in the Company's announcement dated 10 December 2024.

FOREIGN CURRENCY EXPOSURE

The Group's revenue and expenses are mainly in Hong Kong dollar which is the functional currency of most of the entities making up the Group. As it is expected that there will be a continuous increase in revenue from overseas markets, the Directors believe that the Group will be exposed to foreign exchange risk due to exchange rate fluctuations. After considering the current and future exchange rate level and the foreign currency market, and also the costs of hedging, the Group did not adopt any foreign currency hedging measure as at the date of the annual results announcement on 27 June 2025. However, the Group will monitor its foreign exchange exposure and will consider hedging the foreign currency exposure should the need arises.

GEARING RATIO

As at 31 March 2025, the gearing ratio of the Group, which is calculated on the basis of the amount of total debts divided by the total equity, was 66.8%, which has increased from 32.0% as at 31 March 2024.

DIVIDEND

The Board did not recommend the payment of any dividend for the year ended 31 March 2025. The Company is not aware of any arrangement under which a shareholder has waived or agreed to waive any dividends.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM CONVERTIBLE BONDS

The Company entered into a convertible bond subscription agreement on 9 June 2023 with Asia JIT Capital Investment L.L.C. (the “**Subscriber**”) for subscription of convertible bond of aggregate amount of US\$15 million, and the Subscriber and its nominees partially completed subscription of convertible bonds of aggregate principal amount of US\$10 million which were priced the same at face value (gross proceeds of approximately HK\$78 million) on 29 September 2023, with net price/proceeds of approximately HK\$74.5 million. The convertible bonds can be converted into newly issued ordinary shares of the Company at conversion price of HK\$0.330 per share (i.e. a maximum issue of 236,363,636 ordinary shares of the Company) and US\$7.5 million have been converted into 177,272,727 newly issued ordinary shares of the Company on 17 November 2023. The Directors consider raising funds by issuing the convertible bonds is justifiable considering the recent market conditions which represent an opportunity for the Group to enhance its working capital and strengthen its financial position for its business including capital expenditures and potential acquisitions. For details, please refer to the circular of the Company dated 28 June 2023 and the announcements of the Company dated 9 June 2023, 12 June 2023, 24 July 2023, 21 August 2023, 29 September 2023, 17 November 2023 and 31 May 2024.

The table below sets out the application of the proceeds up to 31 March 2025:

Intended use	Intended use of proceeds (HK\$ million)	Unutilised proceeds brought forward as at 1 April 2024 (HK\$ million)	Actual usage during the year ended 31 March 2025 (HK\$ million)	Unutilised proceeds up to 31 March 2025 (HK\$ million)
Capital expenditure on energy saving projects	59.6	19.8	19.8	-
General working capital	14.9	-	-	-
Total	74.5	19.8	19.8	-

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

Potential secondary listing in Malaysia

The Group has considered a potential secondary listing on Bursa Malaysia Securities Berhad ("**Potential Listing**") and has appointed qualified and experienced professional parties in Malaysia to commence preparation for the Potential Listing. The Directors expect that by pursuing the Potential Listing, it would provide Malaysian and regional investors easier access to the trading of the Company's shares, which would reflect the value of the shares of the Company and the Company as a whole, and it would also further assist the Company's business development in Malaysia and strengthen its position when dealing with local banking and financial institutions. The improved reputation of the Group would also assist the Group to attract quality personnel for business expansion and operations in Malaysia.

For more details regarding the Potential Listing, please refer to the announcement of the Company dated 20 November 2024.

Business outlook

Malaysia

The Group's "Light Source in the Darkness" project in Malaysia, (the "**Malaysia Project**"), which helps local condominiums solve their lighting problems and achieve energy efficiency at the same time in the common areas using the Group's energy management contract solution, is receiving a lot of compliments by customers and government support locally.

The Malaysia Project starts out in Selangor state of Malaysia which has a total of approximately 8,000 condominiums and targets to install 6 million LED lights. The Malaysia Project has also indirectly helped the Group open door to new potential business opportunities with local retail chains, property developers, property management companies, and local government. Since September 2024, the Group has also successfully secured new local bank financing to support the Malaysia Project and hence the Group expects the deployment of Malaysia Project to accelerate.

For vertical farming, the Group continued to work with Nestlé Products Sdn. Bhd. ("**Nestlé**"), the Malaysian operating arm of Nestlé S. A., the world's largest fast-moving consumer goods company. Unity Group will join hand with Nestlé to establish the VEGGiTY Proof of Concept Model ("**VPM Model**") to plant chili. The model is currently under testing stage with rewarding results.

MANAGEMENT DISCUSSION AND ANALYSIS



Pictures of grown chili at the VPM Model and harvested chili

Singapore

In November 2024, the Group entered into strategic partnerships with (i) Primech Holdings Limited (Nasdaq: PMEC), a leading provider of comprehensive technology driven facilities services serving both public and private sectors throughout Singapore; and (ii) its subsidiary Primech AI, a leading robotics company dedicated to pushing the boundaries of innovation in technology. Primech Holdings Limited will collaborate with the Group to explore and implement cutting-edge energy solutions in Singapore, focusing on enhancing energy efficiency within its extensive facilities management operations. Primech AI and the Group will cooperate on the business development and trial deployment of the Hytron restroom cleaning robot into major properties in Dubai, which aims to evolutionize facility maintenance with cutting-edge robotic technology, improving efficiency and reducing the environmental footprint of cleaning operations. The Group's collaboration with Primech Holdings and Primech AI (together "**Primech**") represents a significant opportunity to leverage the Group's expertise in energy solutions alongside Primech's innovations in robotic technologies. The Group and Primech share a vision to expand the Group's technological footprint in Singapore and beyond, setting new standards for international collaboration in energy and robotic solutions.

The Group is also in discussion regarding further potential energy saving collaboration opportunities in Singapore, and the Company will disclose further information if and when appropriate.

Middle East

The Group is in continual discussion with local partners in Middle East regarding energy management contract energy saving solutions, solar equipment procurement, and carbon emission reduction offsetting platform. Further to these, the Group is also in discussion about potential collaboration in green data centres with local partners.

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL BUSINESSES

The principal business of the Company is investment holding and the principal businesses of the Company's subsidiaries are set out in Note 35 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal businesses during the year ended 31 March 2025.

ANNUAL RESULTS AND DISTRIBUTIONS

The annual results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of comprehensive income on page 65. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2025.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 2. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group are set out in Note 34 to the consolidated financial statements. As at 31 March 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounting to approximately HK\$156.2 million (31 March 2024: approximately HK\$280.5 million). This includes the Company's share premium, contributed surplus and share options reserve in the amounts of approximately HK\$1,030.1 million, HK\$279.3 million and HK\$26.9 million, respectively as at 31 March 2025, which may be distributable to the shareholders of the Company subject to the provisions of the Company's memorandum and articles of association ("**Articles of Association**") and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

BANK AND OTHER BORROWINGS

The total borrowings of the Group as at 31 March 2025 amounted to approximately HK\$89.0 million (31 March 2024: approximately HK\$17.4 million). Particulars of borrowings are set out in Note 26 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 March 2025 are set out in Note 14 to the consolidated financial statements.

DIRECTORS' REPORT

DIRECTORS

The Directors during the year ended 31 March 2025 and as at the date of this report are as follows:

Executive Director

Mr. WONG Man Fai Mansfield
(Chairman and Chief Executive Officer)

Non-executive Directors

Mr. TSANG Sze Wai Claudius
Ms. CAI Linda Xin Xin (appointed on 31 July 2024)

Independent non-executive Directors

Mr. CHUNG Koon Yan
Mr. CHEUNG Yick Hung Jackie
Dr. WONG Chi Ying Anthony
Mr. TANG Warren Louis

In accordance with the Articles of Association, at each annual general meeting, at least one-third of the Directors for the time being shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

In accordance with the Articles 84(1) and (2) of the Articles of Association, Mr. Wong Man Fai Mansfield, Mr. Tsang Sze Wai Claudius and Mr. Tang Warren Louis shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into any service contract with any member of the Group which in order to entitle the Company to terminate the service contract, expressly requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's remuneration, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 54 to 58 of this Annual Report.

DIRECTORS' REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

During the year ended 31 March 2025 and to the date of this annual report, the Board at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors a written annual confirmation of his independence in relation to their services for the year ended 31 March 2025 pursuant to Rule 3.13 of the Listing Rules and the Company considers all independent non-executive Directors are independent in accordance with the independence guidelines as set out in the Listing Rules.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 10 to the consolidated financial statements. Details of emolument policy are set out in the section headed "Remuneration Committee" to Corporate Governance Report in this Annual Report.

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

As at 31 March 2025, the interests of the Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which were notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules required to be notified to our Company and the Stock Exchange, were as follows:

DIRECTORS' REPORT

Interests of Directors and Chief Executives in the shares and underlying shares of the Company

Name of Director	Nature of interest and capacity	Number of Shares ^(Note 1)	Approximate percentage of issued share capital ^(Note 3)
WONG Man Fai Mansfield ^(Note 2)	Interest in controlled corporation	1,837,425,360(L)	53.350%
	Beneficial owner	94,382,121(L)	2.740%
CAI Linda Xin Xin	Interest of spouse	1,931,807,481(L) ^(Note 4)	56.090%
TSANG Sze Wai Claudius	Beneficial owner	68,000,000(L) ^(Note 5)	1.974%
CHEUNG Yick Hung Jackie	Beneficial owner	375,000(L) ^(Note 6)	0.011%
CHUNG Koon Yan	Beneficial owner	518,000(L) ^(Note 7)	0.015%
WONG Chi Ying Anthony	Beneficial owner	518,000(L) ^(Note 8)	0.015%
TANG Warren Louis	Beneficial owner	500,000(L) ^(Note 9)	0.015%

Notes:

1. The letter "L" denotes the person's long position in such shares respectively.
2. Abundance Development Limited and Mpplication Group Limited are wholly-owned by Mr. WONG Man Fai Mansfield. Under the SFO, Mr. WONG Man Fai Mansfield is deemed to be interested in all the shares of the Company owned by Abundance Development Limited and Mpplication Group Limited.
3. The total number of issued shares of the Company as at 31 March 2025 was 3,444,111,548.
4. Ms. CAI Linda Xin Xin is the spouse of Mr. WONG Man Fai Mansfield. Under the SFO, Ms. CAI Linda Xin Xin is deemed to be interested in all the shares of the Company in which Mr. WONG Man Fai Mansfield is interested.
5. These shares represented 23,856,000 and 26,144,000 underlying shares under the share options granted by the Company on 8 December 2023 and 10 December 2024 respectively pursuant to the Share Option Schemes, and 18,000,000 shares beneficially owned by Mr. TSANG Sze Wai Claudius.
6. These shares represented 250,000 underlying shares under the share options granted by the Company on 10 December 2024 pursuant to the 2024 Share Option Scheme, and 125,000 shares beneficially owned by Mr. CHEUNG Yick Hung Jackie.
7. These shares represented 250,000 underlying shares under the share options granted by the Company on 10 December 2024 pursuant to the 2024 Share Option Scheme, and 268,000 shares beneficially owned by Mr. CHUNG Koon Yan.
8. These shares represented 250,000 underlying shares under the share options granted by the Company on 10 December 2024 pursuant to the 2024 Share Option Scheme, and 268,000 shares beneficially owned by Dr. WONG Chi Ying Anthony.
9. These shares represented 250,000 underlying shares under the options granted by the Company on 10 December 2024 pursuant to the 2024 Share Option Scheme, and 250,000 shares beneficially owned by Mr. TANG Warren Louis.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executives of our Company had any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as our Directors are aware, as at 31 March 2025, the persons/entities (other than the Directors or chief executives of our Company) who had interests or short positions in the shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of our Company required to be kept under section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group were as follows:

Interests in the shares and underlying shares of the Company

Name of shareholders	Nature of interest and capacity	Number of Shares ^(Note 1)	Approximate percentage of issued share capital ^(Note 5)
Abundance Development Limited ^(Note 2)	Beneficial owner	1,825,245,360 (L)	52.996%
Mpplication Group Limited ^(Note 3)	Beneficial owner	12,180,000 (L)	0.354%
Ancient Wisdom Limited ^(Note 4)	Person having a security interest in shares	1,240,547,360 (L)	36.019%
WU Shang Tun Mason ^(Note 4)	Interest of controlled corporation	1,240,547,360 (L)	36.019%

Notes:

- The letter "L" denotes the person's long position in such shares respectively.
- Abundance Development Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
- Mpplication Group Limited is wholly-owned by Mr. WONG Man Fai Mansfield.
- Ancient Wisdom Limited is wholly-owned by Mr. Wu Shang Tun Mason. Under the SFO, Mr. WU Shang Tun Mason is deemed to be interested in all the shares of the Company owned by Ancient Wisdom Limited.
- The total number of issued shares of the Company as at 31 March 2025 was 3,444,111,548.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any persons/entities who had any interest or short position in the securities in the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO.

DIRECTORS' REPORT

THE SHARE OPTION SCHEMES

The 2015 Share Option Scheme adopted on 5 March 2015 (which was amended on 26 October 2016) was terminated on 1 November 2024 pursuant to a resolution passed by the shareholders of the Company at the annual general meeting on 30 October 2024 in accordance to the terms of the 2015 Share Option Scheme.

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 30 October 2024, the Company adopted the 2024 Share Option Scheme (the 2015 Share Option Scheme and 2024 Share Option Scheme, collectively, the **"Share Option Schemes"**). The 2024 Share Option Scheme is valid and effective for a period of ten years from the adoption of the scheme on 1 November 2024.

The following is a summary of the principal terms of the Share Option Schemes but does not form part of, nor was it intended to be, part of the Share Option Schemes nor should it be taken as affecting the interpretation of the rules of the Share Option Schemes:

(a) The purpose of the Share Option Schemes

The 2015 Share Option Scheme seeks to provide an incentive for the Qualified Participants (as hereinafter defined) to work with commitment towards enhancing the value of our Company and the shares (**"Shares"**) for the benefit of the shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of our Group.

The purpose of the 2024 Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Participants (as hereinafter defined) and to promote the success of the business of the Group. The 2024 Share Option Scheme gives the Eligible Participants an opportunity to have a personal stake in the Company and helps motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

(b) Who may join

The Board might at its discretion grant options to any director or employee (whether full time or part time) of the Company and its subsidiaries and associated companies (as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) (collectively, **"Qualified Participants"**) under the 2015 Share Option Scheme.

The Eligible Participants of the 2024 Share Option Scheme are (i) employee participants: the directors and employees of any member of the Group, including persons who are granted options under the scheme as inducement to enter into employment contracts with any member of the Group; (ii) related entity participants: any directors or employees of any holding companies, fellow subsidiaries or associated companies of the Company; and (iii) service providers: persons who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth and development of the Group, and fall into the categories of (a) consultants and advisors or (b) suppliers, distributors, business partners (collectively, **"Eligible Participants"**).

DIRECTORS' REPORT

(c) Grant of Option

An offer of the grant of an option should/shall be made to the Qualified Participants/Eligible Participants in writing in such form as the Board may from time to time determine, requiring the Qualified Participants/Eligible Participants to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Schemes (including any operational rules). The offer should/shall remain open for acceptance for a period of twenty business days (for 2015 Share Option Scheme)/twenty-one days (for 2024 Share Option Scheme) from the date on which it is made. Subject to the terms of the offer letter, there should/shall be no general performance target attached there to or subject to any clawback mechanism. Under the 2024 Share Option Scheme, the minimum holding period for the vesting or exercise of options is 12 months unless (in the case of employee participants) one of the short vesting circumstances referred to the Company's circular dated 7 October 2024 applies. An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the option-holder together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by our Company on or before the last day for acceptance as set out in the offer letter. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Qualified Participant/Eligible Participant.

(d) Subscription Price

The subscription price ("**Subscription Price**") of each of the Share Option Schemes shall be a price determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is offered to a Qualified Participant/Eligible Participant ("**Offer Date**"); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares.

(e) Maximum number of shares

The maximum number of Shares in respect of which options may be granted under the 2024 Share Option Scheme and any other share option schemes of our Company shall not in aggregate exceed the number of shares that shall represent 10% of the total number of shares in issue as at the date of adoption of the 2024 Share Option Scheme, i.e. 344,411,154 Shares. For the purpose of calculating the scheme mandate ("**Scheme Mandate**"), options which have been lapsed in accordance with the terms of the relevant scheme shall not be counted. Within this limit, the total number of shares which may be issued in respect of all options which may be granted to service providers shall not exceed 1% of the shares in issue as at the date of adoption of the 2024 Share Option Scheme.

DIRECTORS' REPORT

According to the terms of the 2015 Share Option Scheme, no further options might be granted after termination but in all other respects, the provisions of the 2015 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination. Share options granted under the 2015 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2015 Share Option Scheme.

(f) Maximum entitlement of shares of each Qualified Participant/Eligible Participant

Unless approved by the shareholders of the Company in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any option-holder under the 2024 Share Option Scheme if the acceptance of those options would result in the total number of Shares issued and to be issued to that Eligible Participant on exercise of his options granted under the Share Option Schemes and any other share option schemes of our Company (including both exercised and outstanding options) during any 12-month period exceeding 1% of the total Shares in issue.

(g) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Schemes ("**Option Period**") shall be a period of time to be notified by the Board to each option-holder, which the Board might/may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date. The vesting period of options granted under the Share Option Schemes is determined by the Board in its absolute discretion. Under the 2024 Share Option Scheme, the minimum period for which an option must be held before it can vest and become exercisable shall not be less than 12 months unless (in the case of employee participants) one of the short vesting circumstances referred to the Company's circular dated 7 October 2024 applies.

(h) Life of the Share Option Schemes

According to the terms of the 2015 Share Option Scheme, no further options might be granted after its termination on 1 November 2024 but in all other respects, the provisions of the 2015 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination. Share options granted under the 2015 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2015 Share Option Scheme.

The 2024 Share Option Scheme shall be valid and effective for a period of ten years commencing from 1 November 2024, after which period no further options will be granted but the provisions of the 2024 Share Option Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the 2024 Share Option Scheme. As at the date of this report, the Share Option Scheme has remaining life of approximately nine years.

DIRECTORS' REPORT

The following table discloses movements in the Company's share options during the year ended 31 March 2025:

							Number of share options						
Grantees	Date of grant	Vesting period	Exercise period	Exercise price per share (HK\$)	Closing price per share immediately before the date of grant (HK\$)	Performance target or claw back mechanism	Outstanding as at 1 April 2024	Granted during the year	Exercised during the year	Weighted average closing price of the shares immediately before the dates on which the options were exercised	Lapsed/ forfeited during the year	Cancelled during the year	Outstanding as at 31 March 2025
Directors													
WONG Man Fai Mansfield	20 March 2023	20 March 2023 to 19 March 2024	20 March 2024 to 19 March 2026	0.139	0.133	Nil	23,856,680	-	23,856,680	0.435	-	-	-
TSANG Sze Wai Claudius	8 December 2023	8 December 2023 to 7 December 2024	8 December 2024 to 7 December 2027	0.601	0.600	N/A	23,856,000	-	-	-	-	-	23,856,000
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	N/A	-	26,144,000	-	-	-	-	26,144,000
CHUNG Koon Yan	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	125,000	0.405	-	-	-
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	N/A	-	250,000	-	-	-	-	250,000
CHEUNG Yick Hung Jackie	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	125,000	0.405	-	-	-
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	N/A	-	250,000	-	-	-	-	250,000
WONG Chi Ying Anthony	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	125,000	0.405	-	-	-
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	N/A	-	250,000	-	-	-	-	250,000
TANG Warren Louis	12 December 2022	12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	125,000	-	125,000	0.405	-	-	-
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	N/A	-	250,000	-	-	-	-	250,000
Employees													
Employees in aggregate	12 December 2022	-	12 December 2022 to 11 December 2024	0.172	0.162	N/A	24,406,000	-	-	-	24,406,000	-	-
		12 December 2022 to 11 December 2023	12 December 2023 to 11 December 2024	0.172	0.162	N/A	8,750,000	-	6,750,000	0.405	2,000,000	-	-
	20 March 2023	20 March 2023 to 19 March 2024	20 March 2024 to 19 March 2026	0.139	0.133	Nil	4,500,000	-	4,500,000	0.435	-	-	-
	8 December 2023	8 December 2023 to 7 December 2024	8 December 2024 to 7 December 2027	0.601	0.600	Nil	28,656,000	-	-	-	-	-	28,656,000
		8 December 2023 to 7 December 2025	8 December 2025 to 7 December 2027	0.601	0.600	Nil	4,800,000	-	-	-	-	-	4,800,000
		8 December 2023 to 7 December 2026	8 December 2026 to 7 December 2027	0.601	0.600	Nil	4,900,000	-	-	-	-	-	4,900,000
	10 December 2024	10 December 2024 to 9 December 2025	10 December 2025 to 9 December 2027	0.410	0.400	Nil	-	133,730,000	-	-	-	-	133,730,000
		10 December 2024 to 9 December 2026	10 December 2026 to 9 December 2027	0.410	0.400	Nil	-	5,850,000	-	-	-	-	5,850,000
							124,224,680	166,724,000	35,606,680	26,406,000	-	-	228,936,000

DIRECTORS' REPORT

Notes:

1. For the grant of share options on 7 December 2023, 52,512,000 share options granted would vest in one year from the date of grant and are exercisable in two years from the date of grant; 4,800,000 share options granted will vest in two year from the date of grant and are exercisable in three years from the date of grant; 4,900,000 share options granted will vest in three years from the date of grant and are exercisable in four years from the date of grant.
2. For the grant of share options on 10 December 2024, 160,874,000 share options granted will vest in one year from the date of grant and are exercisable in three years from the date of grant; and 5,850,000 share options granted will vest in two years and are exercisable in three years from the date of grant.

As at 1 April 2024 and 31 March 2025, the total number of share options available for grant under the 2015 Share Option Scheme and 2024 Share Option Scheme were 57,930,120 shares and 177,687,154 shares, respectively; and as at 1 April 2024 and 31 March 2025, the total number of options available for grant under the service provider sublimit for the 2024 Share Option Scheme were nil and 34,441,115 shares, respectively.

As at the date of this Annual Report, the total number of share available for issue in respect of the share options granted under the 2015 Share Option Scheme and the 2024 Share Option Scheme were 62,212,000 shares and 166,724,000 shares, respectively, representing approximately 1.81% and 4.84% of the total issued shares of the Company as at the date of this Annual Report (i.e. 3,444,111,548 shares).

As at the date of this Annual Report, the total number of shares available for issue in respect of which options may be granted under the 2024 Share Option Scheme was 177,687,154, representing approximately 5.16% of the total issued shares of the Company as at the date of this Annual Report (i.e. 3,444,111,548 shares).

The number of shares that may be issued in respect of all the share options granted under the 2015 and 2024 Share Option Schemes during the financial year ended 31 March 2025, being 166,724,000 ordinary shares, represented approximately 4.86% of the weighted average number of ordinary shares in issue of the Company for the financial year ended 31 March 2025 (i.e. 3,427,704,875 ordinary shares).

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Schemes disclosed above, at no time during the year ended 31 March 2025 was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which any member of the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2025.

No contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2025.

No contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2025.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 31 March 2025, none of the Directors, the substantial shareholders or their respective close associates (as defined under the Listing Rules) had held any position or had any interest in any businesses or companies that were or might be materially, either directly or indirectly, competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the year ended 31 March 2025.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2025, the aggregate percentage of purchase attributable to the Group's five largest suppliers is approximately 99.1% of the total purchases of the Group and the largest supplier included therein amounted to approximately 94.6%.

For the year ended 31 March 2025, the aggregate percentage of sales attributable to the Group's five largest customers is approximately 51.3% of the total sales of the Group and the largest customer included therein amounted to approximately 20.7%.

At no time during the year have the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or their associates (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any interest in these major customers and suppliers.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transaction are set out in Note 36 to the consolidated financial statements. Save for transactions disclosed under Note 36(a)(i) which are continuing connected transactions that are exempt from annual reporting requirements under Chapter 14A of the Listing Rules, such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under the Listing Rules.

Saved as disclosed above, there were no other transactions which are required to be disclosed as continuing connected transactions in accordance with the requirements of the Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025. The Company did not hold any treasury shares during the year ended 31 March 2025.

CORPORATE GOVERNANCE

The Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the year ended 31 March 2025.

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 31 to 51 of this Annual Report.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Audit Committee of the Board was established with its written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provision C.3.3 of the Corporate Governance Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. CHUNG Koon Yan (Chairman of the Audit Committee), Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements for the year ended 31 March 2025.

BUSINESS REVIEW

A business review of the Group, as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the Company's business, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the fiscal year, an indication of likely future development in the Group's business, an analysis of the Group's financial performance and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the "Management Discussion and Analysis" on pages 5 to 16 of this Annual Report.

Risks and uncertainties

The principal risks and uncertainties facing the Group have been addressed in the "Management Discussion and Analysis" section in this Annual Report.

In addition, various financial risks have been disclosed in the notes to the consolidated financial statements of this Annual Report.

An analysis using financial key performance indicators

The relevant financial key performance indicators relating to the business of the Group are set out in the "Financial Review" section in the "Management Discussion and Analysis" and the consolidated financial statements in this Annual Report.

Environmental policies and performance

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group aims to maximise energy conservation in its offices by promoting efficient use of resources and adopting green technologies. For instance, the Group seeks to upgrade equipment such as lighting and air-conditioning systems in order to increase overall operating efficiency. To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time.



DIRECTORS' REPORT

The Company will publish its standalone Environmental, Social and Governance Report for the year ended 31 March 2025 on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.unitygroup.eco>) in due course. Further discussion on the Group's environmental policies and performance and key relationships with employees, customers, suppliers and others are also set out in the Environmental, Social and Governance Report.

Relationships with employees, customers, suppliers and other stakeholders

The Group ensures all staff is reasonably remunerated and regularly reviews the employment policies on remuneration and other benefits.

The Group maintains a good relationship with its customers and suppliers. The Group maintains close contacts with the customers and has regular review of requirements of customers and complaints. The Group will conduct appraisal of the performance of suppliers on regular basis.

Compliance with laws and regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has in an on-going fashion reviewed the newly enacted laws and regulations affecting the operations of the Group. The Group is not aware of any material non-compliance with the laws and regulations that have significant impact on the business of the Group.

Permitted indemnity provision

Pursuant to the Articles of Association, the Directors and other officers, for the time being acting in relation to the affairs of the Company, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

Charitable donations

The Group did not make any charitable donation for the year ended 31 March 2025.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this Annual Report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the Listing Rules.

DIRECTORS' REPORT

PRE-EMPTIVE RIGHTS

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

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding in the Shares.

Independent Auditor

The consolidated financial statements for the year ended 31 March 2025 have been audited by Beijing Xinghua Caplegend CPA Limited, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming 2025 AGM (as defined in section headed "**Corporate Governance Report**"). A resolution for the re-appointment of Beijing Xinghua Caplegend CPA Limited as auditor of the Company will be proposed at the 2025 AGM. Beijing Xinghua Caplegend CPA Limited was appointed as the auditor of the Company on 26 July 2024 to fill the casual vacancy following the resignation of BDO Limited. Save as disclosed, there is no other change in auditors of the Company in the preceding three years ended 31 March 2025.

On behalf of the Board

Unity Group Holdings International Limited

Wong Man Fai Mansfield

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 June 2025



CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report as set out in the Company's Annual Report for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving and maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value, transparency and accountability, and to formulate its business strategies and policies.

The Company has applied the principles as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, together with compliance with the relevant code provisions.

The Board is of the view that, throughout the year ended 31 March 2025, the Company has complied, to the extent applicable and permissible, with the code provisions set out in the Corporate Governance Code, except for the deviation from code provision C.2.1 as explained under the paragraphs "Chairman and Chief Executive Officer" below.

CULTURES AND VALUES

The Company's vision is to protect the environment for a sustainable future. Fast becoming the most preferred, most trustworthy partner in the industry, we deliver the most professional, best-in-class energy solutions to our clients. Our mission is to give back to the community. By using cutting-edge technology to revolutionize green technology projects, we support our customers and society to achieve peak carbon dioxide emissions and carbon neutrality earlier than planned.

COMPLIANCE WITH THE MODEL CODE AND SECURITIES DEALING CODE

The Company has adopted its own code of conduct for dealing in securities of the Company by the Directors and the relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company (the "**Securities Dealing Code**") on terms no less exacting than the standard as set out in the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors and relevant employees of the Group, all Directors and relevant employees have confirmed that they have complied with the Securities Dealing Code and therefore, complied with the Model Code throughout the year ended 31 March 2025 and up to the date of this report.

BOARD COMPOSITION

The Board currently consists of seven Directors, comprising one executive Director, two non-executive Directors and four independent non-executive Directors, who together, bring the skills, experience and diversity the Company needs to meet our long-term objectives. The Directors of the Company during the year and as at the date of this Annual Report are listed below:

Executive Director:

Mr. WONG Man Fai Mansfield
(Chairman and Chief Executive Officer)

Non-executive Directors:

Mr. TSANG Sze Wai Claudius

Ms. CAI Linda Xin Xin
(appointed on 31 July 2024)

Independent non-executive Directors:

Mr. CHUNG Koon Yan

Mr. CHEUNG Yick Hung Jackie

Dr. WONG Chi Ying Anthony

Mr. TANG Warren Louis

CORPORATE GOVERNANCE REPORT

Ms. CAI Linda Xin Xin, a non-executive Director, is the spouse of Mr. WONG Man Fai Mansfield, the Chairman and executive Director of the Company. Save as disclosed above, there is no personal relationship (including financial, business, family, or other material/relevant relationship(s)) among the members of the Board. Biographical details of the Directors and the senior management are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 54 to 58 of this Annual Report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

RESPONSIBILITIES OF AND DELEGATION BY THE BOARD

The Board is principally responsible for overall leadership and control of the Company and oversees the Group's businesses, overall strategic decisions and performance, approving the financial statements and annual budgets, and is collectively responsible for promoting the long-term success of the Company by directing and supervising its affairs. The Board ensures that it is managed in the best interests of the shareholders of the Company as a whole while taking into account the interest of other stakeholders.

The Company's day-to-day management and operational decisions are made by the executive Director and the Group's senior management, who are experienced in managing the Group's businesses. The non-executive Directors, including the four independent non-executive Directors, bring independent judgment to the decision-making process of the Board.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Board is also responsible for the corporate governance functions under code provision A.2.1 of the Corporate Governance Code. The Board has reviewed and discussed the corporate governance policies of the Group and is satisfied with the effectiveness of the corporate governance policies.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman of the Board and Chief Executive Officer of the Company have been performed by Mr. WONG Man Fai Mansfield. Although under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual, the combination of the roles of chairman and chief executive officer by Mr. WONG was considered to be in the best interests of the Company and its shareholders as a whole. Mr. WONG has been leading the Group as the Chief Executive Officer and one of our subsidiaries since 2009, thus, the Board believes that the combined roles of Mr. WONG promotes better leadership for both the Board and management and enables more focused development of business strategies and implementation of objectives and policies. The balance between power and authority is maintained by the openness and cooperative spirit of the senior management and the Board, which comprise experienced and high-calibre individuals. The Board currently comprises four independent non-executive Directors and has a fairly strong independence element in its composition. The structure is supported by the Company's well established corporate governance structure and internal control system. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in the circumstances. The Board will review the management structure regularly and consider separating the roles of chairman and chief executive, if and when appropriate.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the year ended 31 March 2025, the Board at all times complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Board has adopted the board independence evaluation mechanism (the "**Mechanism**") which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board in accordance with code provision B.1.4 of the Corporate Governance Code, and the implementation and effectiveness of such Mechanism is reviewed by the Board on an annual basis.

CORPORATE GOVERNANCE REPORT

To ensure that independent views and opinion are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors including the following:

- required character, integrity, expertise, experience and stability to fulfil their roles;
- time commitment and attention to the Company's affairs;
- commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Director, non-executive Directors and senior management.

The Company has received the written confirmation from each of the independent non-executive Directors in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the independence guidelines as set out in the Listing Rules.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

The executive Director has entered into a supplemental service agreement with the Company for a fixed renewed term of three years commencing from 30 June 2023, his appointment may be terminated by either the Company or the Director by at least three months' written notice or payment in lieu to the other party.

Each non-executive Director has entered into an appointment letter with the Company for a term of three years commencing from 16 December 2022 and 31 July 2024, their appointment may be terminated by either the Company or the Director on not less than three months' written notice.

Each independent non-executive Director has entered into a renewed appointment letter/appointment letter with the Company for a term of three years commencing from 23 March 2024 and 26 April 2025, respectively, their appointment may be terminated by either the Company or the Director on not less than one month's written notice.

According to the Company's Articles of Association, Directors who are appointed to fill casual vacancies or as an addition to the Board shall hold office and be eligible for re-election at the first annual general meeting of the Company after his or her appointment. In addition, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

CORPORATE GOVERNANCE REPORT

Ms. CAI Linda Xin Xin, who was appointed as a non-executive Director of the Company with effect from 31 July 2024, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 12 July 2024 covering the requirements under the Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Ms. CAI has confirmed her understanding of the information provided by the legal adviser and her obligations as a director of a listed issuer.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

Every newly appointed director would receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 March 2025, all the Directors (namely, Mr. WONG Man Fai Mansfield, Mr. TSANG Sze Wai Claudius, Ms. CAI Linda Xin Xin, Mr. CHUNG Koon Yan, Mr. CHEUNG Yick Hung Jackie, Dr. WONG Chi Yung Anthony and Mr. TANG Warren Louis) had participated in continuous professional development programmes, including trainings conducted by qualified professionals. The trainings that the Directors received during the year covered a wide range of areas relevant to the Company's operations, development, industry, and directors' duties and responsibilities, to ensure that the Directors understand the business and operations of the Group and their duties and obligations. A record of the training received by the respective Directors are kept and updated by the Company.

CORPORATE GOVERNANCE REPORT

DIRECTORS' ATTENDANCE RECORDS

Pursuant to code provision C.5.1 of the Corporate Governance Code, the Board is scheduled to meet four times during a financial year as a minimum and, during the year ended 31 March 2025, it met four times. Details of the attendance of each Director at the meetings of the Board and its respective committees and the annual general meeting during the year ended 31 March 2025 are as follows:

Name of Directors	Attendance/No. of Meeting(s)				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Mr. WONG Man Fai Mansfield	4/4	-/-	-/-	-/-	1/1
Mr. TSANG Sze Wai Claudius	4/4	-/-	-/-	-/-	1/1
Mr. CAI Linda Xin Xin (Note)	3/3	-/-	-/-	-/-	1/1
Mr. CHUNG Koon Yan	4/4	3/3	1/1	1/1	1/1
Mr. CHEUNG Yick Hung Jackie	4/4	3/3	1/1	1/1	1/1
Dr. WONG Chi Ying Anthony	4/4	3/3	1/1	1/1	0/1
Mr. TANG Warren Louis	4/4	-/-	-/-	1/1	1/1

Note: Ms. CAI is appointed as a non-executive Director on 31 July 2024. Three Board meetings were held after 31 July 2024.

Apart from the regular Board meetings, the Chairman also held one meeting with the independent non-executive Directors during the year ended 31 March 2025.

The principal works performed by the Board during the year ended 31 March 2025 are summarized as follows:

- approval of the 2023/2024 Annual Report and annual results announcement
- approval of the 2024/2025 Interim Report and interim results announcement
- review of the Company's compliance with the Corporate Governance Code
- review of the effectiveness of the internal control system
- appointment of, with the recommendation of the Audit Committee of the Company, Beijing Xinghua Caplegend CPA Limited as auditor of the Company to fill the casual vacancy following the resignation of BDO Limited, and recommendation to the shareholders regarding the proposal on the re-appointment of Beijing Xinghua Caplegend CPA Limited as auditor at the annual general meeting

CORPORATE GOVERNANCE REPORT

- received and considered recommendations from each Board Committee on a regular basis throughout the year at each Board meeting which followed a Committee meeting
- appointment of a female non-executive Director to enhance gender diversity
- recommendation to the shareholders regarding the proposal on the adoption of the 2024 Share Option Scheme and termination of the Share Option Scheme adopted in 2015
- preparation of applying for a potential secondary listing of the shares of the Company on Bursa Malaysia Securities Berhad
- granting of share options to Mr. TSANG Sze Wai Claudius (non-executive Director) and Mr. TANG Warren Louis, Mr. CHUNG Koon Yan, Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony (independent non-executive Directors), and certain qualified participants under the 2024 Share Option Scheme
- approval of the discloseable and connected transaction in relation to the acquisition of a subsidiary
- renewal of appointment letter of an independent non-executive Director

The Company generally gives written notice and draft agenda of regular Board meetings to each Director at least 14 days prior to the meetings. For other Board and committees meetings, written notice is generally given pursuant to the Articles of Association and the respective terms of reference of the Board committees.

Agendas for each meeting are prepared by the Company Secretary in consultation with the Chairman and Chief Executive Officer and based on a forward calendar that helps ensure that all relevant matters for the year ahead are considered by the Board in a timely manner. All Directors are encouraged to contribute to the agenda setting process. Agendas and accompanying meeting papers are sent to all Directors at least three days before each Board meeting or committee meeting for their review and to keep the Directors apprised of the latest developments and financial position of the Company so as to enable them to make informed decisions.

In addition to board papers, information relevant to the Company's financial position and latest developments is made available to Directors to keep them up to date. Structured monthly updates on the Company's performance, position and prospects are provided to Directors. The Directors also have access to the Company Secretary and senior management where necessary.

The Company Secretary is responsible to keep minutes of all Board meetings and committees meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final versions are open for Directors' inspection.

In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and a Director or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board/committee meetings of the Company in respect of such transactions and shall not be counted as a quorum of such meetings.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs on its behalf, and report back to the Board. The Chairman of each Committee reports back to the Board following each meeting, to ensure the Board is fully briefed on all activities and retains responsibility for approving any actions where a committee role is advisory.

The roles and functions of the Board committees are set out in their respective terms of reference. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the three Board committees are of no less exacting terms than those set out in the Listing Rules and/or Corporate Governance Code and are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

All committees are provided with sufficient resources and support to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

AUDIT COMMITTEE

The Audit Committee was established on 5 March 2015 with its defined written terms of reference (which was revised in November 2018) in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provision D.3.3 of the Corporate Governance Code. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. CHUNG Koon Yan (Chairman of the Audit Committee), Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony, with Mr. CHUNG possessing the appropriate professional qualifications and accounting and related financial management expertise.

The primary duties of the Audit Committee are mainly to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and play a key oversight role on the financial reporting system, and risk management and internal control systems of our Company and review its efficiency and effectiveness.

The Audit Committee shall meet at least two times per year, or more frequently as circumstances require. The Audit Committee held three meetings during the year ended 31 March 2025. Individual attendance records of each Audit Committee member are set out in the table on page 36 of this Annual Report.

The Audit Committee's main work during the year ended 31 March 2025 included:

- reviewing 2023/2024 Annual Report and annual results announcement
- reviewing 2024/2025 Interim Report and interim results announcement

CORPORATE GOVERNANCE REPORT

- in relation to the external auditor, reviewing its audit plans, reports and letter of representation, fees, involvement in non-audit services, and its terms of engagement and its re-appointment
- reviewing the effectiveness of the Company's financial reporting system and risk management and internal control systems
- reviewing the continuing connected transactions (fully exempt from all requirements under the Listing Rules)

The Group's annual results for the year ended 31 March 2025, including the accounting principles and practices adopted by the Group, were reviewed by the Audit Committee, which was of the opinion that the preparation of such audited consolidated annual results of the Group complied with the applicable accounting standards and requirements and that adequate disclosures had been made.

The Audit Committee has also reviewed the relationship the Company has with Beijing Xinghua Caplegend CPA Limited, the Company's external auditor. The Audit Committee is satisfied with the effectiveness of the external audit process and the independence of Beijing Xinghua Caplegend CPA Limited and has recommended to the Board (which in turn endorsed the view) that, subject to shareholders' approval at the forthcoming annual general meeting, Beijing Xinghua Caplegend CPA Limited be re-appointed as the external auditor for the year 2025/2026. A resolution to this effect will be included in the notice of annual general meeting for the year 2025.

NOMINATION COMMITTEE

The Nomination Committee was established on 5 March 2015 with its defined written terms of reference (which was revised in June 2025). As at the date of this report, the Nomination Committee comprises four independent non-executive Directors, namely Dr. WONG Chi Ying Anthony (Co-Chairman of the Nomination Committee), Mr. TANG Warren Louis (Co-Chairman of the Nomination Committee), Mr. CHUNG Koon Yan and Mr. CHEUNG Yick Hung Jackie, and one non-executive Director, Ms. CAI Linda Xin Xin.

The Nomination Committee is primarily responsible for reviewing the structure, size, composition and diversity of the Board at least annually, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

The Nomination Committee shall meet at least annually or more or less frequently as circumstances require. The Nomination Committee held one meeting during the year ended 31 March 2025. Individual attendance records of each Nomination Committee member are set out in the table on page 36 of this Annual Report.

During the year ended 31 March 2025, the Nomination Committee conducted an annual review of the structure, size, composition and diversity of the Board and assessed the independence of the independent non-executive Directors pursuant to code provision B.3.1 of the Corporate Governance Code and made recommendations to the Board on the re-election of retiring Directors and the appointment of a non-executive Director in order to increase the gender diversity by avoiding a single gender Board. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and no material matter was identified under review.

CORPORATE GOVERNANCE REPORT

The Nomination Committee also conducted a review of its terms of reference during the year. It remained satisfied that its terms of reference remained appropriate.

BOARD DIVERSITY POLICY

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Group also recognises and embraces the benefits of having a diverse Board to enhance the quality of the Company's performance.

In assessing the structure, size, composition and diversity of the Board, the Nomination Committee takes into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, professional and industry experience and time commitments. The Nomination Committee agrees on measurable objectives for achieving diversity on the Board as set out in the Board Diversity Policy, where necessary, and recommends them to the Board for adoption.

In identifying and selecting suitably qualified candidates for directorships, the Nomination Committee shall consider the candidates on merit and against the objective criteria, with due regard for the benefits of diversity of the Board. A range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional and industry experience, skills, knowledge and time commitments, will be considered on selection of individuals to become members of the Board. The Nomination Committee also takes into account the Company's own business model and specific needs from time to time. All Board appointments will be based on merit and contribution that the selected candidates will bring to the Board. External recruitment professionals might be engaged to assist with the selection process when necessary.

NOMINATION POLICY

The Board has adopted a nomination policy (the "**Nomination Policy**"), which aims to set out the relevant selection criteria and nomination procedures to assist the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspective appropriate to the requirement of the Group's businesses. A summary of the Nomination Policy is disclosed as below.



CORPORATE GOVERNANCE REPORT

1. Criteria

The Nomination Committee and the Board shall consider the following criteria in evaluating and selecting candidates for directorships:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
- Commitment of available time and ability to devote adequate time and attention to the affairs of the Company and to discharge duties as a Board member and other directorships and significant commitments.
- Requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Board Diversity Policy and any measurable objectives adopted by the Nomination Committee or the Board for achieving diversity on the Board.
- Such other perspectives appropriate to the Company's business.

2. Nomination Process

2.1 Appointment of New Director

2.1.1 The Nomination Committee or the Board shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out in section 1 above to determine whether such candidate is qualified for directorship.

2.1.2 If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

2.1.3 The Nomination Committee shall then recommend to the Board to appoint the appropriate candidate for directorship.

2.1.4 For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and the Board shall evaluate such candidate based on the criteria as set out in section 1 above to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to shareholders in respect of the proposed election of director at the general meeting.

CORPORATE GOVERNANCE REPORT

2.2 Re-election of Director at General Meeting

2.2.1 The Nomination Committee and the Board shall review the overall contribution and service to the Company of the retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board.

2.2.2 The Nomination Committee shall also review and determine whether the retiring director continues to meet the criteria as set out in section 1 above.

2.2.3 The Nomination Committee and/or the Board shall then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

GENDER DIVERSITY ON BOARD, SENIOR MANAGEMENT AND OTHER WORKFORCE

As at the date of this report, the Board comprises seven Directors, one of which is female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the corporate governance practices and business development of the Group. The Company believes the gender diversity in the Board would bring more inspiration to the Board and enhance the business development of the Group, and thus, gender diversity is one of the essential factors for the Company to select suitable successors to the Board.

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. As at 31 March 2025, the Group had 83 employees in total comprising of 30 females and 53 males (that is, the gender ratio in the workforce of 1:1.77 and the gender ratio in respect of senior management is 0:5).

The Company has already achieved gender diversity in its Board and general workforce and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the Company, which include market insight, creativity and innovation, and improved problem-solving. Further, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation. Moreover, a gender diverse team produces high quality decisions. The Company will continue to monitor its workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

The Directors are of the opinion that gender diversity has been achieved on the Board and general workforce level with reference to the current circumstances of the Company, and plans will be formulated to achieve gender diversity on senior management level in due course. The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time, such that there is a pipeline of female senior management and potential successors to the Board in the future.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was established on 5 March 2015 with its defined written terms of reference (which was revised in December 2022). As at the date of this report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. CHEUNG Yick Hung Jackie (Chairman of the Remuneration Committee), Mr. CHUNG Koon Yan and Dr. WONG Chi Ying Anthony.

The primary duties of the Remuneration Committee are mainly to determine, with delegated responsibility, the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors.

The emoluments of executive Director are determined based on skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Director, taking into consideration of the Company's performance and prevailing market conditions.

The remuneration policy of non-executive Directors (including independent non-executive Directors) is to ensure that the non-executive and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of non-executive Directors (including independent non-executive Directors) are determined with reference to their skills, experience, knowledge, duties and market trends.

The Remuneration Committee shall meet at least annually or more or less frequently as circumstances require. The Remuneration Committee held one meeting during the year ended 31 March 2025. Individual attendance records of each Remuneration Committee member are set out in the table on page 36 of this Annual Report.

During the year ended 31 March 2025, the Remuneration Committee reviewed and recommended to the Board on the proposed remuneration packages of the individual executive Director, non-executive Directors, independent non-executive Directors and senior management for the year ending 31 March 2026, and the proposed granting of share options to Mr. TSANG Sze Wai Claudius (non-executive Director) and Mr. TANG Warren Louis, Mr. CHUNG Koon Yan, Mr. CHEUNG Yick Hung Jackie and Dr. WONG Chi Ying Anthony (independent non-executive Directors), and certain qualified participants of the Company on 10 December 2024.

In conducting its work in relation to the remuneration of Directors and senior management, the Remuneration Committee ensured that no Director or any of his associates was involved in determining his own remuneration. It also ensured that remuneration levels should be sufficient to attract and retain Directors to run the Company successfully without paying more than necessary.

On 10 December 2024, the Remuneration Committee proposed and the Board approved the granting of a total of 166,724,000 share options, comprising (i) 26,144,000 share options to a non-executive Director; (ii) 1,000,000 share options to four independent non-executive Directors; and (iii) 139,580,000 share options to certain qualified participants, being employees of the Group, under the 2024 Share Option Scheme.

CORPORATE GOVERNANCE REPORT

The vesting of the share options granted on 10 December 2024 is not subject to any clawback mechanism with no performance target attached thereto. The Remuneration Committee was of the view that performance targets are not necessary for the following reasons: (i) the value of the share options is linked to future price of the Shares, which in turn depends upon the performance of the Company; and (ii) the minimum vesting period would ensure that the grantees' and the Company's long term interests are aligned and the grantees would be motivated to contribute towards the Company's development. Meanwhile, clawback mechanism is not necessary for the following reasons: (i) if the price of the shares during the exercise period of the share options granted is lower than the exercise price therefor, the share options granted would be of no value; and (ii) the 2024 Share Option Scheme provides for the lapse and cancellation of share options under various scenarios and therefore adequately protect the Company's interests.

Please refer to Note 38 to the consolidated financial statements for the year ended 31 March 2025 contained in this Annual Report for the fair values of the share options granted under the Share Option Schemes, which were measured based on the binomial option-pricing mode.

The Remuneration Committee also conducted a review of its terms of reference during the year. It remained satisfied that its terms of reference remained appropriate.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 March 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval.

The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 59 to 64 of this Annual Report.



CORPORATE GOVERNANCE REPORT

REMUNERATION OF MEMBERS OF THE SENIOR MANAGEMENT BY BAND

Pursuant to code provision E.1.5 of the Corporate Governance Code, the remuneration of members of the senior management by band for the year ended 31 March 2025 is set out below:

	Number of members of senior management
Nil to HK\$1,000,000	1
HK\$1,000,001 to HK\$2,000,000	1
HK\$3,000,001 to HK\$4,000,000	1
HK\$4,000,001 to HK\$5,000,000	1
HK\$5,000,001 to HK\$6,000,000	1
	5

Details of the remuneration of each Director for the year ended 31 March 2025 are set out in Note 10 to the consolidated financial statements for the year ended 31 March 2025.

AUDITOR'S REMUNERATION

During the year ended 31 March 2025, the remuneration payable/paid to Beijing Xinghua Caplegend CPA Limited, are set out below:

Type of Services	Amount of Fees Payable/Paid HK\$
Audit Services	1,280,000
Non-audit Services	100,000
Total	1,380,000

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

All activities conducted and all decisions made by the Company may involve risks to a certain extent. The Board plays a critical role of monitoring the risk exposures of the Company. The Board considers the risks in an active manner in setting of strategies.

The Board acknowledges its overall responsibility for the risk management and internal control systems and reviewing their effectiveness on a yearly basis so as to safeguard the shareholders' investments and the Company's assets. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company conducted internal control assessment regularly to identify risks that potentially impact the businesses of the Group and various aspects including key operational and financial processes and regulatory compliance. The Company effectively communicated its anti-fraud policy and procedures to all levels of employees and monitored the effectiveness of its controls related to mitigating fraud risk and remedied any deficiencies identified internally and by the external auditor in a timely manner.

The management, in coordination with department heads, assessed the likelihood of risk occurrence and monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 March 2025.

During the year ended 31 March 2025, the Board, through the Audit Committee, conducted a review of the effectiveness of the risk management and internal control systems of the Company, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

For internal audit function, the Company has an internal audit personnel and has engaged an external professional advisory firm to conduct an independent in-depth review of the effectiveness of the risk management and internal control systems during the year ended 31 March 2025. The internal audit function covers the key issues in relation to the accounting practices and all material controls and has provided its findings and recommendations for improvement with written reports to the Audit Committee.

The Board, as supported by the Audit Committee as well as the written reports with the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 March 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources. The Board will upgrade the existing systems of the Company with reference to the recommendations for improvements given by the abovementioned external professional advisory firm accordingly.



CORPORATE GOVERNANCE REPORT

Handling and Dissemination of Inside Information

The Company has written procedures in place for handling of inside information in accordance with the Listing Rules. It has developed a disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling and dissemination of inside information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited. All inside information is disclosed to the public pursuant to the requirements under the SFO and the Listing Rules and is kept strictly confidential before disclosure.

DIRECTORS' NON-COMPETITION UNDERTAKING

Mr. Mansfield WONG (executive Director) entered into a non-competition undertaking with the Company with effect from 24 March 2015 (the "**Director's Non-competition Undertaking**"). Please refer to our Prospectus dated 13 March 2015 for additional information on the Director's Non-competition Undertaking.

Mr. Mansfield WONG had confirmed compliance with the terms of the Director's Non-competition Undertaking during the year ended 31 March 2025. All the Independent Non-executive Directors are of the view that the above-mentioned Director has been in compliance with the Director's Non-competition Undertaking in favour of the Company.

COMPANY SECRETARY

The Company Secretary reports directly to the Board. All the Directors have easy access to the Company Secretary and responsibility of the Company Secretary is to ensure the board meetings are properly held and are in compliance with the relevant laws and regulations. The Company Secretary is also responsible for giving advice with respect to the Directors' obligations on securities interest disclosure, disclosure requirements of discloseable transactions, connected transactions and inside information. The Company Secretary shall provide advice to the Board with respect to strict compliance with the laws, requirements and the Articles of Association at appropriate times. As the Company's principal channel of communication with the Stock Exchange, the Company Secretary assists the Board in implementing and strengthening the Company's corporate governance practices so as to bring the best long-term value to shareholders. In addition, the Company Secretary also provides relevant information updates and continuous professional development to the Directors with respect to legal, supervisory and other continuous obligations for being a director of a listed company at appropriate times.

The Company Secretary plays an important role in advising the Board on all corporate governance-related matters. During the year ended 31 March 2025, Mr. WONG Ho Kwan, the Company Secretary of the Company, has complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS AND COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which enable the shareholders and investors to make the best investment decisions. The Board endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings, to communicate with them/answer their enquiries, and encourage their participation.

To promote effective communication, the Company maintains a website (<http://www.unitygroup.eco>), where up-to-date information and updates on the Company's financial information, corporate governance practices and other information are available for public access.

To facilitate maintaining of an on-going dialogue with shareholders and to encourage shareholder engagement and participation, the Company has adopted a Shareholder Communication Policy. Under this policy, the Company commits to provide shareholders with ready, equal and timely access to balanced and understandable information about the Company's performance, position, strategic goals and plans and prospects. Information is made available to the shareholders through a number of means, including formal announcements of information required under the Listing Rules and through the constructive use of general meetings.

The general meetings of the Company provide a forum for communication between the Board and shareholders. The Chairman of the Board, as well as the chairmen and/or other members of the Board's three committees will, in the absence of unforeseen circumstances, attend to answer questions raised at these meetings. The external auditor is also invited to attend the annual general meetings to answer questions about relevant matters including the conduct of the audit, the auditor's report and auditor's independence.

Shareholders may raise questions or make a request through designated channels for the Company's information to the extent such information is publicly available. Please refer to the Corporate Information section of this Annual Report for the address of the Company's Hong Kong Branch Share Registrar and contact details of the Company. Shareholders can contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar, for questions about their shareholdings. For putting forward enquiries to the Board, please refer to the section headed "Procedures For Shareholders To Put Forward Enquiries To The Board" below.

To safeguard shareholders' interests and rights, separate resolutions will be proposed for each substantially separate issue at general meetings, including the election of individual directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules, and poll results will be published on the websites of the Company and the Stock Exchange after each general meeting.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Board reviewed the implementation and effectiveness of Shareholders' Communication Policy, and concluded that with the above measures in place, the policy is effective and well-implemented for its provision of different channels for Shareholders to communicate their views on matters affecting the Company. The Board shall continue to review the implementation and effectiveness of the Shareholders' Communication Policy on an annual basis and amend its terms as and when necessary.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 58 of the Articles of Association, any one or more shareholders of the Company holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require 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 the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) himself/herself (themselves), may convene the general meeting in the same manner, and all reasonably expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Note: Any such written requisition from the shareholders should be marked "Shareholders' Communication" on the envelope.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Shareholders may propose a person for election as Director, the procedures of which are available on the Company's website at <https://www.unitygroup.eco>.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

Within 10 days of the date on which a notice (the "**Notice**") is deemed to be received by shareholders in respect of any general meeting of the Company (the "**Relevant General Meeting**"), any one or more shareholders holding at least one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may together, by written notice to the Company at 15th Floor, Chinachem Century Tower, 178 Gloucester Road, Wan Chai, Hong Kong for the attention of the Board or the Company Secretary, propose a resolution to be proposed and considered at the Relevant General Meeting in addition to the resolutions set out in the Notice. Such written notice shall be accompanied by a statement in no more than 1,000 words explaining the matters referred to, and the reasons for, any such proposed resolution. Following the receipt of such written notice and accompanying statement by the Company, the Company may, in the Company's absolute discretion (taking into account, without limitation, legal, regulatory and practical considerations relating to the issue of any supplemental notice to all shareholders in relation to the Relevant General Meeting), include the proposed resolution in the business of (i) the Relevant General Meeting or (ii) in a general meeting of the Company that is subsequent to the Relevant General Meeting.

CORPORATE GOVERNANCE REPORT

The Company will circulate a revised Notice including any proposed resolution and the accompanying statement to all shareholders in accordance with the Articles of Association provided that if, in the Company's sole opinion (without have to give reasons therefor), the above process is being abused in any way whatsoever, the Company has absolute discretion to not include such proposed resolution in the business of the Relevant General Meeting or a subsequent general meeting of the Company.

Note: Any such written notice from the shareholders should be marked "Shareholders' Communication" on the envelope.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD ENQUIRIES TO THE BOARD

Shareholders are, at any time, welcome to raise questions and request information (to the extent it is publicly available and appropriate to provide) from the Board and management by writing to:

Address: 15th Floor, Chinachem Century Tower, 178
Gloucester Road, Wan Chai, Hong Kong

Attention: Mr. Mansfield Wong (*Chairman of the Board*)

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to given effect thereto. The Company will not normally deal with verbal or anonymous enquiries. Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

There was no significant amendment to the Memorandum and Articles of Association of the Company during the year ended 31 March 2025. The Company's latest Memorandum and Articles of Association is available on the websites of the Stock Exchange and the Company.

DIVIDEND POLICY

The declaration of dividends is subject to the discretion of our Directors and depends on, inter alia, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on The Hong Kong Financial Reporting Standards, the Memorandum and Articles of Association, the Companies Law, applicable laws and regulations and other factors, that our Directors deem relevant. Accordingly, shareholders should note that any dividend payments in the past should not be regarded as an indication of future dividend policy.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall not constitute a legally binding commitment by the Company that dividend(s) will be paid in any particular amount for any given period.

CORPORATE GOVERNANCE REPORT

ANNUAL GENERAL MEETING ("AGM") FOR THE YEAR 2025

The forthcoming AGM of the Company is scheduled to be held on Friday, 19 September 2025. A circular containing, among other matters, further information relating to the AGM together with the notice convening the AGM and other relevant documents will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will (so long as the AGM remains to be held on Friday, 19 September 2025) be closed from Friday, 12 September 2025 to Friday, 19 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 11 September 2025.

COMPLIANCE DISCLOSURES AND OTHER MATTERS

The Listing Rules require certain corporate governance disclosures to be made. This section of the report details certain disclosures that have not been covered above.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

- **Renewal of Appointment Letter**

The appointment letter of Mr. TANG Warren Louis as an independent non-executive Director was renewed for a term of three years commencing from 26 April 2025.

- **Appointment of Nomination Committee member**

Ms. CAI Linda Xin Xin, a non-executive Director, was appointed as a member of the Nomination Committee with effect from 27 June 2025.

CORPORATE INFORMATION

(As at 24 July 2025)

DIRECTORS

Executive Director

Mr. Wong Man Fai Mansfield
(Chairman and Chief Executive Officer)

Non-executive Directors

Mr. Tsang Sze Wai Claudius
Ms. Cai Linda Xin Xin (appointed on 31 July 2024)

Independent non-executive Directors

Mr. Chung Koon Yan
Mr. Cheung Yick Hung Jackie
Dr. Wong Chi Ying Anthony
Mr. Tang Warren Louis

BOARD COMMITTEES

Audit Committee

Mr. Chung Koon Yan (Chairman)
Mr. Cheung Yick Hung Jackie
Dr. Wong Chi Ying Anthony

Remuneration Committee

Mr. Cheung Yick Hung Jackie (Chairman)
Mr. Chung Koon Yan
Dr. Wong Chi Ying Anthony

Nomination Committee

Dr. Wong Chi Ying Anthony (Co-Chairman)
Mr. Tang Warren Louis (Co-Chairman)
Mr. Chung Koon Yan
Mr. Cheung Yick Hung Jackie
Ms. Cai Linda Xin Xin (appointed on 27 June 2025)

COMPANY SECRETARY

Mr. Wong Ho Kwan

AUTHORISED REPRESENTATIVES

Mr. Wong Man Fai Mansfield
Mr. Wong Ho Kwan

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
Chinachem Century Tower
178 Gloucester Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

CORPORATE INFORMATION

(As at 24 July 2025)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISER

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Hong Kong

AUDITOR

Beijing Xinghua Caplegend CPA Limited
1/F, GR8 Inno Tech Centre
No. 46 Tsun Yip Street
Kwun Tong
Hong Kong

PRINCIPAL BANKERS

Malayan Banking Berhad
14th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Central
Hong Kong

STOCK CODE

1539 (Listed on the Main Board of the Hong Kong Stock
Exchange ("**Stock Exchange**"))

COMPANY WEBSITE

unitygroup.eco

INVESTOR ENQUIRY HOTLINE

Tel: (852) 2121 8033

INVESTOR ENQUIRY EMAIL ADDRESS

info@unitygroup.eco

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Wong Man Fai Mansfield, aged 51, is the Chief Executive Officer, Chairman of the Board and an executive Director of the Company. He is also a director of Synergy Lighting Limited and Synergy Group Worldwide Limited, both are wholly-owned subsidiaries of the Company, and a director of various subsidiaries of the Company, and was appointed as the Chief Executive Officer of Synergy Lighting Limited on 1 July 2009. He was appointed as a Director of our Company on 30 December 2011. He is primarily responsible for the overall corporate strategies, development management and operation of our Group. Mr. Wong graduated from the University of Arizona, Arizona, the United States with a Bachelor's degree in Electrical Engineering in May 1996. He also obtained a Master of Engineering (Electrical) from Cornell University, New York, United States in May 1997. He has over 18 years of management experience. Mr. Wong is the sole director and sole shareholder of Mpplication Group Limited, which provides information technology management services to our Group. Mr. Wong is the sole director and sole shareholder of Abundance Development Limited and our controlling shareholder. He is the spouse of Ms. Cai Linda Xin Xin, the non-executive Director of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Tsang Sze Wai Claudius, aged 48, has been a non-executive Director of the Company since December 2022. He has over 20 years of experience in capital markets, with a strong track record of success in Special Purpose Acquisition Company ("SPAC"), private equity, M&A transactions and PIPE investments. Since 2021, Mr. Tsang has served as the chief executive officer and Chairman of Model Performance Acquisition Corp (Nasdaq: MPAC) and A SPAC I Acquisition Corp (Nasdaq: ASCA). He also successfully listed A SPAC II Acquisition Corp (Nasdaq: ASCB) as chief executive officer. From 2008 to 2020, Mr. Tsang worked at Templeton Asset Management Ltd. He was co-head of private equity, North Asia and a partner of Templeton Private Equity Partners, a leading global emerging markets private equity firm that is part of Franklin Templeton Investments. During his career at Templeton, Mr. Tsang served in various positions, including partner, senior executive director and vice president and was responsible for the overall investment, management and operation activities of Templeton Private Equity Partners in North Asia. His role encompassed overseeing the analysis and evaluation of opportunities for strategic equity investment in Asia, including China, Hong Kong and Taiwan. During his tenure, Mr. Tsang managed US\$1 billion in private equity funds, with approximately 50 portfolio companies. He was involved in the management of a US\$3 billion fund, which was the largest Central Eastern European listed closed-end fund at the time of IPO in London. From 2007 to 2008, Mr. Tsang also worked at Lehman Brothers, where he managed private equity projects in Hong Kong, China, Taiwan and the United States. At Lehman Brothers, Mr. Tsang managed US\$500 million proprietary funds.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Tsang obtained his MBA from The University of Chicago Booth School of Business in 2017, the second Bachelor degree of Law from Tsinghua University in 2005, and a Bachelor degree of Engineering from the Chinese University of Hong Kong in 1998. He is a charter holder of Chartered Financial Analyst from the CFA Institute. He obtained Postgraduate Certificate in Sustainable Business from the University of Cambridge Institute of Sustainability Leadership in June 2023.

Ms. Cai Linda Xin Xin, aged 43, has been a non-executive Director of the Company since 31 July 2024 and a member of the Nomination Committee of the Company since June 2025. She is the spouse of Mr. Wong Man Fai Mansfield, the Company's Chairman, executive Director, Chief Executive Officer and substantial shareholder, has over 10 years of experience working in investment banking, private equity, hedge fund, and long-only investment funds. She started her career as an investment banking analyst at Goldman Sachs's Technology, Media, & Telecom Group in San Francisco and most recently worked at Hong Kong based Multi-Strategy Fund, LIM Advisors. Ms. Cai has extensive experience in IPO, private equity, real estate across multiple asset classes. Ms. Cai completed Harvard Business School's Sustainable Investing Diploma in December 2022. She holds double degrees in Business Administration and Economics from the University of California, Berkeley.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Koon Yan, aged 61, is an independent non-executive Director, the Chairman of the Audit Committee, member of the Remuneration Committee and member of the Nomination Committee of the Company since 5 March 2015. He is a practicing and fellow member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales. He graduated from the Hong Kong Polytechnic University with a Master's Degree in Professional Accounting in November 2000. Mr. Chung obtained the fellow membership of The Association of Chartered Certified Accountants in October 2003 and became a member of The Hong Kong Institute of Certified Public Accountants in October 1998, and was also admitted as an associate of The Institute of Chartered Accountants in England and Wales in October 2004. Mr. Chung is a director of Chiu, Choy & Chung CPA Ltd. and Dickson Wong C.P.A. Company Limited, and has more than 28 years' experience in accounting, auditing and taxation. Mr. Chung has been an independent non-executive director of Great World Company Holdings Limited (stock code: 8003), the shares of which are listed on the GEM operated by the Stock Exchange since May 2008, and an independent non-executive director of Winson Holdings Hong Kong Limited (stock code: 6812), the shares of which are listed on the Main Board of the Stock Exchange (transfer of listing of its shares from GEM to Main Board on 11 June 2020) since February 2017. From November 2013 to June 2021, Mr. Chung served as an independent non-executive director of Asian Citrus Holdings Limited (stock code: 73), the shares of which are listed on the Main Board of the Stock Exchange.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Cheung Yick Hung Jackie, aged 58, is an independent non-executive Director, the Chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee of the Company since 5 March 2015. Mr. Cheung had been a representative of KGI Asia Limited and KGI Futures (Hong Kong) Limited which carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO respectively from 29 March 2011 to 31 July 2020. He currently serves as a Consultant Solicitor of Messrs. Cheung, Yeung and Lee, Solicitors (張國鈞楊煒凱李穎彰律師事務所). Mr. Cheung was admitted as a solicitor to the High Court of Hong Kong in November 1995 and as a solicitor of the Supreme Court of England and Wales in May 1997. He graduated from City Polytechnic of Hong Kong (now known as City University of Hong Kong) with a degree of Bachelor of Laws and obtained the Postgraduate Certificate in Laws in November 1992 and November 1993 respectively. Mr. Cheung served as a District Councillor of the Central and Western District Council for the period from 1 January 2008 to 31 December 2015.

Dr. Wong Chi Ying Anthony, aged 69, is an independent non-executive Director, member of the Audit Committee and member of the Remuneration Committee of the Company since 5 March 2015. From 5 March 2015 to 26 April 2022, he was the Chairman of the Nomination Committee of the Company and serves as the Co-Chairman of the Nomination Committee since 26 April 2022. Dr. Wong was an Associate Professor in the Department of Industrial and Manufacturing Systems Engineering of The University of Hong Kong from 1997 to 2006. He obtained a B.Tech (Hons) degree and a Ph.D degree in Chemical Engineering from The University of Bradford, United Kingdom, in December 1980 and in December 1983 respectively. Dr. Wong was a Corporate Member of The Institution of Chemical Engineers (MICheE) from November 1999 to January 2022 and a Chartered Engineer (C.Eng) of the Engineering Council of the United Kingdom from December 1999 to January 2022. During the period from 1 June 2004 to 29 January 2022, he was a Chartered Scientist (CSci) of The Institution of Chemical Engineers and The Science Council of the United Kingdom. He was also admitted as a member of The Hong Kong Institution of Engineers during the period from 16 March 2000 to April 2022. From April 2003 to November 2018, he served as the vice chairman and an executive director of Ngai Hing Hong Company Limited (stock code: 1047), a company listed on the Stock Exchange, and was in charge of its research and development centre and responsible for its business development and remained in such company as a consultant subsequent to his cessation from the positions mentioned above until 31 March 2019. Dr. Wong serves as the Market Coordinator for the Asia Pacific region at Badger Color Concentrates INC., a U.S. manufacturer specializing in the manufacture of plastic functional masterbatches. In this role, Dr. Wong is responsible for developing and implementing strategic marketing initiatives to expand the company's presence in the Asia Pacific market.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Tang Warren Louis, aged 49, has been our independent non-executive Director and Co-Chairman of the Nomination Committee of the Company since 26 April 2022. Mr. Tang was graduated from the University of Toronto in June 1998 with a bachelor of applied science major in computer engineering. He obtained the postgraduate diploma in English and Hong Kong law from Manchester Metropolitan University in July 2000 and the postgraduate certificate in laws from The University of Hong Kong in June 2001. Mr. Tang was called to the Bar of Hong Kong in the High Court of Hong Kong in December 2001 and since then has been a practising barrister and a member of the Hong Kong Bar Association. Mr. Tang served as an independent non-executive director of Global International Credit Group Limited (stock code: 1669) from 22 November 2014 to 1 January 2024. He was also an independent non-executive director of Elegance Optical International Holdings Limited (stock code: 907), from 15 July 2019 to 31 December 2019. Mr. Tang has been a fellow member of the Hong Kong Institute of Arbitrators since 2019 and an arbitrator of the Guangzhou Arbitration Commission since 2020. In 2019 and August 2022, Mr. Tang was appointed as a deputy magistrate in Hong Kong at the West Kowloon Magistrates' Courts. In 2020, Mr. Tang was appointed as a deputy magistrate in Hong Kong at the Kowloon City Magistrates' Courts.

SENIOR MANAGEMENT

Mr. Cheng Chi Kuen, aged 52, is our Chief Operation Officer since June 2011. He is responsible for overseeing our business operations, sales and marketing, office administration and human resources management. He has over 16 years of management experience. He was the co-founder and a director of Synergy Green Technology Limited. Synergy Green Technology Limited is one of the shareholders of Synergy Cooling Management Limited (indirectly non-wholly owned subsidiary of the Company), which holds approximately 33.7% interest of the entire issued share capital of Synergy Cooling Management Limited. Mr. Cheng was previously employed by Zymmetry Limited (formerly known as Mission System Consultant Limited), a global sourcing and manufacturing solutions provider for the apparel industry. During his time at Zymmetry Limited, Mr. Cheng had held various positions and subsequently as senior marketing manager of Asia Pacific region at the time when he left Zymmetry Limited. He has obtained a Master's degree in Business Administration from the University of Bradford, United Kingdom, in July 2013.

Mr. David K. S. Lu, aged 54, has been appointed as our Chief Investment Officer since 8 February 2022. He is primarily responsible for managing the current investment portfolio of the Group, formulating investment strategy and advising the Group on potential investment projects. He has more than twenty years of experience in global capital markets, equity investment and fund management. Mr. Lu has extensive experience in fund management and equity trading across Asia, where he has setup fund and trading capacities in Taiwan, Korea, Hong Kong, Japan and South East Asia. Mr. Lu held a proven track record with his investment portfolio and unique strategies which has generated substantial return. Prior to this appointment, Mr. Lu served as a director of Churchill Investment Limited. Mr. Lu received a Bachelor of Science Degree in Operations Research & Industrial Engineering from Cornell University.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong Ho Kwan, aged 39, has been appointed as the Chief Financial Officer and Company Secretary of the Company on 25 October 2021 and 19 November 2021, respectively. He is an accountant by profession and has over 17 years' experience in investment banking and accounting. Mr. Wong works in the field of corporate finance and investment since 2016 and has been active in private equity and M&A projects with a private equity investment company and then a Chinese investment bank. Before that he was an assurance manager at PricewaterhouseCoopers. Mr. Wong is knowledgeable with business and accounting practice across numerous industries in Hong Kong and the People's Republic of China, including new energy, retail, manufacturing, property development, engineering and construction and technology. Mr. Wong holds a Bachelor's degree (Science) in Mathematics from the Chinese University of Hong Kong. He is a member of Hong Kong Institute of Certified Public Accountants and Chartered Accountants Australia and New Zealand, and also a Certified Financial Risk Manager. Since August 2024, Mr. Wong has been an independent non-executive director of Ganfeng Lithium Group Co., Ltd. (stock code on Hong Kong Stock Exchange: 1772, and 2460 on Shenzhen Stock Exchange) of which its Shares are listed on the Main Board of the Stock Exchange and The Shenzhen Stock Exchange.

Mr. Ng Simon, aged 52, has been appointed as our Chief Strategy Officer since 1 November 2023. Mr. Ng is primarily responsible for assisting the Group to formulate business strategies for its worldwide business. Mr. Ng has over 24 years of experience in finance, focusing on corporate finance advisory, fund raising, direct investments and brokerage operations. Since May 2023, Mr. Ng has been an independent non-executive director of Yun Lee Marine Group Holdings Limited (stock code: 2682), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Ng was a member of the board of director, the chief executive officer and a responsible officer of Hooray Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO and Hooray Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Mr. Ng obtained a Bachelor of Arts (Honours Economics) degree from Wilfrid Laurier University, Canada in 1996 and a Master of Economics degree from The University of Hong Kong in 1997.



INDEPENDENT AUDITOR'S REPORT



**TO THE MEMBERS OF
UNITY GROUP HOLDINGS INTERNATIONAL LIMITED**
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Unity Group Holdings International Limited (the "**Company**") and its subsidiaries (together "**the Group**") set out on pages 65 to 162, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

Impairment assessment of trade receivables and finance lease receivables

Refer to notes 17 and 19 to the consolidated financial statements and the material accounting policy information in note 3(j) to the consolidated financial statements

As at 31 March 2025, the Group had trade receivables and finance lease receivables with carrying amounts of HK\$287,058,000 and HK\$116,144,000 respectively after loss allowance for expected credit losses ("**ECL**") of approximately HK\$124,225,000 and HK\$2,597,000 respectively. We identified impairment assessment of trade receivables and finance lease receivables as key audit matter because trade receivables and finance lease receivables were significant to the Group and represented approximately 71% of the total assets as at 31 March 2025 and the impairment assessment involved significant management judgements and subjected to estimation uncertainty.

Management performed assessment with the assistance of independent professional valuer (the "**Management's Expert**") on the recoverability of the trade receivables and finance lease receivables and the sufficiency of loss allowance for ECL. The Group measures loss allowances for trade receivables and finance lease receivables based on lifetime ECL. The ECL rates are determined based on the default rates and loss given default with reference to market data and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. In carrying out impairment assessment of trade receivables and finance lease receivables under the ECL model, significant management judgement was used to determine the underlying estimations.

Our response

Our procedures on the management's impairment assessment of trade receivables and finance lease receivables included:

- (i) Understand and evaluate management's process for making accounting estimates;
- (ii) Assessing whether trade receivables and finance lease receivables had been appropriately grouped by management based on their shared credit risk characteristics;
- (iii) Assessing the appropriateness of the key input data used by management and the Management's Expert to develop the expected credit loss rates and assessing the reliability and relevance of that data;
- (iv) Evaluating the competence, capabilities and objectivity of the Management's Expert and engaged by the Company;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Impairment assessment of trade receivables and finance lease receivables (Continued)

Our response (Continued)

Our procedures on the management's impairment assessment of trade receivables and finance lease receivables included: (Continued)

- (v) Obtaining the Management's Expert's valuation report and meeting with Management Experts to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;
- (vi) Checking arithmetical accuracy of the valuation model;
- (vii) Checking subsequent settlements from trade receivables and finance lease receivables on a sample basis; and
- (viii) Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment assessment of trade receivables and finance lease receivables is supported by the available evidence.

OTHER INFORMATION

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

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

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

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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 are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

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:

- (i) 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.
- (ii) 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.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) 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.
- (v) 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.
- (vi) 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.

INDEPENDENT AUDITOR'S REPORT

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

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, action taken to eliminate threats or safeguards applied.

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.

Beijing Xinghua Caplegend CPA Limited

Certified Public Accountants

Lo Charbon

Practising Certificate Number P06029

Hong Kong, 27 June 2025



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	157,371	92,619
Cost of sales		(63,986)	(35,875)
Gross profit		93,385	56,744
Other income and expenses, net	7	(16,865)	10,900
Administrative expenses		(56,586)	(46,577)
Selling and distribution expenses		(10,054)	(5,636)
Finance costs	8	(6,310)	(2,951)
Gain on modifications of financial assets	9	39,253	-
Share of results of associates	15	(3,982)	2,737
Profit before income tax	9	38,841	15,217
Income tax credit/(expense)	11(a)	756	(3,615)
Profit for the year		39,597	11,602
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations		74	(387)
Share of other comprehensive loss of associates		-	(10)
Other comprehensive income/(loss) for the year, net of tax		74	(397)
Total comprehensive income for the year		39,671	11,205
Profit for the year attributable to:			
Owners of the Company		35,532	8,387
Non-controlling interests		4,065	3,215
		39,597	11,602
Total comprehensive income for the year attributable to:			
Owners of the Company		35,493	7,933
Non-controlling interests		4,178	3,272
		39,671	11,205
Earnings per share attributable to owners of the Company	13		
- Basic (HK cents)		1.04	0.28
- Diluted (HK cents)		1.03	0.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	14	5,637	2,535
Interests in associates	15	42,296	70,020
Equity investment at fair value through profit or loss	16	7,062	10,800
Trade receivables	19	10,358	10,223
Finance lease receivables	17	106,575	40,685
Deposits	20	864	781
Pledged deposits	22	4,512	904
Deferred tax assets	11(b)	48,599	47,843
		225,903	183,791
Current assets			
Inventories	18	12,658	4,204
Trade receivables	19	276,700	193,653
Finance lease receivables	17	9,569	3,048
Deposits, prepayments and other receivables	20	28,603	47,308
Amount due from an associate	21(a)	44	4,470
Cash and cash equivalents	22	12,431	31,908
		340,005	284,591
Current liabilities			
Trade payables	23	9,076	11,110
Contract liabilities	24	–	258
Accruals, other payables and deposits received	25	220,996	37,861
Borrowings	26	88,963	17,417
Lease liabilities	27	2,680	1,048
Amount due to an associate	21(a)	4,750	–
Amount due to a related company	21(b)	2,380	1,514
Amount due to a director	21(c)	129	85
Amounts due to the scheme creditors	28	40,491	29,768
Convertible bonds	30	–	12,923
		369,465	111,984
Net current (liabilities)/assets		(29,460)	172,607
Total assets less current liabilities		196,443	356,398

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Deposits received	25	580	802
Lease liabilities	27	2,139	1,158
Amounts due to the scheme creditors	28	–	40,328
		2,719	42,288
Net assets		193,724	314,110
CAPITAL AND RESERVES			
Share capital	31	34,441	33,494
Reserves	32	159,230	288,410
Equity attributable to owners of the Company		193,671	321,904
Non-controlling interests		53	(7,794)
Total equity		193,724	314,110

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 June 2025 and are signed on its behalf of:

Approved by:

Wong Man Fai Mansfield
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (note 31)	Share premium* HK\$'000 (note 32)	Share option reserve* HK\$'000 (note 32)	Capital reserves* HK\$'000 (note 32)	Merger reserve* HK\$'000 (note 32)	Foreign exchange reserves* HK\$'000 (note 32)	Accumulated losses* HK\$'000 (note 32)	Subtotal HK\$'000	
At 1 April 2023	23,857	565,198	5,446	7,388	12,183	201	(476,555)	137,718	126,652
Issue of shares for settlement of amounts due to the scheme creditors	7,300	379,632	-	(282,534)	-	-	-	104,398	104,398
Transaction costs on issue of shares	-	(5,132)	-	-	-	-	-	(5,132)	(5,132)
Issue of shares upon conversion of convertible bonds	1,773	57,050	-	-	-	-	-	58,823	58,823
Equity-settled share option arrangements	-	-	8,462	-	-	-	-	8,462	8,462
Shares issued under share option scheme	564	12,663	(3,525)	-	-	-	-	9,702	9,702
Release of share option reserve upon the forfeiture or lapse of share options	-	-	(99)	-	-	-	99	-	-
Profit for the year	-	-	-	-	-	-	8,387	8,387	11,602
Other comprehensive (loss)/income for the year:									
Exchange difference arising on translation of financial statements of foreign operations	-	-	-	-	-	(444)	-	(444)	57
Share of other comprehensive loss of associates	-	-	-	-	-	(10)	-	(10)	(10)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(454)	8,387	7,933	11,205
At 31 March 2024 and 1 April 2024	33,494	1,009,411	10,284	(275,146)	12,183	(253)	(468,069)	321,904	314,110
Issue of shares upon conversion of convertible bonds	591	13,176	-	-	-	-	-	13,767	13,767
Transaction costs on issue of shares	-	(233)	-	-	-	-	-	(233)	(233)
Equity-settled share option arrangements	-	-	21,117	-	-	-	-	21,117	21,117
Shares issued under share option scheme	356	7,770	(2,834)	-	-	-	-	5,292	5,292
Release of share option reserve upon the forfeiture or lapse of share options	-	-	(1,690)	-	-	-	1,690	-	-
Acquisition of additional interests in a partially owned subsidiary	-	-	-	(203,669)	-	-	-	(203,669)	3,669
Profit for the year	-	-	-	-	-	-	35,532	35,532	4,065
Other comprehensive (loss)/income for the year:									
Exchange difference arising on translation of financial statements of foreign operation	-	-	-	-	-	(39)	-	(39)	113
Total comprehensive (loss)/income for the year	-	-	-	-	-	(39)	35,532	35,493	4,178
At 31 March 2025	34,441	1,030,124	26,877	(478,815)	12,183	(292)	(430,847)	193,671	193,724

* These reserves account comprise the consolidated reserves of approximately HK\$159,230,000 in the consolidated statement of financial position as at 31 March 2025 (2024: HK\$288,410,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities		
Profit before income tax	38,841	15,217
Adjustments for:		
Interest income	(1,455)	(650)
Interest expenses	6,310	2,951
Depreciation of property, plant and equipment	3,150	2,801
Equity-settled share option expense	21,117	8,462
Fair value loss on equity investment at fair value through profit or loss	3,738	15,078
Gain on disposal of fixed assets	(2)	-
Loss on lease modification	2	-
Gain on lease termination	(2)	(14)
Gain on modifications of financial assets	(39,253)	-
Bad debts written off	67	-
Provision/(reversal of) for impairment loss of financial assets	14,366	(20,264)
Amortisation of deferred day-one loss	1,540	8,638
Change in fair value through profit or loss in relation to convertible bonds	(696)	(14,392)
Share of results of associates	3,982	(2,737)
(Reversal of)/provision for warranty, net	(348)	38
Write-off of property, plant and equipment	-	686
Write-off of inventories	21	134
Write-off of other receivables	1,155	-
Write-off of other payables	(1,101)	-
Operating cash flows before movements in working capital	51,432	15,948
Change in inventories	(8,475)	(2,667)
Change in trade receivables	(55,623)	(18,822)
Change in finance lease receivables	(74,210)	(27,896)
Change in deposits, prepayments and other receivables	17,864	(28,194)
Change in trade payables	(1,579)	2,412
Change in amount due to a related company	866	1,162
Change in contract liabilities	(258)	(54)
Change in accruals, other payables and deposits received	3,329	(6,221)
Net cash used in operating activities	(66,654)	(64,332)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,137)	(335)
Dividend received from an associate	23,750	-
Repayment from an associate	4,426	7,535
Investment in an associate	(8)	-
Interest received	55	229
Placement of pledged deposit	(3,513)	(1,043)
Withdrawal of pledged deposit	18	163
Net cash generated from investing activities	23,591	6,549
Cash flows from financing activities		
Proceeds from share options arrangements	5,292	9,702
Payments for transaction costs on issue of shares	(233)	(5,132)
Proceeds from issue of convertible bonds	-	77,500
Interest paid on borrowings	(2,525)	(1,384)
Interest element on lease payments	(294)	(111)
Capital element of lease payments	(2,484)	(2,726)
Proceed from borrowings	72,992	10,433
Repayment of borrowings	(2,322)	(2,016)
Repayment to amounts due to the scheme creditors	(32,752)	(871)
Redemption of financial liabilities at fair value through profit or loss	-	(3,371)
Advances from an associate	4,750	-
Advances from a director	3,262	4,797
Repayments to a director	(3,218)	(7,698)
Payment for acquisition of additional interests in a partially owned subsidiary	(19,767)	-
Net cash generated from financing activities	22,701	79,123
Net (decrease)/increase in cash and cash equivalents	(20,362)	21,340
Cash and cash equivalents at beginning of the year	31,908	11,091
Effect of foreign exchange rate changes	885	(523)
Cash and cash equivalents at end of the year	12,431	31,908

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 14 December 2011. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is 15th Floor, Chinachem Century Tower, 178 Gloucester Road, Wan Chai, Hong Kong. The Company's share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal activity of the Company is investment holding. The Company and its subsidiaries are collectively referred to as the "Group" hereafter. The Group is principally engaged in the provision of leasing services of energy saving systems and products, consultancy service and installation services of renewable energy system and trading of energy saving products.

The directors of the Company considered the Company's ultimate holding company as at 31 March 2025 is Abundance Development Limited, a company established in Hong Kong and its ultimate controlling party is Mr. Wong Man Fai Mansfield ("**Mr. Mansfield Wong**").

2. CHANGES OF ACCOUNTING POLICIES

(a) Adoption of new or amendments to HKFRS Accounting Standards – effective on 1 April 2024

In current year, the Group has applied the following new or amendments to HKFRS Accounting Standards issued by the HKICPA which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024.

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

The application of these new or amendments to HKFRS Accounting Standards has no material impact to the Group's results and financial positions for the current and prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. CHANGES OF ACCOUNTING POLICIES (Continued)

(b) New or amended HKFRS Accounting Standards in issue but are not yet effective

The following new or amended HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

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

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company (the "**Director(s)**") anticipate that the application of these new or amended HKFRS Accounting Standards will not result in significant impact on the Group's consolidated financial performance and positions and/or the disclosures to the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the HKICPA and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

Going concern

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2025, the Group's current liabilities exceeded its current assets by HK\$29,460,000. The Directors have taken the following action to mitigate the liquidity issues faced by the Group:

- Vendor (as defined in note 25) has undertaken to the Company not to demand repayment of the consideration payable (which shall be payable on or before 30 June 2027 on demand) with carrying amount of approximately HK\$180 million as at 31 March 2025 before 30 June 2027 until such time as the Group has sufficient funds to repay the amount due by the Group and still be able to meet in full its financial obligations after the repayment.

The Directors consider that taking into account of the above, the cash requirements of the Group for the next twelve months from the end of the reporting period and the Group's ability to obtain external financing from banks, if required, the Group will have sufficient working capital to meet in full their financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The material accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it 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 has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign exchange reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(t)).

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**") The consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is the Company's presentation and functional currency.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign exchange reserves.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign exchange reserves. When a foreign operation is sold, such exchange differences are recognised in consolidated statement of comprehensive income as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided over their estimated useful lives, using the straight line method. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted, if appropriate, at each reporting date. The estimated useful lives are as follows:

Leasehold improvements	Over the terms of leases or 3 years, whichever is shorter
Furniture, fixtures and office equipment	2 years
Energy saving systems	5 – 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

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

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss upon disposal.

(e) Leasing

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

When the Group is an intermediate lessor, the subleases are classified as a finance lease or as an operating lease with reference to the right-of-use assets arising from the head lease, instead of by reference to the underlying asset.

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. Significant judgement would be required for the assessment of whether the right to control the use of an identified asset is conveyed to the customer.

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Leasing (Continued)

The Group as lessee

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

Right-of-use assets

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

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

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

The Group presents right-of-use assets within the line item of "property, plant and equipment".

Lease liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

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

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

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

(f) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted-average basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalent are assessed for ECL (see note 3(j)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Recognition and derecognition of financial instruments

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

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(i) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost; and
- Investments at fair value through profit or loss ("FVTPL").

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(ii) Investments at FVTPL

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

(j) Loss allowances for ECLs

The Group recognises loss allowances for ECLs on trade receivables, finance lease receivables and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 "Leases".

The Group has elected to measure loss allowances for trade receivables and finance lease receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The ECL on these assets are assessed collectively for debtors using a provision matrix that is based on the default rates and loss given default with reference to market data, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Loss allowances for ECLs (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

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

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

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(l) Convertible bonds

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative. Convertible bonds which do not contain an equity component are accounted for as follows:

At the date of issue, both the debt component and derivative components are recognised at fair value and the convertible bonds are designated as at FVTPL. In subsequent period, changes in fair value are recognised in profit or loss as fair value gain or loss except for changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognised in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition. Transaction costs relating to the issue of the convertible bonds are charged to profit or loss immediately.

If the bonds are converted, the carrying amounts of the convertible bonds at the day of conversion are transferred to share capital and share premium as consideration for shares issued.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowing costs are expensed in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Equity instruments

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

Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefit, to the extent that they are incremental costs directly attributable to the equity transaction.

(p) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(p) Income taxes (Continued)

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

- the Group has the legally enforceable right to set off the recognised amounts; and
- 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

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 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.

(q) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(q) Revenue recognition (Continued)

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

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

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Trading of energy saving products

Customers obtain control of the energy saving products when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the energy saving products. There is generally only one performance obligation. Invoices are usually payable within 365 days.

Goods sold by the Group include warranties which require the Group to either replace or amend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with HKFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

(ii) Consultancy service income

Revenue from consultancy service is recognised at the time when the control is transferred, i.e. one-off revenue recognition upon receipt of consultancy service report by the customer according to the terms of acceptance agreed upon in the contract. There is generally only one performance obligation. Invoices are usually payable within 365 days.

(iii) Installation service income

Revenue from installation service is recognised at the time when the control of completed services is transferred, i.e. one-off revenue recognition upon the completion of installation service according to the terms of acceptance agreed upon in the contract. There is generally only one performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(q) Revenue recognition (Continued)

(iv) Other revenue

Interest income is recognised using the effective interest method.

(r) Contract liabilities

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

(s) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Defined benefit plan obligations

The Group has a defined benefit plan in relation to Long Service Payments under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by an independent valuer engaged by the Group using the projected unit credit method.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(t) Impairment of assets

At the end of each reporting period, the Group and the Company review the carrying amounts of the property, plant and equipment, interests in associates and investment in a subsidiary to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

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

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(u) Provisions and contingent liabilities (Continued)

Warranty provisions

The Group makes provisions under the warranty at the time of sale rendered taking into account the Group's historical failure rate information. As the Group review the information yearly it is possible that the historical failure rate information is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

(v) Share-based payments

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

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

Where equity instruments are granted to persons other than employees and others providing similar services, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in equity is recognised.

When the share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Where options are forfeited due to a failure by the employee to satisfy the service conditions, the accumulated expenses previously recognised in relation to such options are reversed at the date of the forfeiture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Segment reporting

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

Each of the operating segments is managed separately as each of the segments requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in this report prepared under HKFRS Accounting Standards, except that:

- (i) unallocated finance costs;
- (ii) share of results of associates;
- (iii) loss/(gain) on debt extinguishment on financial liabilities;
- (iv) income tax expense; and
- (v) corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets included all assets except interests in associates, equity investment at FVTPL, cash and cash equivalents, amount due from an associate, deferred tax assets and other corporate assets. Other corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities included all liabilities except unallocated borrowings, lease liabilities, amount due to a related company, amount due to a director, amounts due to the scheme creditors, financial liabilities at FVTPL, convertible bonds and other corporate liabilities. Other corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(a) Critical judgements in applying accounting policies

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

(i) Power to exercise significant influence

The Group holds approximately 23.65% of voting rights of InVinity Energy Group Limited ("InVinity"). By reference to the fact that the Group had agreed with other shareholders of InVinity not to involve in the board of directors of InVinity since 26 September 2018, the Group does not have power to exercise significant influence over InVinity. The investment in InVinity is treated as an equity investment at FVTPL.

(ii) Conveyance of right to control

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group determines whether the customer has the right to direct use of the identified asset by reference to a) right to change the type of output that is provided by the assets; b) right to change when the output is produced; c) right to change where the output is produced; and d) right to change whether the produced, and the quantity of that output. Significant judgement is required for the assessment of whether the right to control the use of an identified asset is conveyed to the customer and the lease is existing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statements, other key sources estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within next financial period are as follows:

(i) Provision for ECLs on trade receivables and finance lease receivables

With the aid of the independent specialist engaged by the Group, the Group uses a provision matrix to calculate ECLs for trade receivables and finance lease receivables. The provision rates are based on days past due or repayment schedule for groupings of various customer segments that have similar loss patterns.

The ECL rates are determined based on the default rates and loss given default with reference to market data and are adjusted to reflect current and forward-looking information. At each reporting date, the ECL rates are updated and changes in the forward-looking factors are analysed.

The assessment of the correlation among forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The ECL rates and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amounts of trade receivables and finance lease receivables are disclosed in notes 19 and 17, respectively.

(ii) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the cash-generating unit to which the asset is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made. The carrying amounts of property, plant and equipment and interests in associates are disclosed in note 14 and 15, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) Estimation of fair value of unlisted equity investment

The fair value of equity investment that is not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in note 39. The carrying amount of unlisted equity investment is disclosed in note 16.

(iv) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets was approximately HK\$48,599,000 (2024: approximately HK\$47,843,000) as at 31 March 2025. Further details are disclosed in note 11 (b) to the consolidated financial statements.

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, i.e. executive Directors who make strategic decisions.

In the past, the internal reporting to the executive Director, being the chief operating decision maker, comprised four business components: (1) Leasing service of energy saving systems and products, (2) Trading of energy saving products, (3) Consultancy service, and (4) Renewable energy service. During the year ended 31 March 2025, the chief operating decision maker determined that renaming the Group's segments would enhance clarity for stakeholders and be in the best interests of the Company's shareholders. The names of segments are changed to: (1) Provision of energy saving systems, (2) Trading of energy saving products, (3) Licensing fees for energy saving products, and (4) Engineering, procurement, construction and commissioning (EPCC) of solar photovoltaic (PV) systems, respectively. As the change only affects the segment names and not their underlying operations and substance, the comparative figures have not been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. SEGMENT INFORMATION (Continued)

For the purpose of resources allocation and performance assessment, financial information relating to these operations is reported internally and is regularly reviewed by the chief operating decision maker based on the following segments:

- (1) Provision of energy saving systems – This segment mainly engages in provision of leasing services of energy saving systems and product to customers
- (2) Trading of energy saving products – This segment mainly engages in trading of energy saving product
- (3) Licensing fees for energy saving products – This segment mainly engages in provision of consultancy and project management services to customers
- (4) Engineering, procurement, construction and commissioning (EPCC) of solar photovoltaic (PV) systems (**"EPCC of solar PV systems"**) – This segment mainly engages in provision of EPCC of solar PV systems and renewable energy services to customers

Segment revenue below represents revenue from external customers. There were no inter-segment sales during the year ended 31 March 2025 and 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss, assets and liabilities:

	Provision of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Licensing fees for energy saving products HK\$'000	EPCC of solar PV systems HK\$'000	Total HK\$'000
Year ended 31 March 2025					
Revenue from external customers	85,134	65,033	7,204	-	157,371
Reportable segment profit/(loss)	37,012	9,498	36,295	(6)	82,799
Depreciation	211	-	-	-	211
Provision for impairment loss of financial assets	5,310	7,962	1,088	6	14,366
Finance cost	2,508	-	-	-	2,508
As at 31 March 2025					
Reportable segment assets	147,745	213,245	74,230	7	435,227
Reportable segment liabilities	78,215	16,555	17	-	94,787

	Provision of energy saving systems HK\$'000	Trading of energy saving products HK\$'000	Licensing fees for energy saving products HK\$'000	EPCC of solar PV systems HK\$'000	Total HK\$'000
Year ended 31 March 2024					
Revenue from external customers	39,322	40,278	12,931	88	92,619
Reportable segment profit/(loss)	6,418	31,002	8,854	(274)	46,000
Depreciation	530	-	-	-	530
Provision for/(reversal of) impairment loss of financial assets	1,810	(25,353)	3,331	(52)	(20,264)
Finance cost	1,064	-	-	-	1,064
As at 31 March 2024					
Reportable segment assets	66,915	168,682	38,871	13	274,481
Reportable segment liabilities	29,162	4,943	16	18	34,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented as follows:

Profit or loss

	2025 HK\$'000	2024 HK\$'000
Reportable segment profit	82,799	46,000
Unallocated corporate income (note)	26	6,420
Unallocated corporate expenses (note)	(36,200)	(38,053)
Unallocated finance costs	(3,802)	(1,887)
Share of results of associates	(3,982)	2,737
Profit before income tax	38,841	15,217

Note:

Unallocated corporate income mainly includes gain on lease modification, interest income, government grants, amortisation of deferred day-one loss and change in FVTPL in relation to convertible bonds.

Unallocated corporate expenses mainly include fair value loss on equity investment at FVTPL, equity-settled share option expense, unallocated legal and professional fees, unallocated salaries and other administrative expenses.

Assets and liabilities

	2025 HK\$'000	2024 HK\$'000
Reportable segment assets	435,227	274,481
Interests in associates	42,296	70,020
Equity investment at FVTPL	7,062	10,800
Cash and cash equivalents	12,431	31,908
Amount due from an associate	44	4,470
Deferred tax assets	48,599	47,843
Other corporate assets	20,249	28,860
Group assets	565,908	468,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. SEGMENT INFORMATION (Continued)

	2025 HK\$'000	2024 HK\$'000
Reportable segment liabilities	94,787	34,139
Borrowings	18,552	8,787
Lease liabilities	4,819	2,206
Amount due to an associate	4,750	–
Amount due to a related company	2,380	1,514
Amount due to a director	129	85
Amounts due to the scheme creditors	40,491	70,096
Convertible bonds	–	12,923
Other corporate liabilities (note)	206,276	24,522
Group liabilities	372,184	154,272

Note: Other corporate liabilities mainly include accruals and other payables for unallocated legal and professional fees, unallocated salaries and other operating expenses.

The Group's revenue from external customers are divided into the following geographical areas:

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000
Hong Kong (domiciled)	65	10,127
Japan	32,526	17,179
Malaysia	85,062	39,182
Indonesia	38	478
Macau	7,204	8,102
Australia	32,229	17,415
Other overseas locations	247	136
	157,371	92,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. SEGMENT INFORMATION (Continued)

The Group's non-current assets are located in Hong Kong and Malaysia, which are divided into the following geographical areas (other than financial assets and deferred tax assets):

	Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000
Hong Kong (domiciled)	45,587	71,815
Malaysia	2,169	461
Others	177	279
	47,933	72,555

The geographical location of revenue allocated is based on the location at which the goods were delivered and services were provided. The geographical location of non-current assets is based on the physical location of the assets. The Company is an investment holding company where the Group has majority of its operation and workforce in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

The Group's customer base is diversified and includes only the following customers with whom transactions have exceeded 10% of the Group's revenue. Revenue derived from these customers are as follows:

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000
Customer A ^{##}	N/A	10,003
Customer B [#]	32,525	17,179
Customer C [#]	32,229	17,415

[#] Attributable to segment of trading of energy saving products

^{##} Attributable to trading of energy saving products and consultancy services.

N/A Revenue from the relevant customer was less than 10% of the Group total revenue for the reporting period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. REVENUE

Revenue represents the income from trading of energy saving products, provision of leasing service, consultancy services and renewable energy service income. An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customer within the scope of HKFRS 15		
Trading of energy saving products	65,033	40,278
Consultancy service income	7,204	12,931
Renewable energy service income	–	88
	72,237	53,297
Revenue from other sources		
Leasing service income	85,134	39,322
Total	157,371	92,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. REVENUE (Continued)

Disaggregation of revenue from contracts with customers and from other sources:

2025

Segments	Leasing service of energy saving systems and products HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Renewable energy services HK\$'000	Total HK\$'000
Geographical markets					
Hong Kong (domiciled)	65	-	-	-	65
Japan	-	32,526	-	-	32,526
Malaysia	85,062	-	-	-	85,062
Indonesia	-	38	-	-	38
Macau	-	-	7,204	-	7,204
Australia	-	32,229	-	-	32,229
PRC	7	240	-	-	247
Total	85,134	65,033	7,204	-	157,371
Major products/services					
Trading of energy saving products	-	65,033	-	-	65,033
Consultancy and project management services	-	-	7,204	-	7,204
Leasing service	85,134	-	-	-	85,134
Total	85,134	65,033	7,204	-	157,371
Timing of revenue recognition					
At a point in time	75,141	65,033	7,204	-	147,378
Over time	9,993	-	-	-	9,993
	85,134	65,033	7,204	-	157,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. REVENUE (Continued)

Disaggregation of revenue from contracts with customers and from other sources: (Continued)

Segments	2024				
	Leasing service of energy saving systems and products HK\$'000	Trading of energy saving products HK\$'000	Consultancy service HK\$'000	Renewable energy services HK\$'000	Total HK\$'000
Geographical markets					
Hong Kong (domiciled)	68	5,230	4,829	-	10,127
Japan	-	17,179	-	-	17,179
Malaysia	39,082	100	-	-	39,182
Indonesia	124	354	-	-	478
Macau	-	-	8,102	-	8,102
Australia	-	17,415	-	-	17,415
Other overseas locations	48	-	-	88	136
Total	39,322	40,278	12,931	88	92,619
Major products/services					
Trading of energy saving products	-	40,278	-	-	40,278
Consultancy and project management services	-	-	12,931	-	12,931
Installation service	-	-	-	88	88
Leasing service	39,322	-	-	-	39,322
Total	39,322	40,278	12,931	88	92,619
Timing of revenue recognition					
At a point in time	32,468	40,278	12,931	88	85,765
Over time	6,854	-	-	-	6,854
	39,322	40,278	12,931	88	92,619

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

	2025 HK\$'000	2024 HK\$'000
Trade receivables (note 19)	268,875	185,194
Contract liabilities (note 24)	-	258

The contract liabilities are related to the advance consideration of sales of goods received from customers.

The Group has applied the practical expedient to its sales contracts for trading of energy saving products and therefore the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligation under the contracts for trading of energy saving products that had an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. OTHER INCOME AND EXPENSES, NET

	2025 HK\$'000	2024 HK\$'000
Interest income		
– from bank and pledged deposits	118	254
– from other receivables	396	396
– from restructured trade receivables	941	–
	1,455	650
(Provision for)/reversal of impairment loss of financial assets, net	(14,366)	20,264
Bad debt written off	(67)	–
Amortisation of deferred day-one loss	(1,540)	(8,638)
Change in FVTPL in relation to convertible bonds	696	14,392
Government grants (Note)	750	–
Fair value loss on equity investment at FVTPL	(3,738)	(15,078)
Write-off of property, plant and equipment	–	(686)
Write-off of other receivables	(1,155)	–
Write-off of other payables	1,101	–
Others	(1)	(4)
	(16,865)	10,900

Note:

For the year ended 31 March 2025, the Group recognised government grants of HK\$750,000 in respect of the dedicated fund on branding, upgrading and domestic sales ("BUD Fund") launched by the Hong Kong Special Administrative Region Government.

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses for financial liabilities carried at amortised cost:		
Interest on amounts due to the scheme creditors	3,147	1,259
Interest on borrowings	2,803	1,384
Interest on borrowing from an associate	66	–
Interest on lease liabilities	294	111
	6,310	2,754
Interest on financial liabilities at FVTPL	–	197
Total finance costs	6,310	2,951

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For the year ended 31 March 2025

9. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is stated at after charging/(crediting) the following:

	2025 HK\$'000	2024 HK\$'000
Auditors' remuneration		
– Audit services	3,030	1,966
– Non-audit services	275	–
	3,305	1,966
Cost of inventories recognised as expenses		
– Cost of inventories sold	54,065	28,766
– Write-off of inventories	21	134
	54,086	28,900
Depreciation of property, plant and equipment		
– Owned assets	452	530
– Right-of-use assets	2,698	2,271
	3,150	2,801
Employee benefit expenses (including directors' remuneration)		
– Salaries and welfare	19,786	17,968
– Equity-settled share option expense	21,117	8,462
– Contributions to defined contribution retirement plan	1,426	1,214
	42,329	27,644
(Reversal of)/provision for warranty, net	(348)	38
Provision for/(reversal of) impairment loss of financial assets, net	14,366	(20,264)
Gain on disposal of property, plant and equipment	(2)	–
Write-off of property, plant and equipment	–	686
Write-off of other receivables	1,155	–
Write-off of other payables	(1,101)	–
Fair value loss on equity investment at FVTPL	3,738	15,078
Net foreign exchange losses	2,473	6,923
Gain on early termination of lease	–	(14)
Gain on modifications of financial assets	(39,253)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

Directors' remunerations are disclosed as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Equity- settled share option expense HK\$'000	Defined contributions HK\$'000	Total HK\$'000
Year ended 31 March 2025					
<i>Executive director:</i>					
Mr. Mansfield Wong	-	1,428	-	18	1,446
<i>Non-executive directors:</i>					
Mr. Tsang Sze Wai Claudius	396	-	7,075	-	7,471
Ms. Cai Linda Xin Xin (note(i))	66	-	-	-	66
<i>Independent non-executive directors:</i>					
Mr. Chung Koon Yan	205	-	13	-	218
Mr. Cheung Yick Hung Jackie	205	-	13	-	218
Dr. Wong Chi Ying Anthony	205	-	13	-	218
Mr. Tang Warren Louis	240	-	13	-	253
Total	1,317	1,428	7,127	18	9,890
Year ended 31 March 2024					
<i>Executive director:</i>					
Mr. Mansfield Wong	-	1,428	1,835	18	3,281
<i>Non-executive directors:</i>					
Mr. Tsang Sze Wai Claudius	396	-	2,582	-	2,978
<i>Independent non-executive directors:</i>					
Mr. Chung Koon Yan	205	-	8	-	213
Mr. Cheung Yick Hung Jackie	205	-	8	-	213
Dr. Wong Chi Ying Anthony	205	-	8	-	213
Mr. Tang Warren Louis	240	-	8	-	248
Total	1,251	1,428	4,449	18	7,146

Note:

- (i) Ms. Cai Linda Xin Xin was appointed as an non-executive director of the Company on 31 July 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' remuneration (Continued)

Disclosure required by Section 383 of the Companies Ordinance (Cap. 622), Companies (Disclosure of information about benefits of directors) regulation (Cap. 622G) and Listing Rules:

- (i) The executive director's remuneration shown above was mainly for their services in connection with the management of the affairs of the Company and the Group during the years ended 31 March 2025 and 2024.
- (ii) The non-executive and independent non-executive directors' remuneration shown above were mainly for their services as directors of the Company and the Group during the years ended 31 March 2025 and 2024.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, 1 director (2024: 2 directors) are included.

The analysis of the emolument of the remaining 4 highest paid individuals for the year (2024: 3) are set out below:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	3,190	1,915
Equity-settled share option expense	18,893	2,577
Contributions to defined contribution retirement plan	108	45
	22,191	4,537

Their emoluments were within the following bands:

	2025 No. of individual	2024 No. of individual
HK\$Nil to HK\$1,000,000	–	2
HK\$2,500,001 to HK\$3,000,000	–	1
HK\$4,000,001 to HK\$4,500,000	1	–
HK\$5,500,001 to HK\$6,000,000	1	–
HK\$6,000,001 to HK\$6,500,000	2	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

- (c) During the year, no director or any of the highest paid individuals waived or agreed to waive any emoluments (2024: Nil). No emoluments were paid by the Group to the directors or any of the highest paid individuals of the Group as bonuses, an inducement to join or upon joining the Group or compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group (2024: Nil).

11. INCOME TAX (CREDIT)/EXPENSE

(a) Income tax

The amount of taxation in the consolidated statement of comprehensive income represents:

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Deferred tax	(756)	3,615
Income tax (credit)/expense	(756)	3,615

Hong Kong profits tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of a qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

Provision for the Enterprise Income Tax in the People's Republic of China (the "PRC") is calculated based on a statutory tax rate 25% (2024: 25%) of the estimated assessable profits as determined in accordance with the relevant income tax law in the PRC.

A subsidiary in Malaysia has elected to pay a lump sum income taxation charge of Malaysian Ringgit ("RM") 20,000 per annum, if taxable profits arise. Another subsidiary in Malaysia's corporate income tax is calculated at the applicable rate in Malaysia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

(a) Income tax (Continued)

The income tax (credit)/expense for the year can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	38,841	15,217
National tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	4,249	2,435
Effect of share of results of associates	657	(452)
Effect of non-taxable revenue	(171)	(3,764)
Effect of non-deductible expenses	7,789	7,698
Effect of temporary differences not recognised	(456)	(116)
Effect of tax losses not recognised	259	418
Effect of prior year's tax loss recognised during the year	(13,995)	-
Effect of utilisation of tax losses previously not recognised	-	(2,604)
Income tax (credit)/expense	(756)	3,615

(b) Deferred tax

Details of the deferred tax assets/liabilities recognised and movements during the year are as follows:

	Tax Loss HK\$'000	Right of use assets HK\$'000	Lease liabilities HK\$'000	Impairment loss HK\$'000	Tax depreciation HK\$'000	Total HK\$'000
At 1 April 2023	-	(253)	253	51,288	170	51,458
Charged/(credited) to profit or loss for the year	-	1	(1)	(3,280)	(335)	(3,615)
At 31 March 2024 and 1 April 2024	-	(252)	252	48,008	(165)	47,843
Charged/(credited) to profit or loss for the year	28,796	(277)	297	(28,323)	263	756
At 31 March 2025	28,796	(529)	549	19,685	98	48,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2024: Nil).

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of shares in issued during the year, calculated as follows:

	2025 HK\$'000	2024 HK\$'000
Profit attributable to owners of the Company		
Profit attributable to owners of the Company	35,532	8,387

	2025 '000	2024 '000
Weighted average number of ordinary shares		
Issued ordinary shares at the beginning of the year	3,349,414	2,385,668
Effect of shares issued for settlement of amounts due to the scheme creditors	-	554,046
Effect of shares options exercised	28,940	42,448
Effect of conversion of convertible bonds	49,351	65,567
Weighted average number of ordinary shares at 31 March	3,427,705	3,047,729

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company and the weighted average number of shares in issued during the year, calculated as follows:

	2025 HK\$'000	2024 HK\$'000
Profit attributable to owners of the Company (diluted)		
Profit attributable to owners of the Company	35,532	8,387
Effect of change in FVTPL in relation to convertible bonds	-	(14,392)
Effect of amortisation of deferred day-one loss	-	8,638
Profit attributable to owners of the Company (diluted)	35,532	2,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

	2025 '000	2024 '000
Weighted average number of ordinary shares (diluted)		
Weighted average number of shares for the purpose of calculating basic earnings per share	3,427,705	3,047,729
Effect of dilutive potential shares on convertible bonds	–	53,587
Effect of dilutive potential shares on share options	16,031	45,930
Weighted average number of shares for the purpose of calculating diluted earnings per share	3,443,736	3,147,246

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential shares. For the year ended 31 March 2025, the calculation of dilutive earnings per shares excluded the effect of convertible bonds because they were anti-dilutive. For the year ended 31 March 2025 and 2024, the calculation of dilutive earnings per share also excluded certain number of share options because the exercise prices of those share options were higher than the average market price per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Energy saving systems HK\$'000	Total HK\$'000
Year ended 31 March 2024					
Opening net book amount	2,883	25	78	1,129	4,115
Additions	2,045	203	132	-	2,380
Lease termination	(330)	-	-	-	(330)
Depreciation	(2,271)	(64)	(93)	(373)	(2,801)
Written off	-	-	-	(686)	(686)
Exchange realignment	(79)	-	(4)	(60)	(143)
Closing net book amount	2,248	164	113	10	2,535
At 31 March 2024					
Cost	7,300	450	1,224	17,012	25,986
Accumulated depreciation and impairment	(5,052)	(286)	(1,111)	(17,002)	(23,451)
Net book amount	2,248	164	113	10	2,535

	Right-of-use assets HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Energy saving systems HK\$'000	Total HK\$'000
Year ended 31 March 2025					
Opening net book amount	2,248	164	113	10	2,535
Additions	5,108	272	286	579	6,245
Lease termination	(39)	-	-	-	(39)
Depreciation	(2,698)	(133)	(123)	(196)	(3,150)
Disposal	-	-	(2)	-	(2)
Exchange realignment	30	6	6	6	48
Closing net book amount	4,649	309	280	399	5,637
At 31 March 2025					
Cost	7,140	716	1,524	15,216	24,596
Accumulated depreciation and impairment	(2,491)	(407)	(1,244)	(14,817)	(18,959)
Net book amount	4,649	309	280	399	5,637

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and buildings leased for own use HK\$'000
<i>Right-of-use assets</i>	
As at 1 April 2023	2,883
Addition	2,045
Depreciation	(2,271)
Lease termination	(330)
Exchange realignment	(79)
As at 31 March 2024 and 1 April 2024	2,248
Addition	5,108
Depreciation	(2,698)
Lease termination	(39)
Exchange realignment	30
As at 31 March 2025	4,649

The Group estimates the recoverable amounts of the property, plant and equipment based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on value in use and no impairment loss on property, plant and equipment has been recognised for the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	17,702	45,426
Goodwill	24,594	24,594
	42,296	70,020

Particulars of the associates, which are accounted for using the equity method in the consolidated financial statements as at 31 March 2025, are as follows:

Name of companies	Place and date of incorporation and operation	Issued share capital/registered capital	Percentage of equity interest attributable to the Group		Principal activities
			Direct	Indirect	
Shine Digital Vertical Farming Technology Sdn. Bhd. ("Shine Digital Vertical Farming") (note (a))	Malaysia 20 May 2024	MYR20,000	24%	-	Growing of vegetables, leasing of agricultural machinery and wholesale of agricultural machinery and supplies
Kedah Synergy Limited ("Kedah Synergy") and its subsidiaries (collectively referred to as "Kedah Synergy Group") (note (b))					
Kedah Synergy	BVI 18 April 2016	United States Dollar ("US\$") 10,000	47.5%	-	Investment holding
Kedah Synergy Hong Kong Limited	Hong Kong 4 December 2017	HK\$1	-	47.5%	Trading of energy saving products and provision of cost-saving energy management solutions
Kedah Synergy Corporation (Pty) Ltd.	South Africa 30 October 2017	-	-	47.5%	Provision of cost-saving energy management solutions

All associates are unlisted corporate entities whose quoted market price is not available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. INTERESTS IN ASSOCIATES (Continued)

- (a) The summarised financial information of Shine Digital Vertical Farming extracted from management accounts prepared in accordance with HKFRS Accounting Standards is set out below:

	2025 HK\$'000
As at 31 March:	
Non-current assets	388
Current assets	78
Current liabilities	(193)
Non-Current liabilities	(146)
Net assets attributable to owners of an associate	127
	2025 HK\$'000
Year ended 31 March	
Revenue	-
Profit for the year	90
Other comprehensive income	1
Total comprehensive income	91

Reconciliation to the Group's interests in Shine Digital Vertical Farming as at reporting dates:

	2025 HK\$'000
Net assets of Shine Digital Vertical Farming	127
Percentage of equity interest attributable to the Group	24%
The Group's share of Shine Digital Vertical Farming	30
Carrying amount of the Group's interests in Shine Digital Vertical Farming	30

Reconciliation to the Group's share of results of Shine Digital Vertical Farming:

	2025 HK\$'000
Percentage of equity interest attributable to the Group	-
Group's share of profits of the associate	22
Group's share of other comprehensive income of the associate	-
Share of total comprehensive income of the associate	22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. INTERESTS IN ASSOCIATES (Continued)

- (b) The summarised financial information of Kedah Synergy Group extracted from management accounts prepared in accordance with HKFRS Accounting Standards is set out below:

	2025 HK\$'000	2024 HK\$'000
As at 31 March:		
Non-current assets	3	7
Current assets	40,915	110,757
Current liabilities	(3,713)	(15,129)
Net assets attributable to owners of associates	37,205	95,635
	2025 HK\$'000	2024 HK\$'000
Year ended 31 March		
Revenue	3,125	5,064
(Loss)/Profit for the year	(8,429)	5,762
Other comprehensive loss	(1)	(20)
Total comprehensive (loss)/income	(8,430)	5,742
Dividend received from the associate	23,750	-

Reconciliation to the Group's interests in Kedah Synergy Group as at reporting dates:

	2025 HK\$'000	2024 HK\$'000
Net assets of Kedah Synergy Group	37,205	95,635
Percentage of equity interest attributable to the Group	47.5%	47.5%
The Group's share of Kedah Synergy Group's net assets	17,672	45,426
Goodwill	24,594	24,594
Carrying amount of the Group's interests in Kedah Synergy Group	42,266	70,020

Reconciliation to the Group's share of results of Kedah Synergy Group:

	2025 HK\$'000	2024 HK\$'000
Percentage of equity interest attributable to the Group	47.5%	47.5%
Group's share of profits of the associates	(4,004)	2,737
Group's share of other comprehensive loss of the associates	-	(10)
Share of total comprehensive income of the associates	(4,004)	2,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. EQUITY INVESTMENT AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investment, at fair value	7,062	10,800

The unlisted equity investment represented the Group's investment in InVinity. The Group has invested US\$3,200,000 (equivalent to approximately HK\$24,800,000) as investment and held 23.65% equity interest in InVinity accordingly.

The fair value of unlisted equity investment is a Level 3 recurring fair value measurement. The details of assessment are set out in note 39. HK\$3,738,000 fair value loss has been recognised under "other income and expenses, net" in the consolidated statement of comprehensive income for the year ended 31 March 2025 (2024: HK\$15,078,000).

17. FINANCE LEASE RECEIVABLES

The Group provides financial leasing service of energy saving products. The Group's finance lease receivables are as follows:

	Minimum lease payments		Present values of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	20,512	8,325	9,833	3,195
In the second year	20,129	8,162	10,384	3,412
In the third year	20,129	7,801	11,403	3,449
In the fourth year	20,122	7,801	12,523	3,886
In the fifth year	19,132	7,794	12,732	4,371
Over fifth years	74,669	33,822	61,866	26,150
	174,693	73,705		
Less: Unearned finance lease income	(55,952)	(29,242)		
Present value of minimum lease payments	118,741	44,463	118,741	44,463
Less: Provision for impairment loss	(2,597)	(730)	(2,597)	(730)
	116,144	43,733	116,144	43,733
Classified as:				
– Non-current assets			106,575	40,685
– Current assets			9,569	3,048
			116,144	43,733

The effective interest rates of the Group's finance leases are ranging from 6% to 12% per annum (2024: 12% per annum). There are no unguaranteed residual values of assets under finance leases. Finance lease receivables are secured over the energy saving products. No contingent rent arrangements were made during the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. FINANCE LEASE RECEIVABLES (Continued)

Included in finance lease receivables are the following amounts denominated in the following currency:

	2025 HK\$'000	2024 HK\$'000
RM	116,144	43,733

Further details on the Group's credit policy and credit risk arising from finance lease receivables are set out in note 39.

18. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	12,658	4,204

19. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	411,283	497,652
Less: Provision for impairment loss	(124,225)	(293,776)
Trade receivables, net	287,058	203,876
Classified as:		
– Non-current assets (Note a)	10,358	10,223
– Current assets (Note b)	276,700	193,653
	287,058	203,876

Notes:

- a) The Group has offered settlement term to a customer attributed to the segment of trading of energy saving products, interest-bearing of 5% per annum with settlement schedule in 84 months ("**84-months Credit Term**"). As such, the fair value of the consideration attributable to the customer is determined by discounting the nominal amount of all future receipts using an imputed rate of interest of 5% per annum.

The Group's trading terms with its customers are mainly on credit. Generally, the credit period is ranging from cash on delivery to 365 days, except for a customer who has been granted the settlement schedules of 84 months from the Group.

- b) During the year ended 31 March 2025, the Group entered into debt restructuring agreements with several trade debtors, pursuant to which the trade debtors agreed to pay HK\$246,350,000 in total in accordance with the settlement schedules for the discharge of the respective trade receivables of approximately US\$35,890,000 (equivalent to approximately HK\$278,145,000) and approximately HK\$90,691,000 ("**Debt Restructuring**"). Upon completion of the Debt Restructuring, the difference of HK\$39,253,000 between the carrying amounts of the respective trade receivables (net of impairment loss) and the fair values of the financial assets was recognised in profit or loss.

As at 31 March 2025, the carrying amounts of the restructured trade receivables were HK\$226,905,000, which were unsecured, carried imputed interest rate at 10.49%-12.10% per annum and repayable within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. TRADE RECEIVABLES (Continued)

The following table provides information about trade receivables from contracts with customers and other sources:

	2025 HK\$'000	2024 HK\$'000
Trade receivables from contracts with customers (note 6)	268,875	185,194
Trade receivables from other sources	18,183	18,682
	287,058	203,876

Based on invoices date, ageing analysis of the Group's trade receivables (net of provision for impairment loss) is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	6,406	19,716
31 to 90 days	1,335	2,985
91 to 180 days	989	10,623
181 to 365 days	1,820	32,405
Over 365 days	49,603	138,147
	60,153	203,876

The preceding ageing analysis of the Group's trade receivables excludes certain restructured trade receivables, which are classified based on their respective restructuring dates. As of 31 March 2025, these restructured trade receivables comprised present value (net of provision for impairment loss) of HK\$161,500,000 aged 1-30 days and HK\$65,405,000 aged 31-90 days, totaling HK\$226,905,000 in restructured balances.

Included in net trade receivables amount are the following amounts denominated in currencies other than the functional currencies:

	2025 HK\$'000	2024 HK\$'000
US\$	–	104,420
IDR	43,948	54,125

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Current assets:			
Deposits	(a)	18,525	22,043
Prepayments		435	672
Other receivables	(b), (c), (d)	9,643	24,593
		28,603	47,308
Non-current assets:			
Deposits		864	781

Notes:

- (a) Deposits mainly represented the deposits paid to suppliers for purchase of goods.
- (b) Included in the other receivables as at 31 March 2025 represented (i) the amount due from InVinity, investee company and classified as "equity investment at FVTPL" (note 16) with principal of HK\$3,300,000 (2024: HK\$3,300,000). The balance is non-trade nature, unsecured, bore fixed interest rate of 12% per annum and repayable on demand; (ii) the amount due from a shareholder of approximately HK\$Nil (2024: HK\$7,849,000). The balance is non-trade nature, unsecured, interest free and repayable in December 2024; and (iii) amount due from a shareholder of approximately HK\$191,000 (2024: HK\$194,000). The balance is non-trade nature, unsecured, interest free with no fixed repayment terms.
- (c) During the year ended 31 March 2025, loss allowance of HK\$1,066,000 (2024: HK\$1,066,000) for the other receivables has been recognised as the Group considers the balance is credit impaired.
- (d) Synergy Lighting Limited ("SLL"), a wholly owned subsidiary of the Group, had placed a deposit (the "Deposit") to a then financial institution (the "Institution") in the Republic of Guinea ("Guinea") for the purpose of certain projects to start up in West Africa. As at 31 March 2023, the Deposit amounted to approximately US\$900,000 (equivalent to approximately HK\$6,982,000). On 16 August 2024, SLL received a letter from the Institution (the "Letter") stating that (a) the status of the Institution as a financial institution in Guinea had been expired on 11 May 2022, following the withdrawal of the approval authorizing the Institution to legally operate as a bank in Guinea by the Central Bank of Guinea; and (b) SLL's bank account on the Institution would be closed; and (c) the Institution will arrange a full refund of the Deposit to SLL by 31 August 2024. The Deposit had been fully refunded to SLL during the year ended 31 March 2025.

21. AMOUNTS DUE FROM/TO AN ASSOCIATE/A RELATED COMPANY/A DIRECTOR

- (a) Amount due to an associate of approximately HK\$4,750,000 as at 31 March 2025 (2024: Amount due from HK\$4,470,000) represented the net non-trading outstanding balances with Kedah Synergy Group which were unsecured, interest-free and repayable on demand.

Amount due from an associate of approximately HK\$44,000 as at 31 March 2025 (2024: Nil) represented the non-trading outstanding balances with Shine Digital Vertical Farming which were unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year was HK\$44,000 (2024: Nil).

- (b) Amount due to a related company of approximately HK\$2,380,000 as at 31 March 2025 (2024: HK\$1,514,000) represented the non-trading outstanding balance with a Company wholly owned by Mr. Mansfield Wong. The balances were unsecured, interest free, and repayable on demand.
- (c) Amount due to a director, Mr. Mansfield Wong, of approximately HK\$129,000 as at 31 March 2025 (2024: HK\$85,000) were non-trade nature, unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Current assets:		
Cash and cash equivalents	12,431	31,908
Non-Current assets:		
Pledged deposits (note (a))	4,512	904
	16,943	32,812

Notes:

- (a) Pledged deposits represented time deposits secured to credit facilities set out in note 26. The interest rate of time deposits ranging from 2.45% to 3.4% per annum. (2024: ranging from 3% to 4% per annum)
- (b) As at 31 March 2025, funds of the Group amounting to HK\$5,000 and HK\$796,000 (2024: HK\$69,000 and HK\$72,000) were deposited in bank accounts opened with banks in the PRC and Malaysia, respectively, which the remittance of funds is subject to foreign exchange control regulations.

Included in cash and cash equivalents are the following amounts denominated in currencies other than the functional currencies:

	2025 HK\$'000	2024 HK\$'000
US\$	3	265
RM	1	2
HK\$	9	–

The Group's cash at banks earns interest at floating rates based on daily bank deposit rates.

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For the year ended 31 March 2025

23. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	9,076	11,110

Based on goods receipts date, ageing analysis of the Group's trade payables is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	28	3,378
31 to 90 days	4,004	44
91 to 180 days	1,418	4,931
181 to 365 days	217	460
Over 365 days	3,409	2,297
	9,076	11,110

The Group generally made purchase with various terms, operating on cash on delivery or payment in advance terms.

Included in trade payables are the following amounts denominated in currencies other than the functional currencies:

	2025 HK\$'000	2024 HK\$'000
US\$	–	454
RMB	9,035	10,569

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For the year ended 31 March 2025

24. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from:		
Trading of energy saving products (note 6)	–	258

Contract liabilities represented advance payments received from customers for goods that the control of the products have not been transferred to the customers.

The Group expects to deliver the goods to satisfy the remaining obligations of these contract liabilities within one year or less.

Movements in contract liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance as at the beginning of the year	258	312
Revenue recognised that was included in the contract liabilities at the beginning of the year	–	(54)
Decrease in contract liabilities as a result of the transfer to other payable	(258)	–
Balance as at the end of the year	–	258

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For the year ended 31 March 2025

25. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities:			
Deposits received	(c)	580	802
Current liabilities:			
Accruals		12,169	14,188
Other payables	(a)	26,427	20,801
Consideration payable for the acquisition of additional interest in a partially owned subsidiary	(d)	180,233	-
Warranty provision	(b)	1,706	2,054
Deposits received	(c)	461	818
		220,996	37,861

Notes:

- (a) Included in the other payables is the consideration payable for the investment in InVinity of approximately HK\$12,400,000 (2024: HK\$12,400,000) which will be paid when certain milestones are met.
- (b) The movements in the warranty provision are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	2,054	2,016
Provision for the year	640	182
Unused amounts reversed	(988)	(144)
At end of the year	1,706	2,054

The Group records its warranty liability at the time of sales rendered based on estimated costs. Warranty claims are reasonably predictable based on historical failure rate information. The warranty provision is reviewed yearly to verify it is properly reflecting the outstanding obligation over the warranty period.

- (c) The deposits received represented the receipt in advance from customers for leasing service.
- (d) On 15 January 2025, the Group entered into a sale and purchase agreement with a non-controlling shareholder of a partially owned subsidiary (the "Vendor") pursuant to which the Group had conditionally agreed to acquire and the Vendor had agreed to sell 25% equity interest of the partially owned subsidiary at the consideration of HK\$200 million. The acquisition of additional interest in the partially owned subsidiary had been completed on 20 January 2025. The difference between the consideration and the carrying amount of non-controlling interest acquired had been recognised in capital reserve. As at 31 March 2025, the outstanding balance of consideration payable was HK\$180,233,000, which shall be payable on or before 30 June 2027 on demand.
- (e) Included in accruals and other payables are the following amounts denominated in currencies other than the functional currencies:

	2025 HK\$'000	2024 HK\$'000
US\$	12,406	1,606
RM	7,675	271
IDR	1,098	6,596
HK\$	1	-

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For the year ended 31 March 2025

26. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Unsecured and guaranteed bank loans:		
Amounts repayable on demand	8,552	8,787
Secured and guaranteed bank loans:		
Amounts repayable on demand	63,868	–
Secured and guaranteed other loans:		
Amounts repayable on demand	6,543	8,630
Amounts repayable on demand from an associate	10,000	–
Total borrowings classified as current liabilities	88,963	17,417

Based on the schedule repayment dates set out in the bank loans and other loan agreements and without taking into consideration of any repayment on demand clause, the borrowings are repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	24,943	2,322
After one year but within two years	13,820	2,633
After two years but within five years	46,102	7,190
After five years	4,098	5,272
	88,963	17,417

Notes:

- (a) As at 31 March 2025, the bank loan of HK\$8,552,000 (2024: HK\$8,787,000) was under personal guarantee from Mr. Mansfield Wong and the guarantee from the Government of HKSAR.
- (b) As at 31 March 2025, other loans of HK\$6,543,000 (2024: HK\$8,630,000) was secured by the finance lease receivables of approximately HK\$11,992,000 (2024: HK\$13,088,000), trade receivables of approximately HK\$777,000 (2024: HK\$561,000), bank deposit of approximately HK\$939,000 (2024: HK\$904,000) and was under personal guarantee from Mr. Mansfield Wong.
- (c) On 24 August 2024, the Group entered into a RM50,000,000 financing facility agreement with a licensed bank, comprising ten term loan tranches of RM4,500,000 each and a RM5,000,000 Short-Term Revolving Credit (STRC) facility. The facility carries an annual interest rate of 6.65%, with Tranches 1-10 featuring a 60-month repayment tenor: an initial six-month interest-only period following each drawdown date, followed by 54 months of monthly principal and interest repayments of approximately RM97,000. The STRC facility is repayable upon demand, requiring monthly interest payments during its term with principal payable at final maturity. Tranches 1-4 must be drawn by 31 January 2025, while Tranches 5-10 are subject to a drawdown deadline of 31 July 2025.

The term loan tranches carries an annual interest rate of 6.65% and are repayable within 5 years after the drawdown date. The STRC facility carries an annual interest rate of 6.65% and is repayable on demand.

As of 31 March 2025, the carrying amount of these facilities comprised RM36,392,000 (equivalent to approximately HK\$63,868,000) in outstanding principal and RM166,000 (equivalent to approximately HK\$292,000) in accrued interest payable. These bank loans were secured by the finance lease receivables of approximately HK\$64,844,000, trade receivables of approximately HK\$1,263,000, bank deposit of approximately HK\$3,571,000 and was under guarantee from Mr. Mansfield Wong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. BORROWINGS (Continued)

Notes: (Continued)

- (d) On 21 March 2025, the Group entered into a loan agreement with an associate of the Group for a loan with a principal amount of HK\$10,000,000, bearing interest of 24% per annum and matures on 20 September 2025. The loan was secured by 4,750 shares of another associate owned by the Group and was under personal guarantee from Mr. Mansfield Wong. As at 31 March 2025, the carrying amount of the loan plus accrued interest was approximately HK\$10,066,000.
- (e) As at 31 March 2025, the Group's interest-bearing borrowings bore effective interest rate ranging from 3% to 24% per annum (2024: ranging from 3.6% to 10.8% per annum).
- (f) As at 31 March 2025, the Group's credit facilities amounted to approximately HK\$121,750,000 (2024: HK\$24,000,000), of which HK\$88,963,000 (2024: HK\$17,417,000) have been utilised.

27. LEASE LIABILITIES

The amount included in the consolidated statement of financial position in respect of the carrying amounts of lease liabilities and the movements during the year is as follows:

	Office HK\$'000	Energy saving systems HK\$'000	Total HK\$'000
As at 1 April 2023	3,100	224	3,324
Additions	2,045	-	2,045
Interest expenses	98	13	111
Lease payments	(2,610)	(227)	(2,837)
Lease termination	(344)	-	(344)
Exchange realignment	(83)	(10)	(93)
As at 31 March 2024 and 1 April 2024	2,206	-	2,206
Additions	5,108	-	5,108
Interest expenses	294	-	294
Lease payments	(2,778)	-	(2,778)
Lease termination/modification	(44)	-	(44)
Exchange realignment	33	-	33
As at 31 March 2025	4,819	-	4,819

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For the year ended 31 March 2025

27. LEASE LIABILITIES (Continued)

	Lease payments		Present value of lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	2,901	1,137	2,680	1,048
After one year but within two years	1,901	803	1,830	758
After two years but within five years	320	411	309	400
	5,122	2,351		
Less: Future finance charges	(303)	(145)		
Present value of lease liabilities	4,819	2,206	4,819	2,206
Less: Amount due for settlement within 12 months (shown under current liabilities)			(2,680)	(1,048)
Amount due for settlement after 12 months			2,139	1,158
			2025 HK\$'000	2024 HK\$'000
Short term leases expenses			230	122

The total cash outflow for leases

	2025 HK\$'000	2024 HK\$'000
Amounts included in the consolidated statement of cash flows for leases comprise the following:		
Within operating cash flow	230	122
Within financing cash flow	2,778	2,837
	3,008	2,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. AMOUNTS DUE TO THE SCHEME CREDITORS

	2025 HK\$'000	2024 HK\$'000
Current liabilities	40,491	29,768
Non-current liabilities	-	40,328
	40,491	70,096

	2025 HK\$'000	2024 HK\$'000
Within one year	40,491	29,768
After one year but within two years	-	40,328
	40,491	70,096

Note:

The Company initiated the debt restructuring scheme (the “**Scheme**”) in the previous years. All necessary statutory, regulatory, and creditors’ approvals have been obtained during the year ended 31 March 2023. The Scheme became effective and had been approved for further proceeding on 21 February 2023. All admitted claims owed by the Company to those creditors would be discharged and released in full as against the Company on the effective date of the Scheme. The duration of the Scheme shall be 30 months. Under the Scheme, there are two settlement options for scheme creditors to elect for the settlement preference.

Under cash option, the terms of the Scheme, as well as the date fixed by the Scheme Administrators for the first distribution date of the Scheme, outstanding balances would be settled on the following basis:

- (1) 5% of total outstanding principal on the effective date of the Scheme;
- (2) 40% of total outstanding principal prior to the first anniversary of the first distribution date of the Scheme, i.e. 3 July 2024 (the “**Second Dividend Distribution**”);
- (3) 40% of total outstanding principal prior to the second anniversary of the first distribution date of the Scheme, i.e. 3 July 2025; and
- (4) 15% of total outstanding principal at the end of the Scheme, i.e. 31 January 2026.

The first distribution took place on 3 July 2023, all outstanding interest would be discharged on the effective date of the Scheme and the outstanding balance would be charged at 2.5% per annum commencing on the first distribution date of the Scheme.

Under equity option, the Company would allot, issue and register in the name of scheme creditors such number of new shares, credited as fully paid at a premium of 25% of debts, to the average closing price of the Company as quoted on the Stock Exchange for the last five consecutive trading days prior to the effective date of the Scheme.

All scheme creditors have to elect the settlement option before 22 March 2023, in which certain scheme creditors with the total admitted claims balances of approximately HK\$104,398,000 as at 31 March 2023 had elected the equity option. For the remaining balances of approximately HK\$69,708,000, those balances would be settled by cash according to the abovementioned schedule.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. AMOUNTS DUE TO THE SCHEME CREDITORS (Continued)

Note: (Continued)

During the year ended 31 March 2024, the abovementioned settlement shares had been approved by independent shareholders in an extraordinary general meeting on 15 June 2023 and become unconditional for allotment and issuance. On 28 June 2023, approximate 730,061,000 settlement shares were allotted and issued to the relevant scheme creditors and balances of approximately HK\$104,398,000 had been settled.

Details are set out in the Company's announcements dated 3 August 2022, 14 October 2022, 11 November 2022, 17 February 2023, 14 April 2023 and 15 June 2023.

During the year ended 31 March 2025, the Company had not settled the Second Dividend Distribution that was originally due on 3 July 2024. A Scheme Creditors' Committee meeting (the "**Meeting**") was held on 15 August 2024, whereby the Company provided an update to the Scheme Creditors' Committee on the status of the Company and to discuss the future treatment of the payments for the Second Dividend Distribution.

Regarding the Second Dividend Distribution (the "**Dividend**") that was originally due on 3 July 2024, subsequent to the first Scheme Creditor's meeting (the "**First Meeting**") held on 15 August 2024, a second Scheme Creditors' Committee meeting (the "**Second Meeting**") was held on 14 October 2024, whereby the Company provided an update to the Scheme Creditors' Committee on the status of the Company and to discuss the future treatment of the subsequent payments for the Dividend. It was agreed between the Company and the scheme creditors as a result of the First Meeting and the Second Meeting, that (i) the interest will continue to accrue at the scheme interest rate at 2.5% for the unsettled principal amount until the Second Dividend Distribution is settled and such interest will be settled together with Second Dividend Distribution; (ii) an additional interest equal to 1% per month (the "**Extra Interest**") on the principal amount of the Dividend to accrue until the Dividend is settled and the interest to be settled together with the Second Dividend Distribution; (iii) a schedule of repayment taking into account of (i) and (ii) has been agreed, whereas approximately HK\$7.6 million, HK\$8.5 million, HK\$8.4 million, and HK\$8.3 million will be settled by October, November, December 2024 and January 2025 respectively; (iv) if the Company cannot fulfill the payment obligation of schedule set out in (iii), the Extra Interest per month in (ii) will be revised to 1.25% from 1% accordingly. On 28 January 2025, the second Dividend Distribution and the accrued interest (including Extra Interest) had been fully settled by the Group.

Furthermore, on 30 August 2024, Abundance Development Limited, a company wholly owned by Mr. Mansfield Wong, executive Director and the controlling shareholder of the Company, had reached an agreement with one of the scheme creditors in transferring all the rights on the amounts outstanding due by the Company to the then scheme creditor amounted to approximately HK\$43.7 million. Abundance Development Limited becomes the beneficial owner of that portion of the amounts due under the Scheme thereon. As at 31 March 2025, the amount due to Abundance Development Limited under the Scheme was approximately HK\$25,402,000.

29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Redeemable preference shares, at fair value	-	-

A subsidiary of the Group issued 2,000,000 redeemable preference shares to an independent third party at RM1.00 each with the total amount of RM2,000,000 (equivalents to HK\$3,615,000). According to the supplemental agreement signed on 2 July 2022, the redeemable preference shares shall be redeemed in full on 24 February 2024.

The preference shares would be redeemed in cash at an amount equal to the subscription price at RM1.00 per share plus interest at the rate of 12% per annum to the holder of the preference shares.

The management had designated the redeemable preference shares as financial liabilities at FVTPL as it was managed and its performance was evaluated on a fair value basis. For the year ended 31 March 2023, no fair value change of the redeemable preference shares was recognised.

On 25 September 2023, the financial liabilities at FVTPL was fully redeemed and settled. No fair value gain or loss of the redeemable preference shares was recognised for the year ended 31 March 2024.

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For the year ended 31 March 2025

30. CONVERTIBLE BONDS

On 29 September 2023, the Company issued convertible bonds (the **"Bonds"**) in an aggregate principal amount of US\$10,000,000 with a maturity of 24 months (the **"Maturity Date"**). The Bonds shall bear interest at 8% per annum but no interest shall be payable thereon if and to the extent conversion right is exercised. Holders of the Bonds (the **"Bondholders"**) shall have the rights to convert all or part of the principal amount of its convertible bonds into shares of the Company at HK\$0.33 per share (the **"Conversion Price"**) at any time during the period commencing from the issuance date of the Bonds to the Maturity Date. In addition, if the average closing price per share as stated in the daily quotation sheet issued by the Stock Exchange for 20 consecutive trading days during the period commencing from the issuance date of the Bonds to the Maturity Date is equal to or exceeds 150% of the Conversion Price, the Bondholders must exercise the mandatory conversion right of the Bonds.

The principal amount of the Bonds which remains outstanding on the Maturity Date shall be automatically redeemed by the Company on the Maturity Date (the **"Mandatory Conversion"**) of the Bonds at its outstanding principal amount, plus interest calculated at the rate of 8% per annum on the principal amount from the date of issue of the Bonds up to and including the day the Company fully pays the redemption price to the Bondholders.

The shares to be allotted and issued upon conversion of the Bonds will be duly and validly issued as fully paid and free from any encumbrance and will rank at least pari passu with all other shares then in issue. The Bonds are secured by charge over certain receivables of a subsidiary of the Company to secure the performance of the Bonds.

The Bonds are hybrid contracts that contain liability component and embedded derivative component. The Company designated the entire Bonds as at fair value through profit or loss. The fair value as of the issue date of the Bonds was approximately US\$19,698,000 (equivalent to approximately HK\$152,659,000).

The fair value of the Bonds is a level 3 recurring fair value measurement and is determined using valuation model for which involved unobservable inputs. The day-one loss of approximately HK\$75,159,000, which represented the difference between the nominal value and the fair value of the Bonds at the issue date, is not recognised in profit or loss immediately but is deferred. The deferred day-one loss will be amortised over the term of the Bonds and included in "other income and expenses, net" in profit or loss.

On 17 November 2023, the Bonds with an aggregate principal amount of US\$7,500,000 (equivalent to approximately HK\$58,125,000) were converted into approximately 177,273,000 newly issued shares of the Company upon the exercise of conversion rights by the Bondholders.

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30. CONVERTIBLE BONDS (Continued)

On 31 May 2024, Bonds with an aggregate principal amount of US\$2,500,000 (equivalent to approximately HK\$19,375,000) were converted into approximately 59,091,000 newly issued shares of the Company upon the exercise of conversion rights by the Bondholders.

	Financial liabilities at FVTPL HK\$'000	Deferred day-one loss HK\$'000	Total HK\$'000
At 1 April 2023	-	-	-
Issuance of convertible bonds	152,659	(75,159)	77,500
Amortisation of deferred day-one loss	-	8,638	8,638
Conversion of convertible bonds	(111,356)	52,533	(58,823)
Change in fair value through profit and loss	(14,392)	-	(14,392)
At 31 March 2024	26,911	(13,988)	12,923
Amortisation of deferred day-one loss	-	1,540	1,540
Conversion of convertible bonds	(26,215)	12,448	(13,767)
Change in fair value through profit and loss	(696)	-	(696)
At 31 March 2025	-	-	-

31. SHARE CAPITAL

	Notes	Number of shares '000	Amount HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 each			
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025		50,000,000	500,000
Issued and fully paid:			
At 1 April 2023		2,385,668	23,857
Issue of shares for settlement of amounts due to the scheme creditors	(a)	730,061	7,300
Issue of shares under share option scheme	(b)	56,412	564
Issue of share upon conversion of convertible bonds	(c)	177,273	1,773
At 31 March 2024 and 1 April 2024		3,349,414	33,494
Issue of shares under share option scheme	(d)	35,607	356
Issue of shares upon conversion of convertible bonds	(e)	59,091	591
At 31 March 2025		3,444,112	34,441

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31. SHARE CAPITAL (Continued)

Notes:

- (a) On 15 June 2023, the Company has completed issuance of approximate 730,061,000 new shares at HK\$0.143 each to certain scheme creditors, who are also the shareholders of the Company, for settlement of debts (the "**Settlement**"). The consideration has been fully satisfied by the corresponding amount of debts. Upon the completion, approximately HK\$7,300,000 and HK\$379,632,000 were credited against share capital and share premium, respectively. In the opinion of the Company's directors, the Settlement was considered to be a transaction with owners in their capacity of owners. The difference between the carrying amount of the financial liabilities extinguished and the fair value of issued shares at the date of derecognition has been recognised as distribution to shareholders in capital reserves.
- (b) On 30 June 2023 and 6 December 2023, the Company issued total 56,412,000 shares under the share option scheme at HK\$0.01 each. Net proceeds of HK\$9,702,000 were raised, comprising share capital of HK\$564,000, share premium of HK\$12,663,000 and share option reserve HK\$3,525,000.
- (c) On 17 November 2023, Bonds of US\$7,500,000 have been converted to share capital of the Company amounted to approximately 177,273,000 shares.
- (d) On 28 May 2024 and 11 June 2024, the Company issued total 35,607,000 shares under the share option scheme at HK\$0.01 each. Net proceeds of HK\$5,292,000 were raised, comprising share capital of HK\$356,000, share premium of HK\$7,770,000 and share option reserve HK\$2,834,000.
- (e) On 31 May 2024, Bonds of US\$2,500,000 have been converted to share capital of the Company amounted to approximately 59,091,000 shares.

32. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.



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32. RESERVES (Continued)

(b) Company

	Share premium HK\$'000	Share option reserve HK\$'000	Capital reserves HK\$'000	Contributed surplus HK\$'000 (note)	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2023	565,198	5,446	-	3,236	(474,766)	99,114
Issue of shares for settlement of amounts due to the scheme creditors (note 31 (a))	379,632	-	(282,534)	-	-	97,098
Issue of shares under share option scheme (note 31 (b))	12,663	(3,525)	-	-	-	9,138
Issue of shares upon conversion of convertible bonds (note 31 (c))	57,050	-	-	-	-	57,050
Transaction costs on issue of shares (notes 31 (a) & (c))	(5,132)	-	-	-	-	(5,132)
Equity-settled share option arrangements	-	8,462	-	-	-	8,462
Release of share option reserve upon the forfeiture or lapse of share options	-	(99)	-	-	99	-
Profit for the year and total comprehensive income for the year	-	-	-	-	14,768	14,768
At 31 March 2024 and 1 April 2024	1,009,411	10,284	(282,534)	3,236	(459,899)	280,498
Issue of shares upon conversion of convertible bonds (note 31 (e))	13,176	-	-	-	-	13,176
Transaction costs on issue of shares	(233)	-	-	-	-	(233)
Equity-settled share option arrangements	-	21,117	-	-	-	21,117
Issue of shares under share option scheme (note 31 (d))	7,770	(2,834)	-	-	-	4,936
Release of share option reserve upon the forfeiture or lapse of share options	-	(1,690)	-	-	1,690	-
Profit for the year and total comprehensive income for the year	-	-	-	-	(163,313)	(163,313)
At 31 March 2025	1,030,124	26,877	(282,534)	3,236	(621,522)	156,181

Note:

The contributed surplus of the Company represented the difference between the net asset value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to a group reorganisation completed during the year ended 31 March 2015.

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For the year ended 31 March 2025

32. RESERVES (Continued)

(c) Nature and purpose of reserves

Share premium

The share premium represents the excess of the proceeds received over the nominal value of the Company's shares issued.

Share option reserve

The share option reserve comprises the portion of grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 3(v).

Capital reserves

Capital reserves represent (i) the capital contributions made by a shareholder of Synergy Group Worldwide Limited before a group reorganisation completed during the year ended 31 March 2015 and (ii) the distribution of the shareholders arising from settlement of financial liabilities due to shareholders with equity instruments during the year ended 31 March 2024 and (iii) the difference between the consideration for the acquisition of additional interests in a partially owned subsidiary and the carrying amount of the non-controlling interests acquired during the year ended 31 March 2025.

Merger reserve

Merger reserve of the Group represented the difference between the nominal value of the Company's shares issued, pursuant to the reorganisation and the nominal value of the aggregate share capital and the share premium of a subsidiary.

Foreign exchange reserves

The foreign exchange reserves comprises all foreign exchange differences arising from the translation of financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(b).

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33. OPERATING LEASE ARRANGEMENT

As lessor

As at 31 March 2025, future minimum lease rental receivables under non-cancellable operating leases of the Group in respect of energy saving systems are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	706	1,565
Later than one year and not later than two years	296	676
Later than two years and not later than three years	197	283
Later than three years and not later than four years	–	189
	1,199	2,713

The Group leases energy saving systems under operating leases. The leases run for an initial period of 2 to 7 years (2024: 2 to 7 years). In addition to the minimum lease payments, the Group is entitled to receive contingent rents based on the actual saved energy amount less the guaranteed saved energy amount multiplied by pre-determined charged formula mutually agreed with lessees as stated in the relevant agreements. During the year, the Group did not receive contingent rents recognised as leasing service (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Investment in a subsidiary	45,493	47,738
Pledged deposits	939	904
	46,432	48,642
Current assets		
Prepayments and other receivables	264	287
Amounts due from subsidiaries	211,364	364,044
Cash and cash equivalents	35	1,707
	211,663	366,038
Current liabilities		
Accruals and other payables	9,570	8,754
Borrowings	16,543	8,630
Amounts due to a related company	740	200
Amount due to a director	129	85
Amounts due to the scheme creditors	40,491	29,768
Convertible bonds	-	12,923
	67,473	60,360
Net current assets	144,190	305,678
Total assets less current liabilities	190,622	354,320
Non-current liability		
Amounts due to the scheme creditors	-	40,328
Net assets	190,622	313,992
EQUITY		
Equity attributable to owners of the Company		
Share capital	34,441	33,494
Reserves	156,181	280,498
Total equity	190,622	313,992

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. INTERESTS IN SUBSIDIARIES

Details of subsidiaries as at 31 March 2025 are as follows:

Company name	Place and date of incorporation	Particulars of issued share capital/registered capital	Attributable equity interest held by the Company		Principal activities	Principal place of operation
			Direct	Indirect		
Synergy Group Worldwide Limited	BVI 8 August 2008	US\$22,608	100%	-	Investment holding	Hong Kong
Synergy Lighting Limited	Hong Kong 3 December 2008	HK\$100	-	100%	Leasing, consultancy services and trading of energy saving products	Hong Kong
Synergy Energy Saving Company Limited	Malaysia 17 October 2016	US\$1	-	100%	Trading of energy saving products	Malaysia
Unity Energy Efficiency Technology (China) Company Limited	Hong Kong 2 March 2017	HK\$100	-	100%	Investment holding	Hong Kong
廣州先能馳節能科技有限公司*	PRC 27 June 2017	RMB10,000,000	-	100%	Trading of energy saving products and provision of energy management systems solutions	PRC
深圳先能馳節能科技有限公司**	PRC 28 March 2018	RMB10,000,000	-	100%	Trading of energy saving products and provision of energy management systems solutions	PRC
Unity Green Development Limited	BVI 31 October 2017	US\$10,000	-	100%	Investment holding	Hong Kong
Unity Green Development (H.K.) Limited	Hong Kong 9 November 2017	HK\$10,000	-	100%	Inactive	Hong Kong
Synergy Cooling Management Limited ("SCML")	BVI 1 April 2011	US\$18,400	-	88.04% (2024: 63.04%)	Investment holding	Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. INTERESTS IN SUBSIDIARIES (Continued)

Company name	Place and date of incorporation	Particulars of issued share capital/ registered capital	Attributable equity interest held by the Company		Principal activities	Principal place of operation
			Direct	Indirect		
Synergy Cooling Management (H.K.) Limited	Hong Kong 21 April 2011	HK\$1	-	88.04% (2024: 63.04%)	Leasing and maintenance services of cooling systems	Hong Kong
Synergy Cooling Management (Malaysia) Limited	BVI 11 November 2013	US\$100	-	88.04% (2024: 63.04%)	Investment holding	Hong Kong
Synergy ESCO (Malaysia) Sdn. Bhd. ("Synergy ESCO (Malaysia)")	Malaysia 17 April 2014	RM 950,000	-	88.04% (2024: 63.04%)	Provision of energy management systems solutions	Malaysia
Unity ESCO (Malaysia) Sdn. Bhd.	Malaysia 18 February 2025	RM100	-	88.04%	Provision of ESG solutions including energy saving, renewable energy and digital farming	Malaysia
Shine Plus Group Sdn. Bhd.	Malaysia 2 June 2023	RM100	-	88.04% (2024: 63.04%)	Investment holding	Malaysia
Shine Box Sdn. Bhd.	Malaysia 6 June 2023	RM100	-	70.43% (2024: 50.43%)	Trading of variety of goods through vending machine	Malaysia
Shine Urban Digital Farming Sdn. Bhd.	Malaysia 14 July 2023	RM100	-	88.04% (2024: 63.04%)	Plantation and cultivation of fruits and vegetables using digital farming technology	Malaysia
Unity Group (Middle East) Limited	Hong Kong 9 August 2023	HK\$10,000	-	100%	Inactive	Hong Kong
Unity Renewables Limited	BVI 26 April 2022	US\$100	-	100%	Investment holding	Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. INTERESTS IN SUBSIDIARIES (Continued)

Company name	Place and date of incorporation	Particulars of issued share capital/registered capital	Attributable equity interest held by the Company		Principal activities	Principal place of operation
			Direct	Indirect		
Unity Renewables (H.K.) Limited	Hong Kong 17 May 2022	HK\$1,000	-	100%	Investment in renewable projects	Hong Kong
Unity ESG Sdn. Bhd.	Malaysia 14 March 2024	RM100	-	100%	Provision of ESG solutions including energy saving, renewable energy and digital farming	Malaysia
Unity ESG (Singapore) Pte Ltd	Singapore 4 October 2024	SGP100	-	100%	Engineering design and consultancy services in energy management and clean energy systems	Singapore

* Registered as a wholly foreign-owned enterprise under the laws of the PRC

** Registered as a limited liability company under the laws of the PRC

None of the subsidiaries had issued any debt securities at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

35. INTERESTS IN SUBSIDIARIES (Continued)

The following table lists out the information relating to SCML and its subsidiaries ("SCML Group"), the subsidiary of the Group which has material non-controlling interests. The summarised financial information presented below represents the amounts before any inter-company elimination.

	SCML Group	
	2025 HK\$'000	2024 HK\$'000
Non-controlling interests percentage	11.96%	36.96%
As at 31 March		
Current assets	57,484	10,467
Non-current assets	111,120	41,242
Current liabilities	(165,520)	(71,596)
Non-current liabilities	(1,122)	(855)
Net assets/(liabilities)	1,962	(20,742)
Accumulated non-controlling interests (including non-controlling interests of a non-wholly owned subsidiary of SCML Group)	53	(7,794)
For the year ended 31 March		
Revenue	85,063	39,182
Profit for the year attributable to:		
Owners of the SCML Group	22,268	8,906
Non-controlling interests of a non-wholly owned subsidiary of SCML Group	(107)	(94)
	22,161	8,812
Total comprehensive income attributable to:		
Owners of the SCML Group	22,818	9,056
Non-controlling interests of a non-wholly owned subsidiary of SCML Group	(114)	(92)
	22,704	8,964
Profit allocated to non-controlling interests of the Group	4,065	3,215
Dividends paid to non-controlling interests	-	-
Cash flows generated from operating activities	(58,427)	5,353
Cash flows used in investing activities	(3,590)	(84)
Cash flows used in financing activities	61,334	(5,297)
Net cash outflow	(683)	(28)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. RELATED PARTY TRANSACTIONS

- (a) Save as disclosed elsewhere in these financial statements, the Group had the following material related party transactions during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
Interest expenses to an associate		66	–
Computer software consultancy service fees paid to a related company	(i)	336	336

Notes:

- (i) The Group has paid computer software consultancy service fees of HK\$336,000 during the year (2024: HK\$336,000) to a related company, which is wholly owned by Mr. Mansfield Wong. The transactions with the related company were negotiated and carried out in the ordinary course of business and at terms agreed between parties. The non-trading outstanding balances due to this related company as at 31 March 2025 and 2024 are detailed in note 21 (b).

(b) Other related party transactions

Mr. Mansfield Wong provided personal guarantees to a subsidiary of the Group for borrowings as detailed in note 26 as at 31 March 2025 and 2024.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	5,745	4,810
Equity-settled share option expense	18,380	6,710
	24,125	11,520

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the year ended 31 March 2025

As detailed in note 30 to the consolidated financial statements, on 31 May 2024, convertible bonds with an aggregate principal amount of US\$2,500,000 was converted into approximately 59,091,000 newly issued shares of the Company.

For the year ended 31 March 2024

During the year ended 31 March 2024, as detailed in note 28 to the consolidated financial statements, on 28 June 2023, approximately 730,061,000 settlement shares had been allotted and issued for the settlement of amounts due to the scheme creditors for the balances of approximately HK\$104,398,000.

As detailed in note 30 to the consolidated financial statements, on 17 November 2023, convertible bonds with an aggregate principal amount of US\$7,500,000 was converted into approximately 177,273,000 newly issued shares of the Company.

(b) Reconciliation of liabilities arising from financing activities

	Borrowings HK\$'000	Lease liabilities HK\$'000	Convertible bonds HK\$'000	Amount due to a director HK\$'000	Amounts due to the scheme creditors HK\$'000	Amount due to an associate HK\$'000
At 1 April 2024	17,417	2,206	12,923	85	70,096	-
Changes from financing cash flows:						
Interest paid	(2,525)	-	-	-	-	-
Interest element on lease payments	-	(294)	-	-	-	-
Capital element of lease payments	-	(2,484)	-	-	-	-
Proceeds from borrowings	72,992	-	-	-	-	-
Repayment of borrowings	(2,322)	-	-	-	-	-
Repayment of amounts due to the scheme creditors	-	-	-	-	(32,752)	-
Advance from a director	-	-	-	3,262	-	-
Advance from an associate	-	-	-	-	-	4,750
Repayments to a director	-	-	-	(3,218)	-	-
Total changes from financing cash flows	68,145	(2,778)	-	44	(32,752)	4,750
Non-Cash changes:						
Interest expenses	2,869	294	-	-	3,147	-
Amortisation of deferred day-one loss	-	-	1,540	-	-	-
Reallocation of unpaid interest to other payables	(344)	-	-	-	-	-
Change in FVTPL in relation to convertible bonds	-	-	(696)	-	-	-
Issue of shares upon conversion of convertible bonds	-	-	(13,767)	-	-	-
Addition	-	5,108	-	-	-	-
Lease termination/modification	-	(44)	-	-	-	-
Exchange realignment	876	33	-	-	-	-
Total non-cash changes	3,401	5,391	(12,923)	-	3,147	-
At 31 March 2025	88,963	4,819	-	129	40,491	4,750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities (Continued)

	Borrowings HK\$'000	Lease liabilities HK\$'000	Convertible bonds HK\$'000	Amount due to a director HK\$'000	Amounts due to the scheme creditors HK\$'000	Financial liabilities at FVTPL HK\$'000
At 1 April 2023	9,000	3,324	-	2,986	174,107	3,558
Changes from financing cash flows:						
Interest paid	(1,384)	-	-	-	-	-
Interest element on lease payments	-	(111)	-	-	-	-
Capital element of lease payments	-	(2,726)	-	-	-	-
Proceeds from issue of convertible bonds	-	-	77,500	-	-	-
Proceeds from borrowings	10,433	-	-	-	-	-
Repayment of borrowings	(2,016)	-	-	-	-	-
Repayment of amounts due to the scheme creditors	-	-	-	-	(871)	-
Advance from a director	-	-	-	4,797	-	-
Repayments to a director	-	-	-	(7,698)	-	-
Redemption of financial liabilities at FVTPL	-	-	-	-	-	(3,568)
Total changes from financing cash flows	7,033	(2,837)	77,500	(2,901)	(871)	(3,568)
Non-Cash changes:						
Interest expenses	1,384	111	-	-	1,259	-
Amortisation of deferred day-one loss	-	-	8,638	-	-	-
Change in FVTPL in relation to convertible bonds	-	-	(14,392)	-	-	-
Issue of shares for settlement of amounts due to the scheme creditors	-	-	-	-	(104,398)	-
Issue of shares upon conversion of convertible bonds	-	-	(58,823)	-	-	-
Addition	-	2,045	-	-	-	-
Lease termination	-	(344)	-	-	-	-
Exchange realignment	-	(93)	-	-	(1)	10
Total non-cash changes	1,384	1,719	(64,577)	-	(103,140)	10
At 31 March 2024	17,417	2,206	12,923	85	70,096	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme (the **"2015 Share Option Scheme"**) was approved by its shareholders to adopt on 5 March 2015 and was amended on 26 October 2016.

Unless otherwise cancelled or amended, the 2015 Share Option Scheme will remain in force for 10 years from 5 March 2015. Under the 2015 Share Option Scheme, the directors may in its absolute discretion offer to grant to any qualified participant an option to subscribe for the number of shares at an exercise price determined by the directors, being at least the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheets on the date of the offer of grant; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares of the Company. The offer of a grant of options may be accepted within 20 business days from the date of the offer. HK\$1.00 per option is payable by any qualified participant to the Company on acceptance of the option offer as consideration for the grant. Qualified participants include any director or employee (whether full time or part time) of the Company and its subsidiaries and associated companies (as defined under Hong Kong Companies Ordinance, Cap. 622).

The options granted may be exercised in whole or in part by the grantees. The exercise period of the options granted shall be a period of time to be notified by the directors to grantees, which the directors may in its absolute discretion determine, save that such period shall not be more than 10 years commencing on the date of the offer of grant.

The maximum number of shares issuable upon exercise of the options which may be granted under the 2015 Share Option Scheme and any other share options schemes of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to the Company's shareholders' approval in a general meeting.

The maximum number of shares in respect of which options may be granted under this 2015 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the listing date of the Company's shares. Any further grant of share options in excess of this limit is subject to the Company's shareholders' approval in a general meeting.

Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

On 30 October 2024, a new share option scheme ("**2024 Share Option Scheme**") was adopted by the Company pursuant to the resolution of the shareholders of the Company and the 2024 Share Option Scheme will remain effective until the termination date, defined as the business day immediately preceding the tenth anniversary of the Adoption Date (1 November 2024).

Eligible Participants encompass three distinct categories: employee participants (including directors and employees of Group members), related entity participants (directors or employees of holding companies, fellow subsidiaries, or associated companies), and service providers (external parties who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, excluding certain professional advisors).

The subscription price per share, must be set at no less than the highest of: (i) the closing price on the offer date; (ii) the average closing price over the five consecutive trading days preceding the offer date; or (iii) the nominal value of the share. Grantees accept offers by returning a signed acceptance letter with a payment of HK\$1.00 per option as consideration within 21 days from the offer date. Options vest after a minimum period of one year from the offer date, though the Board may approve shorter vesting periods in specific circumstances, such as death, disability, or "make-whole" grants for new hires replacing forfeited options from prior employers.

The maximum aggregate shares issuable under this scheme combined with other Company schemes is capped at 10% of the issued shares as of the adoption date. Within this limit, grants to service providers are further restricted to 1% of issued Shares. Individual grants exceeding 1% of issued Shares within any 12-month period require separate shareholder approval, with the affected grantee and associates abstaining from voting. Options are personal, non-transferable rights exercisable during an "Option Period" determined by the Board at grant, not exceeding ten years. Upon exercise, shares rank equally with existing shares but confer no dividend rights until issuance.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) The terms and conditions of the grants are as follows:

(i) 2015 Share option scheme – Share options on 2 April 2020

On 2 April 2020, the Company has granted a total of 36,560,000 share options to subscribe for an aggregate of 36,560,000 ordinary shares of HK\$0.01 each in the capital of the Company, comprising (i) 11,150,000 share options to five Directors; and (ii) 25,410,000 share options to certain qualified participants, being employees of the Group.

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to directors:				
2 April 2020	Tranche 1	11,000,000	Date of grant	2 years
2 April 2020	Tranche 2	75,000	Date of grant	1 year
2 April 2020	Tranche 3a	18,750	1.25 years from the date of grant	1.75 years
2 April 2020	Tranche 3b	18,750	1.5 years from the date of grant	1.5 years
2 April 2020	Tranche 3c	18,750	1.75 years from the date of grant	1.25 years
2 April 2020	Tranche 3d	18,750	2 years from the date of grant	1 year
		11,150,000		
Options granted to employees:				
2 April 2020	Tranche 1	16,510,000	Date of grant	2 years
2 April 2020	Tranche 2	4,450,000	Date of grant	1 year
2 April 2020	Tranche 3a	1,112,500	1.25 years from the date of grant	1.75 years
2 April 2020	Tranche 3b	1,112,500	1.5 years from the date of grant	1.5 years
2 April 2020	Tranche 3c	1,112,500	1.75 years from the date of grant	1.25 years
2 April 2020	Tranche 3d	1,112,500	2 years from the date of grant	1 year
		25,410,000		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) The terms and conditions of the grants are as follows: (Continued)

(ii) 2015 Share option scheme – Share options on 12 December 2022

On 12 December 2022, the Company has granted a total of 90,068,000 share options to subscribe for an aggregate of 90,068,000 ordinary shares of HK\$0.01 each in the capital of the Company, comprising (i) 1,000,000 share options to four Directors; and (ii) 89,068,000 share options to certain qualified participants, being employees of the Group.

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to directors:				
12 December 2022	Tranche 1a	500,000	Date of grant	2 years
12 December 2022	Tranche 2a	500,000	1 year from the date of grant	2 years
		1,000,000		
Options granted to employees:				
12 December 2022	Tranche 1b	80,318,000	Date of grant	2 years
12 December 2022	Tranche 2b	8,750,000	1 year from the date of grant	2 years
		89,068,000		

(iii) 2015 Share option scheme – Share options on 20 March 2023

On 20 March 2023, the Company has granted a total of 28,356,680 share options to subscribe for an aggregate of 28,356,680 ordinary shares of HK\$0.01 each in the capital of the Company, comprising (i) 23,856,680 share options to an executive Director; and (ii) 4,500,000 share options to a qualified participant, being an employee of the Group.

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to director:				
20 March 2023	Tranche 1a	23,856,680	1 year from the date of grant	3 years
Options granted to employee:				
20 March 2023	Tranche 1b	4,500,000	1 year from the date of grant	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) The terms and conditions of the grants are as follows: (Continued)

(iv) 2015 Share option scheme – Share options on 8 December 2023

On 8 December 2023, the Company has granted a total of 62,212,000 share options to subscribe for an aggregate of 62,212,000 ordinary shares of HK\$0.01 each in the capital of the Company, comprising (i) 23,856,600 share options to a non-executive Director; and (ii) 38,356,000 share options to certain qualified participants, being employees of the Group.

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to director:				
8 December 2023	Tranche 1a	23,856,600	1 year from the date of grant	4 years
Options granted to employees:				
8 December 2023	Tranche 1b	28,656,000	1 year from the date of grant	4 years
8 December 2023	Tranche 1c	4,800,000	2 years from the date of grant	4 years
8 December 2023	Tranche 1d	4,900,000	3 years from the date of grant	4 years
		38,356,000		

(v) 2024 Share option scheme – Share options on 10 December 2024

On 10 December 2024, the Company has granted a total of 166,724,000 share options to subscribe for an aggregate of 166,724,000 ordinary shares of HK\$0.01 each in the capital of the Company, comprising (i) 26,144,000 Share Options to a non-executive Director; and (ii) 1,000,000 Share Options to four independent non-executive Directors; and (iii) 139,580,000 Share Options to certain eligible participants, being employees of the Group.

Date of grant		Number of options granted	Vesting conditions	Contractual life of options
Options granted to directors:				
10 December 2024	Tranche 2a	27,144,000	1 year from the date of grant	3 years
Options granted to employees:				
10 December 2024	Tranche 2b	133,730,000	1 year from the date of grant	3 years
10 December 2024	Tranche 2c	5,850,000	2 years from the date of grant	3 years
		139,580,000		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price HK\$	Number	Weighted average exercise price HK\$	Number
Outstanding at beginning of the year	0.38	124,224,680	0.17	119,313,680
Granted during the year	0.41	166,724,000	0.60	62,212,000
Exercised during the year	0.15	(35,606,680)	0.17	(56,412,000)
Lapsed during the year	0.17	(26,406,000)	0.29	(889,000)
Outstanding at end of the year	0.46	228,936,000	0.38	124,224,680
Exercisable at end of the year	0.60	52,512,000	0.16	62,012,680

The weighted average exercise price of options outstanding at the end of the year was HK\$0.46 (2024: HK\$0.38) and their weighted average remaining contractual life was approximately 2.69 years (2024: 2.48 year).

The weighted average share price at the date of exercise for options exercised during the year ended 31 March 2025 was HK\$0.46 (2024: HK\$0.51). The weighted average closing price of the shares immediately before the date on which these options were exercised was HK\$0.43 (2024: HK\$0.54).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number and weighted average exercise prices of share options are as follows: (Continued)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimation of the fair value of the share options granted is measured based on a binomial option pricing model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

(c) Fair value of share options and assumptions

(i) Share options on 12 December 2022

	Tranche 1a	Tranche 1b	Tranche 2a	Tranche 2b
Share price (HK\$)	0.162	0.162	0.162	0.162
Exercise price (HK\$)	0.172	0.172	0.172	0.172
Expected volatility	115.4%	115.4%	115.4%	115.4%
Expected option life	2 years	2 years	2 years	2 years
Expected dividend	0%	0%	0%	0%
Risk-free rate	4.072%	4.072%	4.072%	4.072%
Fair value per option (HK\$)	0.083	0.062	0.091	0.085

(ii) Share options on 20 March 2023

	Tranche 1a	Tranche 1b
Share price (HK\$)	0.133	0.133
Exercise price (HK\$)	0.139	0.139
Expected volatility	111.28%	111.28%
Expected option life	3 years	3 years
Expected dividend	0%	0%
Risk-free rate	2.973%	2.973%
Fair value per option (HK\$)	0.079	0.072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Fair value of share options and assumptions (Continued)

(iii) Share options on 8 December 2023

	Tranche 1a	Tranche 1b	Tranche 1c	Tranche 1d
Share price (HK\$)	0.600	0.600	0.600	0.600
Exercise price (HK\$)	0.601	0.601	0.601	0.601
Expected volatility	95.60%	95.60%	95.60%	95.60%
Expected option life	4 years	4 years	4 years	4 years
Expected dividend	0%	0%	0%	0%
Risk-free rate	3.463%	3.463%	3.463%	3.463%
Fair value per option (HK\$)	0.35	0.30	0.35	0.39

(iv) Share options on 10 December 2024

	Tranche 2a	Tranche 2b	Tranche 2c
Share price (HK\$)	0.400	0.400	0.400
Exercise price (HK\$)	0.41	0.41	0.41
Expected volatility	68.43%	68.43%	68.43%
Expected option life	3 years	3 years	3 years
Expected dividend	0%	0%	0%
Risk-free rate	2.956%	2.956%	2.956%
Fair value per option (HK\$)	0.17	0.16	0.17

The expected volatility is based on the historic volatility (calculated based on the expected remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the grants of the share options.

The closing prices of shares immediately before the grant date of the share options granted on 12 December 2022, 20 March 2023, 8 December 2023, and 10 December 2024 are HK\$0.158, HK\$0.139, HK\$0.600 and HK\$0.4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The board of directors meets periodically to analyse and formulate measures to manage and monitor the Group's exposure to market risk including principally changes in interest rates risk, foreign currency risk, credit risk and liquidity risk. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposure to market risks is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of the directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's interest rate risk arises primarily from borrowings and lease liabilities. Borrowings and lease liabilities issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk respectively. The interest rates of the Group's borrowings and lease liabilities are disclosed in notes 26 and 27 respectively. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest expenses.

The following table details the interest rate profile of the Group's borrowings and lease liabilities at the end of the reporting period.

	2025		2024	
	Effective interest rate (%)	HK\$'000	Effective interest rate (%)	HK\$'000
Floating rate borrowings	3.0% to 12%	78,963	3.60% to 10.80%	17,417
Fixed rate borrowings	24%	10,000		-
Fixed rate lease liabilities	3% to 8.5%	4,819	2.5% to 11.5%	2,206
		93,782		19,623

At 31 March 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's results for the year by approximately HK\$395,000 (2024: HK\$87,000). No impact would be on other components of consolidated equity in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings and lease liabilities in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Foreign currency risk

The Group is exposed to foreign currency risk primarily through foreign currency sales and purchases. As at 31 March 2025, the Group's assets and liabilities denominated in currencies other than functional currencies are disclosed in respective notes to the consolidated financial statements. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group is mainly exposed to the foreign currency risk of RMB, US\$, RM and IDR. As HK\$ is pegged to US\$, the Group does not expect any significant movement in the US\$/HK\$ exchange rate and this is excluded from the sensitivity analysis below as in the opinion of directors, such sensitivity analysis does not give additional value in view of insignificant movement in the US\$/HK\$ exchange rates as at the reporting dates.

The following table details the Group's sensitivity of the Group's results for the year in regards to a 5% appreciation in the underlying functional currencies against the relevant foreign currencies. 5% is the sensitivity rate used which represents management's best assessment of the reasonably possible change in foreign exchange rates. A 5% depreciation in the underlying functional currencies against the relevant foreign currencies would have the same but opposite magnitude on the Group's results for the year.

	2025 HK\$'000	2024 HK\$'000
RMB	(1,365)	(1,613)
RM	(384)	(14)
IDR	(2,252)	(3,036)
HK\$	(1)	-

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nevertheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk. The analysis is performed on the same basis for the year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

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 instruments and cause a financial loss to the Group.

As at 31 March 2025, the Group's maximum exposure to credit risk is arising from the carrying amount of respective financial assets as stated in the consolidated statement of financial position.

The Group enters into trading transaction with the recognised third parties. Before accepting any new lease contract, the Group assesses the credit quality of each potential leasee and might demand certain customers to place deposits with the Group at the time the lease arrangement is entered into. In addition, the Group monitors and controls the trade receivables regularly to mitigate the risk of significant exposure from bad debts, reviews the recoverable amount of each individual trade receivables at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 22.35% (2024: 22.00%) and 87.25% (2024: 87.69%) of total gross amount of trade receivables was due from the Group's largest trade debtor and the five largest trade debtors.

The Group closely monitors the credit risk on individual customers based on their credit worthiness, assessments on the customer's past payments history and current ability to pay and take into account information specific to customers as well as pertaining to the economic environment in which the customers operate.

The Group measures loss allowances for trade receivables and finance lease receivables at an amount equal to lifetime ECLs, except for debtors with significant outstanding balances or insignificant balances with specific risks, the Group determines the ECLs using a provision matrix. The loss allowances are assessed based on the default rates and loss given default with reference to market data, adjusted for forward-looking factors specific to the debtors and the economic environment. As the Group's credit loss experience does not indicate significant different loss patterns for different customer segments, the loss allowance is not further distinguished between the Group's different customer bases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Credit risk (Continued)

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

As at 31 March 2025	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Not past due	0.05%	233,488	(123)	233,365
1 to 30 days past due	13.09%	932	(122)	810
31 to 90 days past due	17.74%	1,116	(198)	918
91 to 180 days past due	28.15%	1,421	(400)	1,021
181 to 365 days past due	52.67%	4,566	(2,405)	2,161
Over 365 days past due	71.26%	169,760	(120,977)	48,783
		411,283	(124,225)	287,058

As at 31 March 2024	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Not past due	2.45%	48,325	(1,184)	47,141
1 to 30 days past due	5.75%	17,174	(987)	16,187
31 to 90 days past due	11.12%	6,853	(762)	6,091
91 to 180 days past due	19.37%	12,840	(2,487)	10,353
181 to 365 days past due	23.92%	8,531	(2,041)	6,490
Over 365 days past due	70.88%	403,929	(286,315)	117,614
		497,652	(293,776)	203,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Credit risk (Continued)

The Group rebuts the presumption of default under ECL for trade receivables over 90 days past due to over 1 year past due based on the repayment records of those customers and continuous business relationship with the Group.

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

As at 31 March 2025	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Not past due or within 365 days past due	2.18%	118,741	(2,597)	116,144
		118,741	(2,597)	116,144

As at 31 March 2024	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Not past due or within 365 days past due	1.46%	44,112	(642)	43,470
Within 1-2 years past due	25.07%	351	(88)	263
		44,463	(730)	43,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Credit risk (Continued)

For other receivables and amount due from an associate, management makes periodic as individual assessment on the recoverability based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. Management believes that there is no material credit risk inherent in the Group's outstanding balance of amount due from an associate. For other receivables, the management assessed that amounts due from an individual of HK\$1,066,000 (2024: HK\$1,066,000) are credit impaired and impairment loss of HK\$1,066,000 (2024: HK\$1,066,000) is fully provided as at 31 March 2025.

The credit risk for bank balances is mitigated as cash is deposited in bank of high credit rating. There has been no recent history of default in relation to these banks and thus the risk of default is regard as low.

No significant changes to estimation techniques or assumptions were made during the year.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	Lifetime ECL (credit-impaired)	
	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	291,242	313,225
Derecognition upon Debt Restructuring (note 19(b))	(182,125)	-
Impairment losses reversed	(5,124)	(27,370)
Impairment losses recognised	20,187	5,532
Exchange realignment	(16)	(145)
Balance at the end of the year	124,164	291,242

	Lifetime ECL (not-credit-impaired)	
	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	2,534	683
Impairment losses reversed	(2,496)	(233)
Impairment losses recognised	-	2,127
Exchange realignment	23	(43)
Balance at the end of the year	61	2,534

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Credit risk (Continued)

Movement in the loss allowance account in respect of finance lease receivables during the year is as follows:

	Lifetime ECL (not credit-impaired)	
	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	730	1,096
Impairment losses reversed	(268)	(1,015)
Impairment losses recognised	2,067	695
Exchange realignment	68	(46)
Balance at the end of the year	2,597	730

A reduction in loss allowance account in respect of trade receivables mainly was driven by the Debt Restructuring (note 19(b)). Conversely, the loss allowance for finance lease receivables increased due to additional new projects deployment in Malaysia during the year ended 31 March 2025.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents assessed as adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity.

The maturity profile of the Group's financial liabilities, based on the contractual undiscounted payments and the earliest date that the Group is required to pay, are as follows:

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 6 months or on demand HK\$'000	Within 6-12 months HK\$'000	Within 1-2 years HK\$'000	Within 2-3 years HK\$'000	Within 3-4 years HK\$'000
At 31 March 2025							
Trade payables	9,076	9,076	9,076	-	-	-	-
Accruals and other payables	218,829	218,829	218,829	-	-	-	-
Borrowings	88,963	88,963	88,963	-	-	-	-
Lease liabilities	4,819	5,122	1,461	1,440	1,901	302	18
Amount due to an associate	4,750	4,750	4,750	-	-	-	-
Amount due to a related company	2,380	2,380	2,380	-	-	-	-
Amount due to a director	129	129	129	-	-	-	-
Amounts due to the scheme creditors	40,491	40,967	29,876	11,091	-	-	-
	369,437	370,216	355,464	12,531	1,901	302	18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Liquidity risk (Continued)

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 6 months or on demand HK\$'000	Within 6-12 months HK\$'000	Within 1-2 years HK\$'000	Within 2-3 years HK\$'000
At 31 March 2024						
Trade payables	11,110	11,110	11,110	-	-	-
Accruals and other payables	34,989	34,989	34,989	-	-	-
Borrowings	17,417	17,417	17,417	-	-	-
Lease liabilities	2,206	2,351	568	569	803	411
Amount due to a related company	1,514	1,514	1,514	-	-	-
Amount due to a director	85	85	85	-	-	-
Amounts due to the scheme creditors	70,096	71,948	30,329	652	40,967	-
Convertible bonds	12,923	22,620	-	-	22,620	-
	150,340	162,034	96,012	1,221	64,390	411

The table that follows summarises the maturity analysis of bank borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowing will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Within one year HK\$'000	After one year but within two years HK\$'000	After two years but within five years HK\$'000	After five years HK\$'000	Total HK\$'000
At 31 March 2025	28,141	19,075	58,616	4,338	110,170
At 31 March 2024	2,640	2,951	7,932	5,672	19,195

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Fair value measurement

The fair values of the Group's current portion of financial assets and liabilities measured at amortised cost are not materially different from their carrying amounts because of the immediate or short term maturity. The fair value of the non-current portion of financial assets and liabilities measured at amortised cost are not disclosed because the values are not materially different from their carrying amounts.

The following table provides an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Disclosure of level in fair value hierarchy at 31 March:

Description	2025			
	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements:	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity investment at FVTPL				
Unlisted equity investment	-	-	7,062	7,062

Description	2024			
	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements:	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity investment at FVTPL				
Unlisted equity investment	-	-	10,800	10,800
Financial liabilities of FVTPL				
Convertible bonds (excluding deferred day-one-loss)	-	-	(26,911)	(26,911)
	-	-	(16,111)	(16,111)

There were no transfers between different levels during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Fair value measurement (Continued)

Information about level 3 fair value measurements

The fair value of the unlisted equity investment in InVinity is estimated using asset-based method.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	Unlisted equity investment	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	10,800	25,878
Fair value adjustment	(3,738)	(15,078)
At end of the year	7,062	10,800

One of key significant unobservable inputs to determine the fair value of unlisted equity investment is the discount on age and condition of receivables. The higher discount on these factors would result in the lower in the fair value measurement of the fair value of unlisted equity investment, and vice versa.

The fair value of the convertible bonds (excluding deferred day-one loss) is estimated using Binomial Tree model and Monte Carlo Simulation model.

Reconciliation for financial instruments carried at fair value base on significant unobservable inputs (Level 3) are disclosed in note 30 to the consolidated financial statements.

One of key significant unobservable inputs to determine the fair value of convertible bonds is the expected volatility of the underlying stock. The higher the expected volatility would result in a higher in the fair value of convertible bonds, and vice versa. As at 31 March 2024, expected volatility used in the fair value measurement is 83.58% and it is estimated that a 5% increase/(decrease) in the volatility, holding all other variable constant, would increase or decrease the carrying amount of the convertible bonds by HK\$72,000 or HK\$14,000, respectively.

The fair value of redeemable preference shares is estimated using a discounted cash flow method.

	Redeemable preference shares	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	-	3,558
Redemption during the year	-	(3,371)
Exchange difference	-	(187)
At end of the year	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

Fair value measurement (Continued)

Information about level 3 fair value measurements (Continued)

There is no change on the valuation method during the year.

Fair value adjustments of unlisted equity investment, convertible bonds and redeemable preference shares were recognised in the line item "other income and expenses, net" on the face of the consolidated statement of comprehensive income.

40. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

	2025 HK\$'000	2024 HK\$'000
Financial assets at FVTPL		
Equity investment at FVTPL	7,062	10,800
At amortised cost		
Trade receivables	287,058	203,876
Finance lease receivables	116,144	43,733
Other receivables	9,643	24,593
Amount due from an associate	44	4,470
Pledged deposits	4,512	904
Cash and cash equivalents	12,431	31,908
	429,832	309,484

Financial liabilities

	2025 HK\$'000	2024 HK\$'000
Financial liabilities at FVTPL		
Convertible bonds	-	12,923
At amortised cost		
Trade payables	9,076	11,110
Accruals and other payables	218,829	34,989
Borrowings	88,963	17,417
Amount due to a related company	2,380	1,514
Amount due to an associate	4,750	-
Amount due to a director	129	85
Amounts due to the scheme creditors	40,491	70,096
Lease liabilities	4,819	2,206
	369,437	137,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. CAPITAL MANAGEMENT

The Group's capital management objectives include:

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

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

The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose net debt is defined as borrowings, amounts due to the scheme creditors, lease liabilities, and convertible bonds less cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The net debt to equity ratio at the end of reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Borrowings	88,963	17,417
Amounts due to the scheme creditors	40,491	70,096
Lease liabilities	4,819	2,206
Convertible bonds	–	12,923
Less: Cash and cash equivalents	(12,431)	(31,908)
Net debt	121,842	70,734
Total equity	193,724	314,110
Net debt to equity ratio	63%	23%

42. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 27 June 2025.



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