



Microware Group Limited 美高域集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1985

2024 Annual Report

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

WANG Guangbo
(Chairman and Executive Director of the Group)
(appointed as Executive Director on 6 July 2023 and
Chairman on 11 September 2023)
HUANG Tianlei (appointed on 26 September 2023)
ZHANG Ting (appointed on 10 January 2024)
CHU Ming Ho
(Chairman and Chief Executive Officer of the Group)
(resigned as Chairman on 11 September 2023 and as
executive Director and Chief Executive Officer of the Group
on 5 December 2023)
YANG Peter Shun Tsing (resigned on 5 December 2023)
CHENG Wing Fai (resigned on 5 December 2023)
AU Man Wah (resigned on 5 December 2023)

Non-Executive Directors

WANG Zhi (appointed on 26 February 2024)
WAN Yiu Hon (resigned on 26 September 2023)

Independent Non-Executive Directors

LU Junbo (appointed on 6 July 2023)
DAI Bin (appointed on 28 November 2023)
XU Jianwen (appointed on 5 December 2023)
LAN Jia (appointed on 26 February 2024)
LI Wai Man (resigned on 28 November 2023)
CHENG Tak Chung (resigned on 28 November 2023)
LI Richard King Hang (resigned on 28 November 2023)

AUDIT COMMITTEE

LAN Jia (Chairlady) (appointed on 26 February 2024)
DAI Bin (appointed on 28 November 2023)
XU Jianwen (appointed on 5 December 2023)
LI Wai Man (Chairlady) (resigned on 28 November 2023)
CHENG Tak Chung (resigned on 28 November 2023)
LI Richard King Hang (resigned on 28 November 2023)
LU Junbo (appointed on 28 November 2023,
resigned on 26 February 2024)

REMUNERATION COMMITTEE

DAI Bin (Chairman) (appointed on 28 November 2023)
WANG Guangbo
(appointed on 28 November 2023)
LU Junbo (appointed on 28 November 2023)
XU Jianwen (appointed on 5 December 2023)
LI Richard King Hang (Chairman)
(resigned on 28 November 2023)
CHU Ming Ho (resigned on 28 November 2023)
CHENG Tak Chung (resigned on 28 November 2023)

NOMINATION COMMITTEE

WANG Guangbo (Chairman)
(appointed on 11 September 2023)
LU Junbo (appointed on 6 July 2023,
resigned on 26 February 2024)
DAI Bin (appointed on 28 November 2023)
XU Jianwen (appointed on 5 December 2023)
CHU Ming Ho (Chairman)
(resigned as Chairman on 11 September 2023 and as
member on 28 November 2023)
CHENG Tak Chung (resigned on 28 November 2023)
LI Richard King Hang (resigned on 28 November 2023)

COMPANY SECRETARY

CHAN Wai Hing Gloria (HKICPA)

AUTHORISED REPRESENTATIVES

HUANG Tianlei
CHAN Wai Hing Gloria

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISERS

As to Hong Kong Law

Sidley Austin
Solicitors, Hong Kong

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1/F, Century Centre
44-46 Hung To Road
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKS

Industrial and Commercial Bank of China (Asia) Limited
Dah Sing Bank Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

COMPANY'S WEBSITE

www.microware1985.com

STOCK CODE

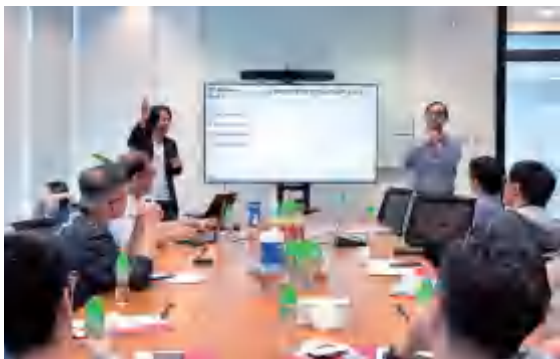
1985

Highlights of the Year

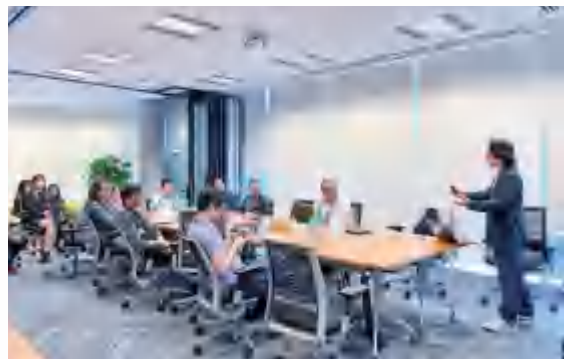
Business Activities

1

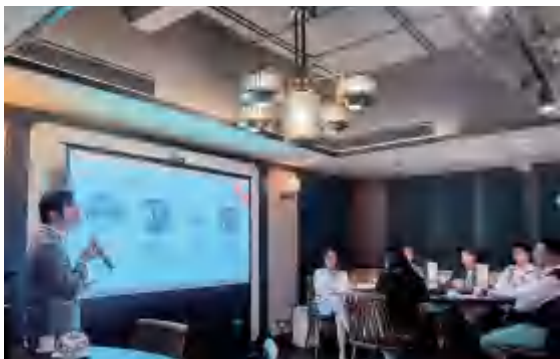
Microware has organized a wide range of business events and activities to promote the latest IT solutions throughout various industries.



NetApp x Varonis Workshop



HPE Luncheon x Tech Sharing



Lenovo Unmanned Store Experience x Products Sharing



2

Microware also takes an active role in IT education by both sponsoring and participating in relevant events.



Lenovo Tech Sharing x Sake Tasting Event



AiTLE x OGCIO: e-Learning Solutions Demonstration



HPE Tech Sharing x Wine Tasting Event



Highlights of the Year

3

Awards photos



Veeam – ProPartner of the Year



Check Point – Professional Partner 2024 – Superior Performance



HP
Best Contributor to Commercial Print Market Share

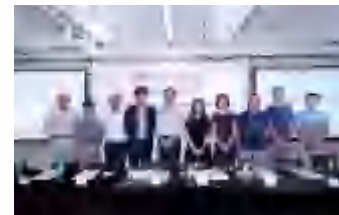


Hewlett Packard Enterprise
FY23 Top Performing Solution Partner – Enterprise
FY23 Top Performing Solution Partner – Storage
Solution

Highlights of the Year

4

Annual General Meeting 2023



Caring For The Community

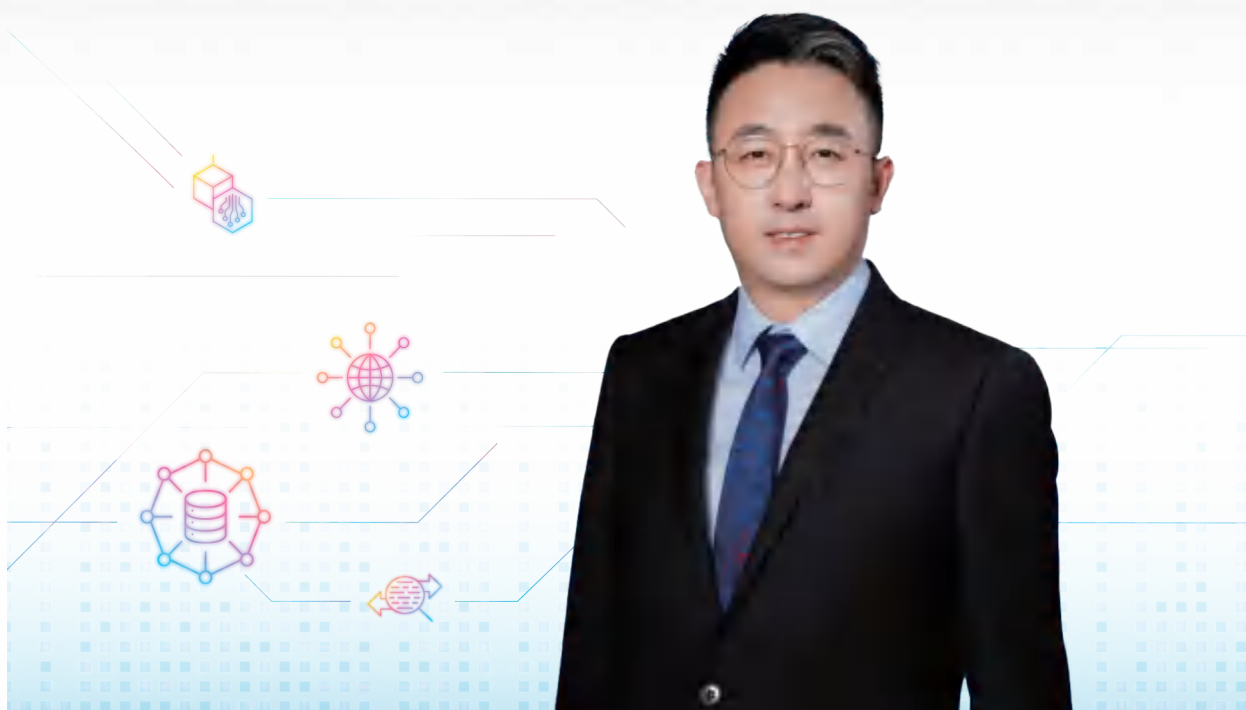


Mid-Autumn Festival Elderly Care Program



Scholarship and Fellowship for City University

Chairman's Statement



On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Microware Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present to the shareholders of the Company (the “**Shareholders**”) the annual report of the Group for the year ended 31 March 2024 (the “**Year**”).

For the Year, the Group reported total revenue of approximately Hong Kong dollars (“**HK\$**”) HK\$1,234.3 million, representing an increase of approximately HK\$67.5 million or 5.8% as compared to the year ended 31 March 2023 (the “**Previous Year**”). The profit and total comprehensive income of the Group for the Year was approximately HK\$36.2 million, representing a year-on-year increase of approximately HK\$3.1 million or 9.2% as compared to the last year, the Group’s overall gross profit was in line with expectations. An analysis of the financial performance of the Group for the Year is included in the Management Discussion and Analysis section of this report.

With the gradual easing of the COVID-19 pandemic, the world was gradually returning to normal in terms of daily life and economic activities. In Hong Kong, quarantine policy, border controls and other restrictive measures were lifted at the beginning of last year. However, the global economic environment is still facing a series of challenges, including interest rate hikes and the impact of tensions in the US-China relationship on trading, technology business and financial activities, as well as the disruption of the macro environment brought by the Russia-Ukraine conflict. These factors have shrouded the global economic environment in uncertainties and intensified market competition, prompting enterprises to step up their game of digital transformation, especially when demands in both information technology (“**IT**”) solutions and artificial intelligence (“**AI**”) solutions are on the rise. Many enterprises were seeking suitable AI solutions to enhance client experience, promote staff productivity and creativity and optimize business process. Going along the trend, The Group proactively embraces cutting-edge technologies and leverages its vast experience in both IT and AI solutions to meet the ever-growing digital demands of clients and create value. Both the business and business results were basically in line with expectations.

Chairman's Statement

The applications of big models, vector databases and generative AI sprung up since the past year. Although generative AI has seen a rapid development, it remains a certain space for development before it can be applied by enterprises on a large scale. A reason for that is the high costs for the training and inference of big models, with the shortage of technology talents and the challenges from concept verification to production implementation being another reason. However, with the continuous iteration of big model technology and the reduction of computational costs, the application of enterprise AI from concept verification to production implementation is gradually accelerating. The Group will actively seize the development opportunities brought by generative AI and deepen the investments of AI research and development by relying on its solid customer base and scenario-based demands.

In the coming year, the global environment will remain clouded by uncertainties. Having considered the geopolitical tensions, supply chain challenges and the rising salary costs caused by IT talent shortage, the Group will adopt advanced software and AI technology to enhance the efficiency of synergy among internal teams and optimize workflow. The Group will continue to optimize enterprise operational costs and enhance operational efficiency. In the face of talent challenges, the Group will give full play to our multi-locational synergy model to control costs and attract top talents, while continuing to provide training to employees and advancing the construction of an open and inclusive corporate culture.

The Group is actively planning for a high-performance heterogenous intelligent computing platform, advocating open source ecosystems and providing one-stop solutions for clients in various industries, including computational capabilities, algorithms, models, data and AI tools to drive technological innovation and AI industry implementation. As an information technology group with a rich experience of 39 years, the Group has a stable and highly experienced management team and takes pride on its quality services, excellent solutions and long-term relationships with business partners and clients. The Group will continue to leverage the advantages of its Hong Kong headquarters and platforms to devote its strength in constructing the informatization of the Guangdong-Hong Kong-Macau Greater Bay Area. For the construction of AI infrastructure and platform, the Group will develop its own core technologies and products and gradually improves the ecological partner network to assist clients in realizing the broad application of AI at a low cost, so as to fully enhance its corporate competitiveness. Meanwhile, we will actively expand into the Mainland China and Southeast Asia markets. Through the establishment, merger and acquisitions of companies as well as collaborations with local enterprises, we will deeply explore market potentials, promote our self-developed products and provide localized solutions in order to meet the digital transformation demands of clients in various industries. The Group is committed to building a strong business network in these regions to promote brand awareness, expand market shares, create new business increments, and strive to become a trusted digital transformation partner for our clients around the world, providing robust support for enterprises to undergo digital transformation and upgrade.

Moreover, the Group has been awarded the "Caring Company" logo by the Hong Kong Council of Social Service for long time. The Group will continue to assume our corporate social responsibilities and give back to society through various channels. We will also actively participate in community activities and devote our strength to the sustainable development of the society.

On behalf of the Board, I would like to take this opportunity to thank our shareholders, business partners and customers for their unwavering trust and support amid the intricate market environment. I would also like to express my sincere appreciation to the management team and the entire staff for their contribution to the growth and prosperity of the Group. We will actively capitalize on market opportunities and deliver strong results for our stakeholders in the years to come.

Wang Guangbo

Chairman of the Board

Hong Kong, 27 June 2024

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in the provision of IT infrastructure solutions services and IT managed services in Hong Kong. The Group strives to provide one-stop IT experience which begins with (i) consultation and advice; (ii) semiconductor products, hardware and/or software procurement; (iii) implementation; and (iv) management and maintenance of the IT infrastructure solutions.

The Group is a well-established IT infrastructure solutions provider based in Hong Kong. As at 31 March 2024, the Group has maintained qualified technical and sales staff to ensure that the Group keeps abreast of the advanced technology development with its vendors. In addition, the Group has received a numerous of remarkable awards of top performance and enterprise solutions from the vendors and charity organisation as set out below:

Presented by	Awards
Adobe	2023 Adobe Document Cloud — Top Growth Reseller of the Year
APC	Best GOV Segment Partner Award
City University of Hong Kong	Compliment 2023/24
H3C	2023 Rising Star of the Year
Hewlett Packard Enterprise	FY23 Top Performing Solution Partner — Enterprise FY23 Top Performing Solution Partner — Storage Solution
HP Inc. Hong Kong Limited	FY23 Best Contributor to Commercial Print Market Share
Kaspersky	Outstanding Partner
Lenovo	FY23 Top Commercial Business Champion FY23 Top Growth Enterprise Solutions Partner
RSA Security LLC.	Partner Program 2023 — Titanium Partner
Veeam	ProPartner of the Year 2023
Hillstone	Strategic Partner (Hong Kong and Macau)
NetApp	FY24 Best Growth Award — Public Sector
SGS	ISO/IEC 27001: 2013 & ISO/IEC 20000 — 1: 2018

The IT infrastructure solutions industry in Hong Kong is highly competitive and fragmented. In particular, the Board believes that the business environment of Hong Kong is challenging. The Group's management team will continuously take proactive actions with an aim to improve the Group's operations and results.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The total revenue of the Group amounted to approximately HK\$1,234.3 million for the Year, representing an increase of approximately HK\$67.5 million or 5.8% as compared to approximately HK\$1,166.8 million for the Previous Year. The increase in total revenue was mainly due to the increase in revenue of the business segment of IT infrastructure solution services which was approximately HK\$1,088.8 million for the Year, representing an increase of approximately HK\$54.9 million or 5.3% as compared to approximately HK\$1,033.9 million for the Previous Year. The revenue of the business segment of IT managed services was approximately HK\$145.6 million, representing an increase of approximately HK\$12.7 million or 9.6% as compared to approximately HK\$132.9 million for the Previous Year. For the Year, the business segments of IT infrastructure solutions services and IT managed services contributed approximately 87.9% and 12.1% to the total revenue of the Group, respectively.

Cost of sales

The total cost of sales of the Group for the Year was approximately HK\$1,089.4 million, representing an increase of approximately HK\$44.1 million or 4.2% from approximately HK\$1,045.3 million for the Previous Year. The increase in total cost of sales was mainly due to the increase in cost of the business segment of IT infrastructure solution services which was approximately HK\$973.4 million for the Year, representing an increase of approximately HK\$34.1 million or 3.6% as compared to approximately HK\$939.3 million for the Previous Year. The cost of the business segment of IT managed services was approximately HK\$116.0 million, representing an increase of approximately HK\$10.1 million or 9.5% as compared to approximately HK\$105.9 million for the Previous Year.

Gross profit and gross profit margin

The gross profit of the Group for the Year was approximately HK\$145.0 million, representing an increase of approximately HK\$23.4 million or 19.2% from approximately HK\$121.6 million for the Previous Year. Such increase was due to the increase in gross profit of both the business segments of IT infrastructures solution services and IT managed services.

The gross profit of the business segment of IT infrastructure solution services was approximately HK\$115.4 million, representing an increase of approximately HK\$20.8 million or 22.0% as compared to approximately HK\$94.6 million for the Previous Year. The gross profit of the business segment of IT managed services was approximately HK\$29.6 million, representing an increase of approximately 2.6 million or 9.6% as compared to approximately HK\$27.0 million for the Previous Year.

Operating expenses

The total operating expenses of the Group for the Year was approximately HK\$103.0 million, representing an increase of approximately HK\$12.7 million or 14.1% as compared to approximately HK\$90.3 million for the Previous Year. Such increase was due to the net impact of increase in distribution and selling expenses and increase in administrative expenses of approximately HK\$9.1 million or 15.1% and HK\$3.6 million or 12.1% respectively.

Profit for the Year

The profit and total comprehensive income of the Group for the Year was approximately HK\$36.2 million, representing an increase of approximately HK\$3.1 million or 9.2% as compared to approximately HK\$33.2 million for the Previous Year.

Management Discussion and Analysis

Liquidity and financial resources

Capital Structure

As at 31 March 2024, the Group's total bank borrowings amounted to approximately HK\$11 million (31 March 2023: Nil). The bank borrowings of the Group as at 31 March 2024 were denominated in Hong Kong Dollars, and carried interest rate of 6.69% per annum.

The details of the share capital of the Company during the Year and the Previous Year are set out in note 23 on page 102 to the consolidated statements of the Group for the year included in this report (the "**Financial Statements**").

Cash position

The Group recorded net current assets of approximately HK\$171.5 million as at 31 March 2024, while the net current assets of the Group as at 31 March 2023 was approximately HK\$199.9 million. As at 31 March 2024, the Group had cash and cash equivalents of approximately HK\$159.8 million (31 March 2023: HK\$248.3 million). Most of the cash and cash equivalents of the Group were denominated in HK\$ and United States Dollars ("**US\$**").

Capital expenditure

During the Year, the Group's total capital expenditure amounted to approximately HK\$0.2 million (the Previous Year: HK\$2.5 million), which was mainly incurred for acquisition of office equipment.

Gearing ratio

The net gearing ratio was 6.17% which is total interest-bearing bank loans divided by the total equity and multiplied by 100% as at 31 March 2024, and it was not applicable as at 31 March 2023, since the Group did not have any interest bearing liabilities as at 31 March 2023.

Performance guarantees

The Group's performance guarantees as at 31 March 2024 are set out in note 28 on page 106 to the Financial Statements.

Contingent liabilities

The Group had no contingent liabilities as at 31 March 2024 (as at 31 March 2023: Nil).

Pledge of assets

As at 31 March 2024, certain of the Group's bank deposits totaling HK\$34.7 million (31 March 2023: HK\$39.9 million) were pledged to secure derivative financial instruments and performance guarantees which will be released upon the maturity of the derivative financial instruments and completion of the contract works, respectively.

Foreign exchange risk

The Group's transactions are mainly denominated and settled in HK\$ and the US\$. Foreign exchange exposure of the Group to US\$ will continue to be minimal as long as the policy of the Hong Kong Government to link HK\$ to US\$ remains in effect. During the Year, the Group has entered into the HK\$/US\$ net-settled structured foreign currency forward contracts with banks in Hong Kong in order to mitigate foreign exchange exposure as a result of purchases made from certain suppliers in its regular course of business. The fair value changes of the derivative financial instruments comprised realised gain (loss) and unrealised fair value gain (loss) on the HK\$/US\$ net-settled structured foreign currency forward contracts entered into by the Group.

Management Discussion and Analysis

HUMAN RESOURCES

As at 31 March 2024, the Group had a total of 259 employees (31 March 2023: 240 employees). For the Year, the total staff costs including Directors' emoluments was approximately HK\$121.4 million (Previous Year: HK\$108.7 million). The Group offers a competitive remuneration package to its employees, including mandatory provident funds in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and medical insurance coverage to employees who are retained after the probation period. The Group will review the performance of its employees and make reference to such performance reviews in its salary and/or promotional review in order to attract and retain talented employees.

In order to promote overall efficiency, employee loyalty and retention, employees of the Group are required to attend orientation sessions when they first join the Group and may attend other training courses held onsite or externally. The Group has also implemented (i) an educational subsidy programme to its employees to allow them to enrol courses relating to IT services from external organisations; (ii) an university education subsidy programme for the children of its employees; and (iii) a medical check programme for its employees.

The Company adopted a share option scheme (the "**Share Option Scheme**") on 15 February 2017 and a share award scheme on 16 January 2024 (the "**Share Award Scheme**"). As such, share options or awards may be granted to eligible employees of the Group pursuant to the Share Option Scheme or the Share Award Scheme. Since the adoption of these schemes and up to the date of this report, no share options or share awards have been granted.

DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the Year to the Shareholders (Previous Year: HK\$0.025 per Share).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the annual general meeting of the Company ("**AGM**"), the register of members of the Company will be closed from Monday, 12 August 2024 to Thursday, 15 August 2024, both days inclusive, during which period no transfer of shares of the Company (the "**Shares**") will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents 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, Admiralty, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 August 2024.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the Year.

Management Discussion and Analysis

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the Year and has no future plans for material investments or capital assets as at 31 March 2024.

FUTURE OUTLOOK

In the coming year, the global environment will remain clouded by uncertainties. Having considered the geopolitical tensions, supply chain challenges and the rising salary costs caused by IT talent shortage, the Group will adopt advanced software and AI technology to enhance the efficiency of synergy among internal teams and optimize workflow. We will continue to optimize enterprise operational costs and enhance operational efficiency. In the face of talent challenges, we will give full play to our multi-locational synergy model to control costs and attract top talents, while continuing to provide training to employees and advancing the construction of an open and inclusive corporate culture.

The Group will continue to focus on core business and partnerships with key vendors. Moreover, the Group had a good capital structure and prudent financial policy, it would minimize financial risk in the future. To strengthen the competition ability and maintain the leadership of industry, the Group will proactively seek and widen the business opportunities and looking for new market offerings and demand, leverage its industry leadership to achieve long-term sustainable growth.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

EVENTS AFTER THE REPORTING PERIOD

On 8 May 2024, the Board announced that, in order to facilitate the strategic planning for AI development in the People's Republic of China (the "PRC") market, two wholly-owned subsidiaries, Microware (Shanghai) AI Technology Ltd. ("**Microware AI**") and Microware (Shanghai) Technology Development Ltd. ("**Microware Technology**") established in Shanghai, the PRC, in June 2024, with a registered capital of RMB60 million and RMB10 million respectively. In addition, the Board has authorized the management to handle the administrative procedures for industry and commerce and all other related matters regarding the establishment of Microware AI and Microware Technology.

Save as disclosed above, there was no significant event affecting the Group that had occurred since the end of the Year and up to the date of this report.

Profile of Directors and Senior Management

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Wang Guangbo George (*Chairman and Executive Director*)

Mr. Wang, aged 45, was appointed as an executive Director and the vice chairman of the Board on 6 July 2023. He was appointed as chairman of the Board and chairman of the nomination committee of the Company (the “**Nomination Committee**”) on 11 September 2023 and a member of the remuneration committee of the Company (the “**Remuneration Committee**”) on 28 November 2023. Mr. Wang has obtained an executive master’s degree in business administration from the Business School of the National University of Singapore in 2024. Mr. Wang is the chairman of the board of directors of Shanghai Weiye Investment Group Co., Ltd (上海為燁投資集團有限公司) (“**Shanghai Weiye Investment**”) and the vice chairman of the Shanghai Heilongjiang Chamber of Commerce (上海市黑龍江商會). Mr. Wang has been in the field of IT marketing since 2002 and has over 20 years of experience in the IT industry.

Mr. Wang is a director of Weiye Holdings Group Limited (“**Weiye Holdings**”), a company beneficially and wholly-owned by him and having an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. For details, please refer to the paragraphs under the section headed “Substantial Shareholders’ Interest and Short Positions in Shares” on page 40 of this report.

Huang Tianlei Taylor

Mr. Huang, aged 40, was appointed as an executive Director on 26 September 2023 and authorised representative of the Company on 5 December 2023. He graduated from The Open University of China in January 2022 with a degree majoring in administration.

Mr. Huang has over 18 years of experience in sales and marketing. From November 2005 to May 2007, he served as the Dazhong district sales manager at Ningbo Zhongjia Technology & Trading Co., Ltd, which is an indirect subsidiary of Gigabyte Technology Co. Ltd., a Taiwan-based company principally engaged in the production, processing and sales of IT products and whose shares are listed on the Taiwan Stock Exchange (stock code: 2376). Since 2007, he has served as the deputy general manager at 北京盟創科技有限公司 (Beijing Mengchuang Technology Co., Ltd.*), a company based in Beijing, China, that focuses on the distribution of computer accessories, peripherals and other hardware products, where Mr. Huang oversees the company’s daily operation management and the sales and marketing of semiconductor products.

Zhang Ting Tim

Mr. Zhang, aged 52, was appointed as an executive Director on 10 January 2024. Mr. Zhang completed his postgraduate studies in global economy at the School of Economics of Renmin University of China in July 1999. He obtained a Level 7 certificate in product management from ESM-A École Supérieure de Management en Alternance in December 2023, which meets the standard of a local Master Degree at level 6 of the Hong Kong Qualification Framework* (Répertoire national des certifications professionnelles (RNCP)) in France and recognised as the equivalent of a master’s degree.

Mr. Zhang joined Shanghai Weiye Information Technology Co., Ltd.* (上海為燁信息科技有限公司) as the general manager since 2011 and joined Shanghai Weiye Investment as the vice president since 2015, where he is primarily responsible for formulating the group’s development strategies and operational plans in accordance with the overall corporate strategy, and overseeing the daily operations of the group.

Profile of Directors and Senior Management

NON-EXECUTIVE DIRECTOR

Wang Zhi Zion

Mr. Wang, aged 45, was appointed as a non-executive Director on 26 February 2024. He completed his undergraduate double degree in mechanical design manufacturing and automation and economics at the Wuhan University in June 2001. He then obtained a master's degree in measuring and testing technologies and instruments and a doctoral degree in photogrammetry and remote sensing at the Wuhan University in September 2004 and June 2008 respectively. From September 2007 to August 2008, he attended the Leibniz Universität Hannover in Germany as a PhD researcher in the field of photogrammetry and remote sensing. He is currently a PhD holder from Wuhan University, a postdoctoral fellow at Beijing Normal University, visiting scholar at the University of Hannover, Germany, and a professor at the Northeastern University in Shenyang, Liaoning, China.

From October 2008 to June 2013, Mr. Wang served as a researcher at the Beijing Normal University in the field of geography. Since June 2008, Mr. Wang has been a professor at the School of Resources and Civil Engineering of the Northeastern University. Mr. Wang is also currently serving part-time as a director of the China Association of Remote Sensing Application* (中國遙感應用協會), a part-time professor at the School of Environment and Spatial Informatics of the China University of Mining and Technology, a member of the editorial board of the Geography and Geo-Information Science* (《地理與地理信息科學》) and the liaison officer of the Earthquake and Fire Disaster Assessment Working Group of the International Intergovernmental Organization for the Coordination of Earth Observations (GEO).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Junbo David

Mr. Lu, aged 41, was appointed as an independent non-executive Director and a member of the Nomination Committee on 6 July 2023. He was appointed as a member of each of the Remuneration Committee and audit committee of the Company (the "Audit Committee") on 28 November 2023. He graduated from the School of Management of the University of Leicester in 2006 with a master's degree in management. He has obtained the securities practitioner qualification certificate issued by the Securities Association of China in 2019 and the fund practitioner qualification certificate issued by the Asset Management Association of China in 2016. Mr. Lu was also awarded the board secretary certificate by the Shanghai Stock Exchange in 2018. Since February 2020, Mr. Lu has been serving as the vice president of Guangdong Sunwah Technology Investment Limited* (廣東新華科技投資有限公司) ("Sunwah Tech Group") and the director and general manager of Guizhou Xinhua Technology Industry Development Co., Ltd* (貴州新華科技產業發展有限公司). From 16 April 2020 to 27 July 2021, he was an independent non-executive director of CBK Holdings Limited (stock code: 8428), a company listed on the GEM board of the Stock Exchange.

From 2015 to 2017, Mr. Lu served as a senior partner and an executive director of Shanghai Haiding Asset Management Co., Ltd.* (上海海定資產管理有限公司). From 2012 to 2015, he served as an assistant to the chairman and the director of the innovation business department of Shanghai Sameway Investment Management Co., Ltd.* (上海相衛投資管理有限公司).

From October 2017 to February 2020, Mr. Lu served as the director and general manager of Guiyang Ruishu Investment Management Co., Ltd.* (貴陽瑞樹投資管理有限公司), an investment consultant of Guiyang Comprehensive Bonded Zone Financial Investment Holding Co., Ltd.* (貴陽綜合保稅區金融投資控股有限公司) at the Guiyang Comprehensive Bonded Zone, Guizhou Province, and a financial consultant of Guangdong Xinhua South Intelligent Technology Co., Ltd.* (廣東新華南方智能科技有限公司), a member of Sunwah Tech Group.

Profile of Directors and Senior Management

Dai Bin Eric

Mr. Dai, aged 39, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee on 28 November 2023. He graduated from the National University of Singapore in April 2021 with a Master of Business Administration degree. Mr. Dai has over 10 years of experience in sales and marketing, specializing in oral healthcare. From July 2013 to August 2017, he served as a district sales manager at 愛齊(上海)商貿有限公司 (Align Technology (Shanghai) Trading Co., Ltd.), a member of Align Technology, Inc., a global medical device company listed on the NASDAQ Global Select Market in the United States under the symbol ALGN. Since August 2017, he has served as the chairman of the board at 優馳(上海)商貿有限公司 (Youchi Shanghai Co., Ltd.), a company based in Shanghai, China, that focuses on sales of oral devices and consumables, cardiac rehabilitation and medical quality management.

Xu Jianwen Franky

Mr. Xu, aged 43, was appointed as independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 5 December 2023. He obtained a Bachelor's Degree in Laws in June 2005 from Sun Yat-Sen University and a Master's Degree of Common Law in November 2007 from the University of Hong Kong. He was awarded the Legal Professional Qualification Certificate in the People's Republic of China in February 2009.

Mr. Xu has extensive work experience in the financial industry. He has worked in several financial institutions, including China Merchants Securities (HK) Co., Limited, China Securities (International) Finance Holding Company Limited, Southwest Securities (HK) Financial Management Limited and Dongxing Securities (Hong Kong) Financial Holdings Limited, at which he was principally involved in the management in the aspects of legal, compliance and risk control. Currently, Mr. Xu serves as a consultant of China Goldlink Capital Group Limited, where he previously held the positions of director and chief executive officer. Since 1 February 2022, Mr. Xu has been an independent non-executive director of Beijing Gas Blue Sky Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 6828). From 11 May 2017 to 1 December 2021, Mr. Xu was a non-executive director of Sansheng Holdings (Group) Co. Ltd., a company whose shares are listed on the Stock Exchange (stock code: 2183).

Lan Jia

Ms. Lan, aged 53, was appointed as independent non-executive Director and the chairlady of the Audit Committee on 26 February 2024. She completed her undergraduate degree in accounting at the Shanghai University of Finance and Economics in July 1991 and obtained a master's degree in business administration at the National University of Singapore in June 2020. She obtained the qualification of a certified public accountant issued by the Ministry of Finance of the People's Republic of China in 2001.

Ms. Lan joined ADICON Holdings Limited (艾迪康控股有限公司) ("ADICON"), a company listed on the Main Board of the Stock Exchange (stock code: 9860), in October 2018 to serve as the vice president and compliance officer. In July 2021, she was promoted to serve as the senior vice president, chief executive officer and compliance officer at ADICON, where she is primarily responsible for overseeing the internal audit department, the administrative commerce department, the environmental, health and safety department, the legal affairs and compliance department, and the office of the president. From March 2017 to October 2018, she was the vice president of Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) ("Meinian Onehealth"), a company listed on the Shenzhen Stock Exchange (stock code: 002044.SZ). She served as the chief financial officer of Meinian Onehealth from October 2015 to March 2017.

From April 2009 to January 2013, Ms. Lan was the person-in-charge of internal audit at Zhejiang Jingxing Paper Joint Stock Co., Ltd. (浙江景興紙業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002067.SZ). From May 2002 to June 2008, Ms. Lan served as the audit manager of Ernst & Young (安永大華會計師事務所有限責任公司). From November 1996 to April 2002, she was a senior auditor at Dahua Certified Public Accountants Co., Ltd.* (大華會計師事務所有限責任公司).

Profile of Directors and Senior Management

SENIOR MANAGEMENT

Chan Wai Hing Gloria

Ms. Chan, aged 55, is the Chief Financial Officer (the “**Chief Financial Officer**”), authorised representative of the Group and Company Secretary (the “**Company Secretary**”) of the Company. 22 January 2007, she joined the Group and is primarily responsible for the management of financial, accounting and company secretarial matters. Ms. Chan received a master's degree in professional accounting from The Hong Kong Polytechnic University in November 2003. Ms. Chan was admitted as a certified public accountant in July 1999. She has been an associate of the Hong Kong Society of Accountants since July 1999 and a fellow of the Hong Kong Institute of Certified Public Accountants since May 2007. She has over 20 years of accounting experience.

Cheng Wing Fai Ray

Mr. Cheng, aged 54, is the managing director – system integration group of Microware Ltd. and is primarily responsible for sales management. From 1 March 2021 to 5 December 2023, he was an executive Director of the Group and was re-designated within the Group with effect from 5 December 2023. He obtained a Bachelor of Engineering degree from the City Polytechnic of Hong Kong (now known as City University of Hong Kong) in November 1993 and a master's degree in quantitative analysis for business from the City University of Hong Kong in November 1998. Mr. Cheng has over 20 years of sales experience. From July 2002 to March 2018, he was senior sales manager of Microware Ltd and was responsible for a sales team for projects of the Government of Hong Kong. He was the director of the system integration group from April 2018 to April 2024 and responsible for the sales management.

Au Man Wah Randy

Mr. Au, aged 60, is the managing director – technical services and outsourcing of Microware Ltd. He was appointed as executive Director with effect from 1 July 2022 to 5 December 2023. From 1 July 2022 to 5 December 2023, he was an executive Director of the Group and was re-designated within the Group with effect from 5 December 2023. He obtained a bachelor's degree in business administration from Fu Jen Catholic University in Taiwan in June 1988. He received a master's degree in information systems from the Hong Kong Polytechnic University in November 2010 through distance learning. Mr. Au has over 20 years of sales and marketing experience. He has served as the director of technical services and outsourcing of Microware Ltd from June 2011 to April 2024, where he was primarily responsible for maintenance and service sales of the Group.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving good corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company's corporate governance practices are based on the principles (the **"Principles"**) and code provisions (the **"Code Provisions"**) in the Corporate Governance Code (the **"CG Code"**) as set out in Part 2 of Appendix 14 (which has been renumbered to Appendix C1 with effect from 31 December 2023) to the Rules Governing the Listing of Securities (the **"Listing Rules"**) on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**).

Save for Code Provision C.2.1 of the CG Code and non-compliance with Rules 3.10(1), 3.10A, 3.10(2) and 3.21 of the Listing Rules as disclosed below, the Company has applied the Principles and complied with all the Code Provisions for the Year.

Non-compliance with Rules 3.10(1), 3.10A, 3.10(2) and 3.21 during the Year

As disclosed in the announcement of the Company dated 28 November 2023, after the resignation of Mr. Li Richard King Hang, Mr. Cheng Tak Chung and Ms. Li Wai Man as independent non-executive Directors, the number of the independent non-executive Directors fell below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules. The Company also failed to comply with Rule 3.10(2) of the Listing Rules as after the resignation of Ms. Li Wai Man as independent non-executive Director and chairlady of the Audit Committee, there was no independent non-executive Director who has the qualifications as required under Rule 3.10(2) of the Listing Rules. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee.

Following the appointment of Mr. Xu Jianwen as independent non-executive Director on 5 December 2023 and the appointment of Ms. Lan Jia as independent non-executive Director and chairlady of the Audit Committee on 26 February 2024, the Company has re-complied with Rules 3.10(1), 3.10A, 3.10(2) and 3.21 of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (which has been renumbered to Appendix C3 with effect from 31 December 2023) to the Listing Rules (the **"Model Code"**) as the securities dealing code for its Directors.

Specific enquiry had been made to all Directors and all the Directors have confirmed that they have fully complied with the required standards and provisions as set out in the Model Code during the Year.

Corporate Governance Report

THE BOARD

Board Composition

The Board, which currently comprises eight Directors, is responsible for governing the Company. The Board is responsible for performing the corporate governance functions of the Company in accordance with the CG Code, including determining the Company's corporate governance policies, and reviewing and monitoring the corporate governance practices of the Company. The Board is responsible for determining the overall corporate strategies and development of the Company to meet its business objectives. All substantial business decisions, as the Board considers appropriate, have to be escalated to the Board level with written resolutions. The Board should make decisions objectively in the best interests of the Company. The Board currently comprises three executive Directors, one non-executive Director and four independent non-executive Directors:

Executive Directors

WANG Guangbo (*Chairman and Executive Director of the Group*)

(appointed as Executive Director on 6 July 2023 and Chairman on 11 September 2023)

HUANG Tianlei (appointed on 26 September 2023)

ZHANG Ting (appointed on 10 January 2024)

CHU Ming Ho (*former Chairman and Chief Executive Officer of the Group*) (resigned on 5 December 2023)

YANG Peter Shun Tsing (resigned on 5 December 2023)

CHENG Wing Fai (resigned on 5 December 2023)

AU Man Wah (resigned on 5 December 2023)

Non-Executive Director

WANG Zhi (appointed on 26 February 2024)

WAN Yiu Hon (resigned on 26 September 2023)

Independent Non-Executive Directors

LU Junbo (appointed on 6 July 2023)

DAI Bin (appointed on 28 November 2023)

XU Jianwen (appointed on 5 December 2023)

LAN Jia (appointed on 26 February 2024)

LI Wai Man (resigned on 28 November 2023)

CHENG Tak Chung (resigned on 28 November 2023)

LI Richard King Hang (resigned on 28 November 2023)

All the Directors have given sufficient time and attention to the affairs of the Company. Each Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. Details of the backgrounds and qualifications of the chairman of the Board and the other Directors are set out in the section headed "Profile of Directors and Senior Management" in this report.

Corporate Governance Report

Responsibilities of the Board and the management

The principal responsibility of the Board is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risks to be assessed and managed. The Board is collectively responsible for the long-term success of the Company and delivery of sustainable value to the Shareholders. It sets strategies for the Company and approves capital and operating plans presented by management for the achievement of strategic objectives it has set. Implementation of the strategies set by the Board is delegated to the management which is led by the chief executive officer of the Group (the “**Chief Executive Officer**”). The management is responsible for the day-to-day management and operation of the Group and to provide the Board with updates in a timely manner, giving an assessment of the Company’s performance and position to enable the Board to discharge its duties.

Regarding the Company’s corporate governance, the Board as a whole is responsible for performing the following corporate governance duties including:

- i. to review and monitor the Company’s policies and practices in compliance with legal and regulatory requirements;
- ii. to develop and review the Company’s policies and practices on corporate governance;
- iii. to review and monitor the training and continuous professional development of Directors and management;
- iv. to review the Company’s compliance with the CG Code and disclosure in its corporate governance report; and
- v. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors.

The Board has delegated such duties to the Audit Committee.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company’s expenses for discharging their duties to the Company.

The Directors acknowledge their responsibility for preparing the Financial Statements.

Directors’ and Officers’ Insurance

The Company has arranged for appropriate insurance coverage in respect of legal actions against the Directors.

Board meetings and Board practices

The Board is scheduled to meet at least four times a year to determine the overall strategic direction and objectives and approve the interim and annual results and other significant matters. Apart from regular board meetings, the Board will meet on other occasions when a board level decision on a particular matter is required. Each of the members of the Board has full access to relevant information at the meetings.

Corporate Governance Report

A total of 11 Board meetings were held during the Year, among which seven of them were held for considering the appointment of new Directors to the Board. One general meeting were held during the Year. Details of the attendance of the Board meetings and the general meeting are as follows:

	Board Meeting	The 2023 Annual General Meeting
Mr. Wang Guangbo (appointed on 6 July 2023)	9/11	0/1
Mr. Huang Tianlei (appointed on 26 September 2023)	6/11	0/1
Mr. Zhang Ting (appointed on 10 January 2024)	2/11	0/1
Mr. Wang Zhi (appointed on 26 February 2024)	1/11	0/1
Mr. Lu Junbo (appointed on 6 July 2023)	6/11	1/1
Mr. Dai Bin (appointed on 28 November 2023)	4/11	0/1
Mr. Xu Jianwen (appointed on 5 December 2023)	3/11	0/1
Ms. Lan Jia (appointed on 26 February 2024)	1/11	0/1
Mr. Chu Ming Ho (resigned on 5 December 2023)	6/11	1/1
Mr. Yang Peter Shun Tsing (resigned on 5 December 2023)	5/11	0/1
Mr. Cheng Wing Fai (resigned on 5 December 2023)	6/11	1/1
Mr. Au Man Wah (resigned on 5 December 2023)	6/11	1/1
Mr. Wan Yiu Hon (resigned on 26 September 2023)	1/11	1/1
Mr. Cheng Tak Chung (resigned on 28 November 2023)	6/11	1/1
Ms. Li Wai Man (resigned on 28 November 2023)	6/11	1/1
Mr. Li Richard King Hang (resigned on 28 November 2023)	3/11	1/1

Appointment and re-election of directors

Under Code Provision B.2.2 of the CG Code, the non-executive Directors should be appointed for a specific term and subject to re-election. All Directors appointed to fill a casual vacancy should be subject to re-election by Shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

All the Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's articles of association (the "**Articles**").

Mr. Wang Guangbo was appointed as executive Director and Mr. Lu Junbo was appointed as independent non-executive Director on 6 July 2023; Mr. Huang Tianlei was appointed as executive Director on 26 September 2023; Mr. Dai Bin was appointed as independent non-executive Director on 28 November 2023 and Mr. Xu Jianwen was appointed as independent non-executive Director on 5 December 2023. All of them executed the then applicable form B Declaration and Undertaking with regard to Directors, and each of them understood his obligations as a director of a listed issuer under the Listing Rules

Mr. Zhang Ting was appointed as executive Director on 10 January 2024; Mr. Wang Zhi was appointed as non-executive Director on 26 February 2024; and Ms. Lan Jia was appointed as independent non-executive Director on 26 February 2024. Each of them had obtained the legal advice referred to in rule 3.09D of the Listing Rules on his/her date of appointment and had confirmed that he/she understood his/her obligations as a Director.

Corporate Governance Report

Continuing professional development

According to Code Provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. As part of continuous professional development of the Directors, the Company provides in-house training and engages professional firms to provide training to Directors to develop and refresh their knowledge and skills and continuously update Directors on the latest developments regarding the Group's business, the Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Internal briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. Every newly appointed Director has received comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The participation by individual Directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company by way of attending training sessions organised by professional firms and reading relevant materials during the Year is recorded in the table below:

Name of Directors	Training on corporate governance regulatory development and other relevant topics
Mr. Wang Guangbo (<i>Chairman</i>) (appointed on 6 July 2023)	✓
Mr. Huang Tianlei (appointed on 26 September 2023)	✓
Mr. Zhang Ting (appointed on 10 January 2024)	✓
Mr. Wang Zhi (appointed on 26 February 2024)	✓
Mr. Lu Junbo (appointed on 6 July 2023)	✓
Mr. Dai Bin (appointed on 28 November 2023)	✓
Mr. Xu Jianwen (appointed on 5 December 2023)	✓
Ms. Lan Jia (appointed on 26 February 2024)	✓
Mr. Chu Ming Ho (<i>Chairman</i>) (resigned on 5 December 2023)	✓
Mr. Yang Peter Shun Tsing (resigned on 5 December 2023)	✓
Mr. Cheng Wing Fai (resigned on 5 December 2023)	✓
Mr. Au Man Wah (resigned on 5 December 2023)	✓
Mr. Wan Yiu Hon (resigned on 26 September 2023)	✓
Mr. Cheng Tak Chung (resigned on 28 November 2023)	✓
Ms. Li Wai Man (resigned on 28 November 2023)	✓
Mr. Li Richard King Hang (resigned on 28 November 2023)	✓

Independent non-executive Directors and Non-executive Director

The Company appointed four independent non-executive Directors and one non-executive Director who have appropriate and sufficient experience and qualification to carry out their duties so as to protect the interests of the Shareholders.

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

Each of the non-executive Directors (including the independent non-executive Directors) has been appointed for a term of three years commencing from the date of their respective appointment as the Directors (i.e. 6 July 2023, 28 November 2023, 5 December 2023 and 26 February 2024) and are subject to retirement by rotation in accordance with the Articles.

Corporate Governance Report

Mechanism to Ensure Board Independence

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 March 2024.

Chairman and Chief Executive Officer

The chairman of the Board is responsible for overseeing the strategic planning and leadership of the Group and ensuring that the entire Board members are properly briefed on issues at the Board meetings and receive adequate and reliable information on a timely basis. The Chief Executive Officer is responsible for the strategic development and maintaining the Company's relationship with companies outside of the Group. Senior management is responsible for effective implementation of the Board's decisions and the day-to-day operations of the Group.

Code Provision C.2.1 of the CG Code provides that the roles of the chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and Chief Executive Officer. Mr. Wang Guangbo, executive Director and chairman of the Board, together with Mr. Huang Tianlei and Mr. Zhang Ting, both executive Directors, will jointly assume the duties and responsibilities of the Chief Executive Officer of the Company in the overall management, strategic planning and the day-to-day business operation of the Group. Given their extensive experience and knowledge in the information technology industry, the Board believes that they will provide a broader perspective on strategic matters and enable efficient decision-making to meet the dynamic needs of the Group's business. Therefore, the Directors consider that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. Notwithstanding the deviation, the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

BOARD COMMITTEES

The Board is responsible for the leadership and control of the Company and overseeing the Group's businesses, strategic decisions and promoting the success of the Company. The Board is delegated with the authority and responsibility for the management of the Group. In addition, the Board has also established various Board committees, including the Remuneration Committee, the Nomination Committee and the Audit Committee, and has delegated various responsibilities to them. The executive Directors and senior management of the Company, as delegated by the Board, are responsible for implementing the determined strategies and policies and the day-to-day management of the Group's business.

Remuneration Committee

The Remuneration Committee was established on 15 February 2017. The chairman of the committee is Mr. Dai Bin, an independent non-executive Director, and other members include Mr. Wang Guangbo, executive Director and the chairman of the Board, Mr. Xu Jianwen and Mr. Lu Junbo, both being non-executive Directors.

The primary objectives and duties of the Remuneration Committee were set out in its terms of reference adopted in compliance with the requirements under the CG Code, which include making recommendations to the Board on the remuneration policy, remuneration packages and employee benefits arrangements of the Directors and the senior management.

During the Year, seven Remuneration Committee meetings were held in total, among which one Remuneration Committee meeting was held to review and make recommendations to the Board on the remuneration policy and the remuneration packages of executive Directors and senior management for 2023 as well as other related matters, and six Remuneration Committee meetings were held to review the remuneration packages of newly appointed directors during the Year. Details of the attendance of the Remuneration Committee meetings are as follows:

Name of Directors	Attendance of the Remuneration Committee meeting
Mr. Dai Bin (<i>Chairman</i>) (appointed on 28 November 2023)	3/7
Mr. Wang Guangbo (appointed on 28 November 2023)	3/7
Mr. Lu Junbo (appointed on 28 November 2023)	3/7
Mr. Xu Jianwen (appointed on 5 December 2023)	2/7
Mr. Li Richard King Hang (<i>Chairman</i>) (resigned on 28 November 2023)	3/7
Mr. Cheng Tak Chung (resigned on 28 November 2023)	4/7
Mr. Chu Ming Ho (resigned on 28 November 2023)	4/7

During the Year, the Remuneration Committee has considered and reviewed the terms of employment contracts of the executive Directors and appointment letters of the non-executive Director and the independent non-executive Directors and has assessed the performance of the Directors. The Remuneration Committee considers that the terms of service agreements of the executive Directors, the appointment letters of the non-executive Director and the independent non-executive Directors are fair and reasonable.

Details of the Directors' remuneration and five highest paid individuals for the Year are disclosed in note 9 to the Financial Statements.

Corporate Governance Report

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

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

Nomination Committee

The Nomination Committee was established on 15 February 2017. The chairman of the committee is Mr. Wang Guangbo, executive Director and the chairman of the Board, and other members include Mr. Dai Bin and Mr. Xu Jianwen, both being independent non-executive Directors.

The roles and functions of the Nomination Committee include making recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee identifies individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The Nomination Committee also reviews the structure, size and composition of the Board and assesses the independence of the independent non-executive Directors.

The Company has adopted a nomination policy (the "**Nomination Policy**") which sets out the nomination procedures and criteria for the Nomination Committee to select and recommend candidates to the Board for consideration of appointment as Directors or for recommendations to Shareholders for election as Directors at general meetings.

Pursuant to the Nomination Policy, prior to a meeting of the Nomination Committee called for considering candidates for directorship, the Nomination Committee will invite nominations of candidates from the Board members or put forward candidates. The Nomination Committee will consider the nominated candidates at such committee meeting according to the following criteria: reputation for integrity; accomplishment and experience; compliance with legal and regulatory requirements; commitment in respect of available time and relevant interest; and board diversity. A selected candidate will then be recommended by the Nomination Committee to the Board for consideration and approval.

A Shareholder may propose a person for election as a Director in a general meeting pursuant to procedures set out in the Articles.

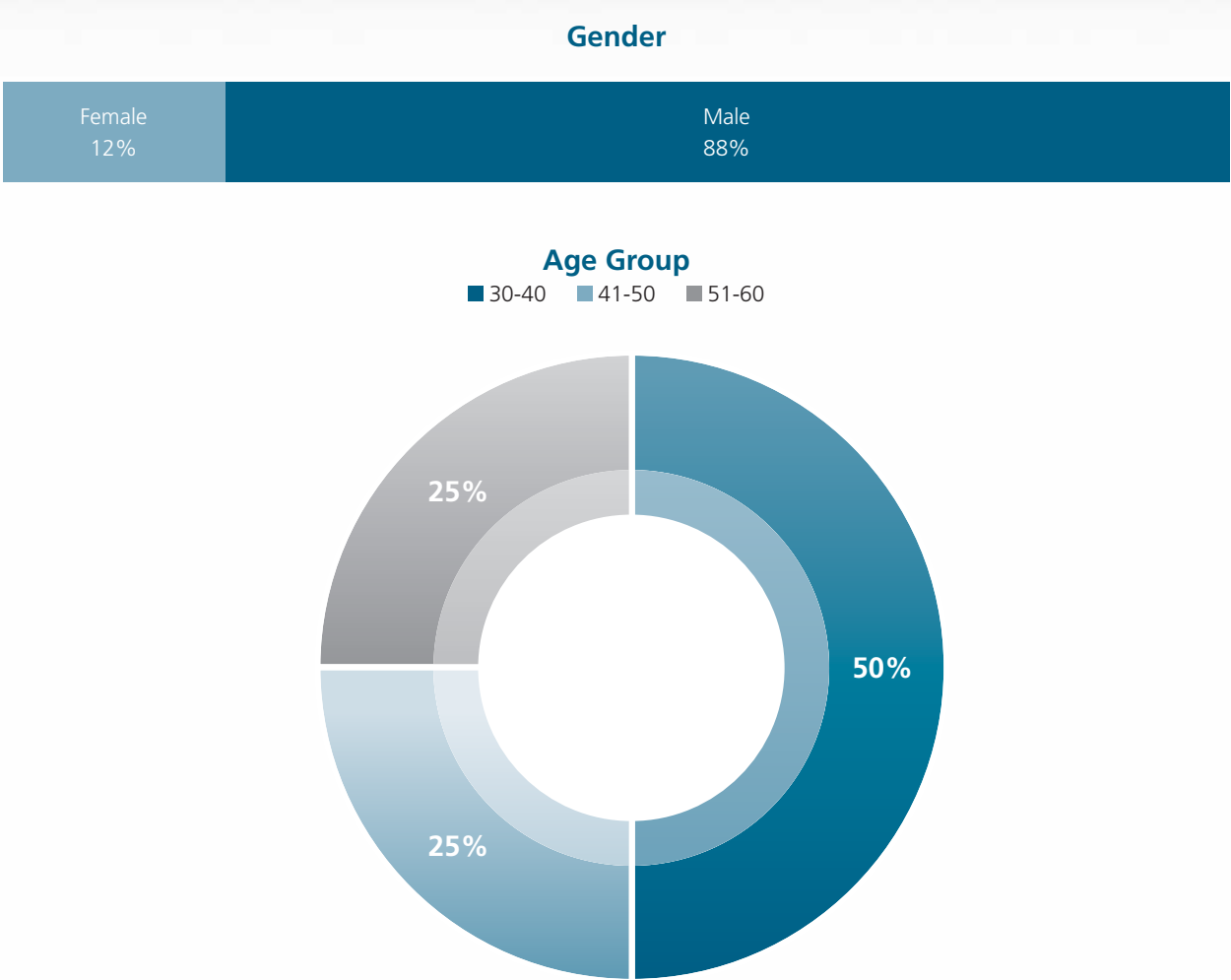
In addition, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Company seeks to achieve board diversity through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background, race, professional experience and industry experience. These factors will be considered in determining the optimum composition of the Board and all Board appointments will be based on merit, having due regard to the Group's business needs from time to time.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (i) the Company shall comply with the requirements on board composition set out in the Listing Rules from time to time;
- (ii) the number of independent non-executive Directors shall be not less than three and one-third of the Board;
- (iii) at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and
- (iv) at least one Director should be the professional or have intensive experience of the industry in which the Group operates.

Corporate Governance Report

As at 31 March 2024, Board diversification in terms of gender and age group is set out below:



The Board has reviewed, through the Nomination Committee, the structure, size, composition and diversity of the Board as well as the nomination and appointment procedure of Directors during the year. The Board considers that the current Board composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. It paid particular attention to the cultural and educational background, professional and technical experience, and skills of the members of the Board and also reviewed the composition of executive Directors, non-executive Directors and independent non-executive Directors, so as to ensure appropriate diversity and independence within the Board. The Board will continue to review its composition from time to time taking into consideration specific needs for the Group’s business.

There was one female Director and one female employee in the senior management during the year ended 31 March 2024. The Board aims to maintain at least the current level of female representation and will strive to achieve a balanced gender diversity based on stakeholders’ expectations and best practices with the ultimate goal of increasing the proportion of female members over time as and when suitable candidates are identified. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future. The Board will regularly review its policies and procedures for board diversity, taking into account relevant data and feedback from stakeholders, and will take appropriate action as needed to ensure that it is achieving its gender diversity goals.

Corporate Governance Report

As at 31 March 2024, diversity of the workforce (including senior management) in terms of gender is as follows 72% are male employees and 28% are female employees.

During the year, after the annual review of the implementation and effectiveness of the Board Diversity Policy, the Board is satisfied that the Board Diversity Policy has been properly implemented and is effective.

During the Year, eight Nomination Committee meetings were held in total to, among others, review the structure, size and diversity of the Board, and the independence of the independent non-executive Directors, and recommend the appointment of Mr. Wang Guangbo, Mr. Lu Junbo, Mr. Huang Tianlei, Mr. Dai Bin, Mr. Xu Jianwen, Mr. Zhang Ting, Mr. Wang Zhi, and Ms. Lan Jia during the Year. Details of the attendance of the Nomination Committee meetings are as follows:

Name of Directors	Attendance of the Nomination Committee meeting
Mr. Wang Guangbo (<i>Chairman</i>) (appointed on 6 July 2023)	5/8
Mr. Lu Junbo (appointed on 6 July 2023)	5/8
Mr. Dai Bin (appointed on 28 November 2023)	3/8
Mr. Xu Jianwen (appointed on 5 December 2023)	2/8
Mr. Chu Ming Ho (<i>Chairman</i>) (resigned on 28 November 2023)	5/8
Mr. Cheng Tak Chung (resigned on 28 November 2023)	3/8
Mr. Li Richard King Hang (resigned on 28 November 2023)	5/8

Audit Committee

The Audit Committee was established on 15 February 2017. The chairlady of the committee is Ms. Lan Jia, an independent non-executive Director with the appropriate professional qualifications and other members include Mr. Xu Jianwen and Mr. Dai Bin, both being independent non-executive Directors.

The main responsibilities of the Audit Committee are to review the Group's financial information and the auditors' reports and monitor the integrity of the financial statements of the Group as well as overseeing the financial reporting process, risk management and internal control system of the Group and assisting the Board to fulfil its responsibility over the audit. Other responsibilities include making recommendations to the Board on the appointment, reappointment and removal of external auditor, approval of the remuneration and terms of the engagement of the external auditor, and any other matters arising from the above. The Audit Committee is also responsible for performing the Company's corporate governance functions and serves as a channel of communication between the Board and the external auditor.

During the Year, three Audit Committee meetings were held. Details of the attendance of the Audit Committee meetings are as follows:

Name of Directors	Attendance of the Audit Committee meeting
Ms. Lan Jia (<i>Chairlady</i>) (appointed on 26 February 2024)	1/3
Mr. Dai Bin (appointed on 28 November 2023)	1/3
Mr. Lu Junbo (appointed on 28 November 2023, resigned on 26 February 2024)	0/3
Mr. Xu Jianwen (appointed on 5 December 2023)	1/3
Ms. Li Wai Man (<i>Chairlady</i>) (resigned on 28 November 2023)	2/3
Mr. Cheng Tak Chung (resigned on 28 November 2023)	2/3
Mr. Li Richard King Hang (resigned on 28 November 2023)	1/3

Corporate Governance Report

During the Year, the Company failed to comply with Rule 3.10(2) of the Listing Rules as after the resignation of Ms. Li Wai Man as independent non-executive Director and chairlady of the Audit Committee, there was no independent non-executive Director who has the qualifications as required under Rule 3.10(2) of the Listing Rules. As a result of the insufficient number of independent non-executive Directors, the Company also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee. The Company took steps to identify suitable candidate(s) who has/have the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules to fill up the vacancy of independent non-executive Director and the vacancy of the chairman of the Audit Committee during the period from 28 November 2023 to 26 February 2024,. When Ms Lan Jia was appointed as independent non-executive Director and chairlady of the Audit Committee on 26 February 2024, the Company re-complied with Rules 3.10(2) and 3.21 of the Listing Rules.

During the Year, the Audit Committee has reviewed the audit plan and approach of the external auditor, monitored the progress and results of the audit regularly and performed the Company's corporate governance functions as delegated by the Board. The Group's unaudited interim results for the six months ended 30 September 2023 and the audited annual results for the Previous Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been duly made. The Audit Committee has also reviewed the significant issues on the financial reporting and compliance procedures, internal control and risk management systems and internal audit function of the Group.

RISK MANAGEMENT AND INTERNAL CONTROLS

The outbreak of Covid-19 may impede the operations of the Company, especially the frontline sales. It may also lead to the postponement of the IT solution projects resulting in customers' late payment. The Board has reviewed the risks and has adopted certain policies to reduce such risk and impact to the Group, such as, implementing flexible working arrangements for employees to work from home while maintaining the operations. The Company has also designated a team to monitor the payment schedule of customers and its cash flow.

The Board acknowledges its responsibility for the management of the Company and is collectively responsible for ensuring sound and effective risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risk rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, having reviewed the effectiveness of the risk management and internal control systems of the Company through the Audit Committee, considers that the Company's risk management and internal control systems are adequate and effective and no significant control failings or weaknesses were identified for the Year. The level of resources, staff qualifications and experience, training programmes and budget of the Company's internal audit and accounting and financial reporting functions were also assessed and considered adequate for the Year. The Company will continue to improve its system of internal control. The Board shall conduct such review through the Audit Committee at least once annually.

Risk Management and Internal Control Systems

The Company's risk management and internal control systems are designed to manage and mitigate risks, rather than eliminating risks, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Company employed a top-down and bottom-up approach for identification, assessment and mitigation of risk at all business unit levels and across functional areas. Through the Audit Committee, the Board conducts annual review of the effectiveness of the Company's risk management and internal control systems, covering the material controls, including financial, operational and compliance controls. The Chief Executive Officer and Chief Financial Officer are primarily responsible for applying, supporting the risk management and internal control processes. The operating units and support functions are facilitated and coordinated by the Chief Executive Officer and the Chief Financial Officer, and ensure that risk management processes and mitigation plans follow good practices and guidelines established by the Company in their day-to-day operations. Risk events and incidents are reported by the operating units and support functions to the management in a timely manner.

Corporate Governance Report

Internal Audit

The Group has an internal audit function. The primary role of the internal audit function is to help the Board and the senior management of the Group to protect the assets, reputation and sustainability of the Group. The internal audit function provides independent and objective assurance as to whether the design and operational effectiveness of the Group's framework of risk management, control and governance process, as designed and represented by the Company's management, is adequate. The internal audit function of the Group is independent of the risk management and internal control systems of the Group.

Results of audit work together with an assessment of the overall risk management and control framework relating to inventory management, fixed assets management, insurance management and tax management are reported to the Audit Committee as appropriate. Every year, the Group reports the implementation status of the mitigation controls to the Audit Committee to ensure proper monitoring. The internal audit function also reviews the Company's management's action plans in relation to audit findings and verifies the adequacy and effectiveness of the mitigating controls before formally closing the issue.

Main Features of Risk Management and Internal Control Systems

The key elements of the Company's risk management and internal control systems include the establishment of strategic risk register to monitor, evaluate and assess the identified risks. The Company updates the risk responses for each key risk identified to ensure the effectiveness of the mitigation procedures on an ongoing basis. A risk matrix approach is adopted to determine the significance of the risk after evaluation of the risk according to the impact, frequency and probability of the risk event identified. The significance of the risks reflects the level of management's attention and risk responses.

The risk management process is integrated with the internal control system, so that the Company's ability to handle risks that hinder the achievement of financial, operational and compliance goals is strengthened and the allocation of resources on control measures against specific or high risks areas is more adequate.

Process used to identify, evaluate and manage significant risks

The Company develops a preliminary inventory of events that could influence the achievement of the Company's business objectives. The Company identifies outside and inside events by reviewing its external and internal environment and stakeholders, which have an influence or potential influence on the Company's ability to achieve its strategies and business objectives. The risk identification process takes place at least once a year. Furthermore, any risk events and incidents identified by the operating units and support functions will be reported to the management in a timely manner.

The risks identified are evaluated with a risk matrix which prioritises risks according to the frequency and probability of their occurrence and the significance of their impact on the achievement of the Company's business objectives. Following the review of the risk matrix, the Company selects and deploys the corresponding risk responses and investigates the mitigation procedures to be executed to ensure the identified significant risks were managed to an acceptable level.

Process used to review the effectiveness of the Risk Management and Internal Control Systems

During the Year, the Group has performed a review on the risk management and internal control systems and prepared a report to enable the Board and management to evaluate and provide reasonable assurance on the effectiveness and efficiency of operations, provide reliable financial reporting, comply with applicable laws and regulations and, where appropriate, carry out the recommended procedures (if any). The Audit Committee has reviewed the report and the review covered all material controls, including operational, financial and compliance control, and risk management functions. The scope and the quality of ongoing monitoring of risks and internal control systems have been assessed. The Board considered that during the Year, the risk management and internal control systems of the Group were effective, and no significant deficiency was identified during the course of review.

Corporate Governance Report

Inside Information Policy

The Company has established a disclosure policy for the handling and dissemination of inside information. Such policy is set out inside the staff manual and all staff are required to comply with such policy. Employees of the Company must be made aware of the disclosure policy and the importance of bringing any potential inside information promptly to the attention of their immediate supervisors. They are also prohibited from disclosing any confidential information to anyone outside the Company without having obtained the necessary approval. In addition, each level of personnel of the Group is granted a specific level of access to price sensitive and inside information. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited. The Directors, senior management and employees are kept up-to-date on the latest regulatory updates.

AUDITOR'S REMUNERATION

The statement of the Company's auditors about their reporting responsibilities for the Financial Statements is set out in the "Independent Auditor's Report" on pages 50 to 54 of this report.

For the Year, the remuneration payable or paid to the Company's auditors, Deloitte Touche Tohmatsu, is as follows:

	Year ended 31 March 2024 (HK\$'000)
Statutory audit services	1,540
ORSO audit and review document	258

There was no change in the external auditors of the Company for the three preceding years prior to the date of this report.

COMPANY SECRETARY

Ms. Chan Wai Hing Gloria, the Company Secretary of the Company, has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules during the Year.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting are as follows:

- Pursuant to the memorandum and articles of association of the Company (the "**Memorandum and Articles**"), any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business specified in such requisition.
- Eligible Shareholder(s) who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong, at 1/F, Century Centre, 44-46 Hung To Road, Kwun Tong, Kowloon, Hong Kong, for the attention of the Company Secretary.

Corporate Governance Report

- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted at the EGM. The Requisition must be signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within two months and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM after the deposit of the Requisition.
- If within 21 days of the deposit of the Requisition the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Memorandum and Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Putting enquiries by Shareholders to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at 1/F, Century Centre, 44-46 Hung To Road, Kwun Tong, Kowloon, Hong Kong by post or email to Ms. Chan Wai Hing Gloria at gloriachan@microware.com.hk, for the attention of the Company Secretary.

Procedures for Shareholders to put forward proposals at Shareholders' meeting

There is no provision allowing Shareholders to propose resolutions at the general meetings of the Company under the Memorandum and Articles. Shareholders who wish to propose resolutions may, however, convene an EGM to do so by following the procedures as set out in the section headed "Procedures for Shareholders to convene an extraordinary general meeting" in this report.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders. Information of the Company is disseminated to the Shareholders in the following manner:

- Delivery of annual and interim results and reports to all Shareholders;
- Publication of announcements regarding the annual and interim results on the websites of the Stock Exchange and the Company, and issue of other announcements and Shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meetings of the Company are valuable forums for direct communications between the Board and Shareholders and it is also an effective communication channel between the Board and Shareholders, where Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group.

The shareholders' communication policy encourages all forms of communication and welcomes feedback, questions, or concerns from Shareholders and aims to ensure that Shareholders are provided with timely access to the Company's information. At other times, Shareholders and investors can put forward their enquires in writing to the Company as set out above under the paragraph headed "*Putting enquiries by Shareholders to the Board*". The Company regularly reviews its shareholders' communication policy and has evaluated its implementation and effectiveness during the Year. In light of the above, the Company considered that its shareholders' communication policy implemented during the Year is effective.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

AMENDMENT TO THE ARTICLES OF ASSOCIATIONS

The Memorandum and Articles are available on the websites of the Company and the Stock Exchange.

During the Year, there has not been any amendments to the Memorandum and Articles.

On 3 July 2024, the Board proposed to amend the existing Memorandum of Association and Articles of Association of the Company (the “**Existing Memorandum and Articles of Association**”) to (i) bring the Existing Memorandum and Articles of Association inline with the latest requirements under the Listing Rules, including the amendments to Rule 2.07A with respect to electronic dissemination of corporate communications which took effect from 31 December 2023; and (ii) incorporate certain corresponding and housekeeping amendments (the “**Proposed Amendments**”). The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM, and will become effective upon the approval by the Shareholders at the AGM. Prior to the passing of such a special resolution at the AGM, the Existing Memorandum and Articles of Association shall remain valid.

DIVIDEND POLICY

Under the dividend policy adopted by the Company, dividends may be recommended, declared and paid to the Shareholders from time to time. In summary, the declaration of dividend is subject to the discretion of the Board, taking into consideration of, among others, the following factors: financial results, Shareholders’ interests, general business conditions and strategies, capital requirements, taxation considerations, contractual, statutory and regulatory restrictions (if any) and any other factors that the Board may deem relevant.

Directors' Report

DIRECTORS' REPORT

The Board is pleased to present to the Shareholders their report for the Year and the Financial Statements.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its major subsidiaries are set out in note 30 to the Financial Statements.

BUSINESS REVIEW

Discussion and analysis on the business of the Group for the Year are set out in the section headed "Management Discussion and Analysis" on pages 10 to 14 of this report.

RESULTS AND DIVIDENDS

The results of the Group for the Year and the Group's financial position as at 31 March 2024 are set out in the Financial Statements on page 56 of this report.

Under the dividend policy adopted by the Company, dividends may be recommended, declared and paid to the Shareholders from time to time. In summary, the declaration of dividend is subject to the discretion of the Board, taking into consideration of, among others, the following factors: financial results, Shareholders' interests, general business conditions and strategies, capital requirements, taxation considerations, contractual, statutory and regulatory restrictions (if any) and any other factors that the Board may deem relevant.

The Board resolved not to recommend the payment of a final dividend for the Year to the Shareholders (Previous Year: HK\$0.025 per Share).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 12 August 2024 to Thursday, 15 August 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents 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, Admiralty, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 August 2024.

FINANCIAL SUMMARY

A summary of the published results and of the assets, equity and liabilities of the Group for the last five financial years is set out on page 120 of this report.

ENVIRONMENTAL POLICIES

The Directors believe that the IT infrastructure solutions industry in which the Group operates its business is not a major source of environmental pollution and the impact of its operations on the environment is minimal. The Group has taken measures to facilitate the environmental-friendliness of its workplace by encouraging, among other things, a recycle culture within the Group.

The Group has also dedicated its effort to review and monitor the Group's environmental, social and governance ("ESG") policies and practices to ensure compliance with the relevant legal and regulatory requirements as described in Appendix 27 to the Listing Rules. The Group is committed to engaging its key stakeholders and operating its business in a fair, responsible and transparent manner. Details of the Group's ESG performance for the Year can be found in the Company's Environmental, Social and Governance Report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group, including those in respect of its provision of IT infrastructure solutions services and IT managed services in Hong Kong, employment and labour practices and environmental protection. The Company also complied with the requirements under the Listing Rules, the SFO and the laws of the Cayman Islands during the Year. The Group conducts on-going review of the newly enacted laws and regulations affecting the operations of the Group, if any, and provides relevant trainings and guidance to the staff. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Directors' Report

PRINCIPAL RISKS AND UNCERTAINTIES

Pandemic Risk

During the Year, the business operations of the Group were affected to some extent due to Covid-19, such as, the projects were delayed by customers due to the uncertainties of Covid-19 and has brought additional uncertainties to the Group's operations. On the other hand, the shortage of materials of hardware caused the delay the delivery schedule and other uncertainties impact.

After several measures were implemented by the Hong Kong government to bring Covid-19 under control in the 1st half year of 2022, the projects of the Group may steady resume. However, it remains uncertain that the Covid-19 will be completely brought under control in both Hong Kong and the world. The Group will keep close monitoring the pandemic status and further assess the financial impact which in line with the prudence financial policy.

The Directors are aware that the Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are set out as follows:

- the Group is dependent upon recruiting and retaining eligible employees. Any shortfall in its workforce or increase in direct staff costs may materially impede its business operations and adversely affect its financial results;
- the Group may encounter cost overruns or delays in its IT infrastructure solutions service contracts, which may materially and adversely affect its business, financial position and results of operation; and
- the preferences of the Group's clients are highly subjective in nature and can substantially deviate from one another, and consequently failure to accommodate the client's individual preferences may result in client dissatisfaction, thereby potentially damaging the Group's business reputation and hindering its opportunity to secure future contracts or orders.

For other risks and uncertainties faced by the Group, please refer to the section headed "Risks Factors" in the prospectus of the Company dated 24 February 2017 (the "**Prospectus**").

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 23 to the Financial Statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distributions to Shareholders as at 31 March 2024 comprised the share premium plus accumulated loss with an aggregate amount of approximately HK\$46,090,000 (2023: HK\$75,949,000).

RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 57 of this report and the details of reserves attributable to equity shareholders of the Company are set out in note 29 to the Financial Statements.

MAJOR SUPPLIERS AND CUSTOMERS

The Group's five largest customers accounted for approximately 22.78% of the total revenue of the Group for the Year, while the largest customer accounted for approximately 10.39% of the total revenue of the Group for the Year.

The Group's five largest suppliers accounted for approximately 58.94% of the Group's total purchases during the Year, while the largest supplier accounted for approximately 16.29% of the total purchases of the Group for the Year.

At all time during the Year, none of the Directors or any of their close associates or any Shareholders who, to the best knowledge of the Directors, own more than 5% of the number of issued Shares had an interest in any of the five largest suppliers or five largest customers of the Group.

DIRECTORS

The current Board comprises the following Directors:

Executive Directors

WANG Guangbo (*Chairman and Executive Director of the Group*)

(appointed as Executive Director on 6 July 2023 and Chairman on 11 September 2023)

HUANG Tianlei (appointed on 26 September 2023)

ZHANG Ting (appointed on 10 January 2024)

CHU Ming Ho (*Chairman and Chief Executive Officer of the Group*)

(resigned on 5 December 2023)

YANG Peter Shun Tsing (resigned on 5 December 2023)

CHENG Wing Fai (resigned on 5 December 2023)

AU Man Wah (resigned on 5 December 2023)

Directors' Report

Non-executive Director

WANG Zhi (appointed on 26 February 2024)

WAN Yiu Hon (resigned on 26 September 2023)

Independent non-executive Directors

LU Junbo (appointed on 6 July 2023)

DAI Bin (appointed on 28 November 2023)

XU Jianwen (appointed on 5 December 2023)

LAN Jia (appointed on 26 February 2024)

LI Wai Man (resigned on 28 November 2023)

CHENG Tak Chung (resigned on 28 November 2023)

LI Richard King Hang (resigned on 28 November 2023)

In accordance with article 83(3) of the Articles, Mr. Huang Tianlei and Mr Zhang Ting as executive Directors, Mr Wang Zhi as non executive director, and, Mr. Dai Bin, Mr Xu Jianwen and Ms Lan Jia as independent non-executive Directors, who were appointed as Directors during the period from 26 September 2023 to 26 February 2024, shall hold office until the AGM and shall then be eligible for re-election as Directors at the AGM.

In accordance with article 84 of the Articles, Mr. Wang Guangbo and Mr. Lu Junbo will retire by rotation and, being eligible, offer themselves for re- election as Directors at the AGM.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 15 to 18 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other. The service agreements of the executive Directors commenced from 6 July 2023, 26 September 2023, 10 January 2024 respectively.

Each of the non-executive Director and independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from 26 February 2024, 6 July 2023, 28 November 2023 and 5 December 2023 respectively, which may be terminated by not less than three months' notice in writing served by either party on the other.

All Directors are subject to retirement by rotation and re-election in accordance with the Articles.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Details of the connected transactions, and related party transactions of the Group during the Year are respectively set out on pages 44 to 45 and of this report.

Save as disclosed above, no other transactions, arrangements and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with Director had a material interest, whether directly or indirectly, subsisted at any time during the Year or as at the end of the Year.

CONTROLLING SHAREHOLDERS' INTEREST

Save as disclosed in this report, no contracts of significance between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries subsisted at any time during the Year or as at the end of the Year.

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

As at 31 March 2024, the interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Mr. Wang Guangbo	Interest of controlled Corporation ⁽²⁾	42,500,000 (L)	14.2%
	Beneficial owner	17,500,000 (L)	5.8%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) These 42,500,000 Shares are held by Weiye Holdings Group Limited ("**Weiye Holdings**"), which is beneficially and wholly-owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares held by Weiye Holdings.

Save as disclosed above, none of the Directors or chief executive of the Company had registered any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations as at 31 March 2024, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES

As at 31 March 2024, the interests or short positions in the Shares or underlying Shares held by the persons (not being a Director or chief executive of the Company) which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Weiye Holdings	Beneficial owner	42,500,000 (L)	14.2%
Yang Peter Shun Tsing ("Mr. Yang")	Beneficial owner	10,076,000 (L)	3.4%
	Interest of controlled corporation ⁽²⁾	20,804,000	6.9%
Microwave International Holdings Limited	Beneficial owner	20,804,000	6.9%
Tang Huangju	Beneficial owner	37,686,000(L)	12.6%
Liu Yun	Beneficial owner	20,716,000(L)	6.9%
Han Shaoye	Beneficial owner	19,754,000 (L)	6.6%
Well Mount Holdings Limited ⁽³⁾	Trustee	27,258,000	9.1%

Note:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) These 20,804,000 Shares were held by Microwave International Holdings Limited, which was beneficially and wholly-owned by Mr. Yang. By virtue of the SFO, Mr. Yang was deemed to be interested in the Shares held by Microwave International Holdings Limited.
- (3) Trustee for Share Award Scheme.

Save as disclosed above, as at 31 March 2024, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme, a summary of the principal terms of which is set out as follows:

1. Purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the eligible participants of the Share Option Scheme had or may have made to the Group. The Share Option Scheme will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Share Option Scheme

The Board may, at its discretion, offer to grant an option to the following persons, namely the eligible participants of the Share Option Scheme, to subscribe for such number of new Shares as the Board may determine:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries.

3. Total number of Shares available for issue under the Share Option Scheme and percentage of issued Shares

As at the date of this report, no share option has been granted under the Share Option Scheme.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 30,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of this report.

4. Maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued, and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the eligible participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such eligible participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person) abstaining from voting.

5. The period within which the options must be exercised under the Share Option Scheme

An option may be exercised at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date upon which the option is deemed to be granted and accepted.

6. The minimum period for which an option must be held before it can be exercised

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Directors.

Directors' Report

7. The basis of determining the exercise price

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

8. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

The grantee shall pay HK\$1.00 to the Company by way of consideration for the grant on or before the relevant acceptance date of the option.

9. The remaining life of the Share Option Scheme

The Share Option Scheme, unless otherwise terminated or amended, will remain in force for a period of 10 years from its adoption date, i.e. 15 February 2017. As at the date of this report, the remaining life of the Share Option Scheme is approximately 3 years and 8 months.

Since the adoption of the Share Option Scheme, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at the date of this report.

As at 1 April 2023 and 31 March 2024, the aggregate number of options available for grant under the Share Option Scheme were 30,000,000 and 30,000,000, respectively. There was no service provider sublimit set under the Share Option Scheme.

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme on 16 January 2024 which involves existing Shares only, a summary of the principal terms of which is set out as follows:

1. Purpose of the Share Award Scheme

The Share Award Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the eligible participants of the Share Award Scheme had or may have made to the Group. The Share Award Scheme will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) to motivate certain eligible participants to optimise their performance and efficiency for the benefit of the Group;
- (ii) to recognise and reward certain eligible participants for their performance and contributions; and
- (iii) to retain certain eligible participants for their continual contribution to the operation and development of the Group.

2. Participants of the Share Award Scheme

The eligible participants of the Share Award Scheme include any employee (excluding any connected person(s) of the Company) of any member of the Group.

3. Total number of Shares available for issue under the Share Award Scheme and percentage of issued Shares

The maximum number of Shares that may be awarded by the Board under the Share Award Scheme (excluding awarded Shares that have been (i) forfeited, cancelled or lapsed; or (ii) granted and vested in accordance with the Share Award Scheme) in aggregate shall be no more than 10 percent (10%) of the number of Shares issued as at the effective date of the Share Award Scheme (i.e. 30,000,000 Shares).

4. Maximum entitlement of each participant under the Share Award Scheme

The maximum number of Shares which may be awarded to a selected participant under the Share Award Scheme (excluding awarded Shares that have been (i) forfeited, cancelled or lapsed; or (ii) granted and vested in accordance with the Share Award Scheme) shall not exceed 3 per cent (3%) of the issued share capital of the Company as at the effective date of the Share Award Scheme (i.e. 9,000,000 Shares).

5. Vesting of awards under the Share Award Scheme

The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine the vesting criteria and conditions or period for the award to be vested hereunder as it deems appropriate in its absolute discretion and shall inform the Trustee and such selected participant the relevant vesting conditions of the award and the award shares.

Directors' Report

6. Basis of determining the purchase price of the Shares to be awarded

The Board may, from time to time, cause to be paid an amount from the Company's funds to the Trustee for the purchase of the Shares on the market at the prevailing market price at a specified price range for the purpose of satisfying the awards granted by the Board to the selected participant(s) under the Share Award Scheme. The Board may also specify the period for which such Shares are to be acquired as necessary.

The Board may, at its sole discretion, determine the purchase price (if any) to be paid by a grantee under the Share Award Scheme with respect to the grant of the award.

7. Remaining life of the Share Award Scheme

The Share Award Scheme shall terminate on the earlier of: (i) the tenth (10th) anniversary date of the effective date of the Share Award Scheme, except in respect of any non-vested awarded shares granted prior to the expiration of the Share Award Scheme for the purpose of giving effect to the vesting of such awarded Shares; or (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the Share Award Scheme.

From the adoption date of the Share Award Scheme to 31 March 2024, pursuant to the terms of the rules and trust deed of the Share Award Scheme, the trustee of the Share Award Scheme (the **"Trustee"**) purchased a total of 27,258,000 issued Shares on the market at a total consideration of approximately HK\$29.9 million with the highest and the lowest prices of HK\$1.10 and HK\$1.09, respectively. As at the date of this report, the Trustee had a total of 27,258,000 Shares and no Shares have been awarded under the Share Award Scheme since its adoption.

As at 10 January 2024 (the adoption date of the Share Award Scheme) and 31 March 2024, the aggregate number of awards available for grant under the Share Award Scheme were 30,000,000 and 30,000,000, respectively.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates to acquire such rights in any other body corporate.

CONNECTED TRANSACTIONS

During the Year, the Group had entered into the following connected transactions:

- (1) On 20 March 2023, Microware Ltd. as tenant, entered into the residential tenancy agreement (the **"Residential Tenancy Agreement"**) with Mr. Yang Peter Shun Tsing (**"Mr. Yang"**) and Mrs. Yang Wong Rebecca Mi Kam (**"Mrs. Yang"**) as landlords, pursuant to which Mr. Yang and Mrs. Yang agreed to lease to Microware Ltd. a property situated at Flat B, 8/F, Tower 3, One Mayfair, 1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong (the **"Residential Premises"**), with a total gross floor area of approximately 2,177 square feet (**"sq. ft."**) and a car parking space at the same building (the **"Car Parking Space"**) for a term commenced from 1 April 2023 and ended on 31 March 2024 at a monthly rental (exclusive of utilities, telephone charges and other similar charges) of HK\$80,000. The Residential Premises are used as residence for, and the Car Parking Space is used by, Mr. Chu Ming Ho, former executive Director, chairman and chief executive officer of the Group, provided by the Group as part of his director's emoluments. The value of right-of-use assets recognised under the Residential Tenancy Agreement for the year ended 31 March 2024 was HK\$846,000. The Residential Tenancy Agreement expired on 31 March 2024 and there was no renewal thereafter.

- (2) On 20 March 2023, Microware Ltd. as tenant entered into the office tenancy agreement (the “**Office Tenancy Agreement**”) with Microware Properties Limited (“**Microware Properties**”), a wholly-owned subsidiary of Microware International which is in turn wholly-owned by Mr. Yang, as landlord, pursuant to which Microware Properties agreed to lease to Microware Ltd. a property situated at 1st Floor, Century Centre, 44 and 46 Hung To Road, Kwun Tong, Kowloon, Hong Kong (the “**Office Premises**”) with a total gross floor area of approximately 48,960 sq.ft. for a term of one year commenced from 1 April 2023 and ended on 31 March 2024 at a monthly rental of HK\$535,590 (exclusive of management fees, rates and government rent). The Office Premises are used as the Group's head office. The annual value of right-of-use assets recognised under the Office Tenancy Agreement for the year ended 31 March 2024 was HK\$6,427,080.

On 27 March 2024, Microware Ltd. renewed the Office Tenancy Agreement (the “**Renewed Office Tenancy Agreement**”) with Microware Properties for a term of one year commencing on 1 April 2024 and expiring on 31 March 2025 at a monthly rental (exclusive of management fees, rates and government rent) of HK\$685,440. The value of right-of-use assets recognised under the Renewed Office Tenancy Agreement for the financial year ending 31 March 2025 is HK\$8,225,280.

During the Year, the aggregate rent paid by Microware Ltd. to Mr. Yang pursuant to the aggregate rent paid by Microware Ltd. to Microware Properties pursuant to the Office Tenancy Agreement amounted to HK\$6,427,080.

Mr. Yang is a former executive Director and a former substantial shareholder of the Company. Microware Properties is a wholly-owned subsidiary of Microware International, which is in turn wholly-owned by Mr. Yang. Accordingly, each of Mr. Yang and Microware Properties is a connected person of the Company for the purpose of the Listing Rules. As such, the entering into of the aforementioned agreement and the transaction conducted thereunder are connected transaction of the Group under the Listing Rules.

All related party transactions for the year ended 31 March 2024 set out in note 26 to the Financial Statements constitute connected transactions of the Company and the Company has complied with the disclosure requirements in Chapter 14A of the Listing Rules in respect of these transactions.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The emoluments of the Directors are reviewed and approved by the Remuneration Committee, having regard to factors including salaries paid by comparable companies, time commitment, job duties and responsibilities in respect of the relevant positions. The Company has adopted the Share Option Scheme and the Share Award Scheme, details of which are set out in the paragraphs under the section headed “Share Option Scheme” and “Share Award Scheme”, respectively in this report.

There were no arrangements under which a director has waived or has agreed to waive any emoluments.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CHARITABLE DONATIONS

During the Year, the Group made charitable donations amounting to HK\$3.6 million.

Directors' Report

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, details of which are set out in the paragraphs under the section headed "Share Option Scheme" in this report, no equity-linked agreements were entered into by the Group or existed during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving good corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company's corporate governance practices are based on the Code Provisions in the CG Code.

The Company complied with the CG Code throughout the Year, except for Code Provision C.2.1 of the CG Code, details of which are set out below. Further details could be referred to the Corporate Governance Report of the Company set out in the Company's annual report for the Year which will be published in due course.

The chairman of the Board ("**the Chairman**") is responsible for overseeing the strategic planning and leadership of the Group and for ensuring that the entire Board members are properly briefed on issues at Board meetings and receive adequate and reliable information on a timely basis. The Chief Executive Officer is responsible for the strategic development and maintaining the Company's relationship with companies outside of the Group. Senior management is responsible for effective implementation of the Board's decisions and the day-to-day operations of the Group.

Code Provision C.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chu Ming Ho ("**Mr. Chu**") was the Chief Executive Officer until his retirement as the on 5 December 2023. Following the resignation of Mr. Chu, the Company does not have a position of chief executive officer. Mr. Wang Guangbo, executive Director and chairman of the Board, together with Mr. Huang Tianlei, executive Director, will assume the duties and responsibilities of the chief executive officer of the Company in the overall management, strategic planning and the day-to-day business operation of the Group. Given their extensive experience and knowledge in the information technology industry, the Board believes that Mr. Wang Guangbo and Mr. Huang Tianlei will provide a broader perspective on strategic matters and enable efficient decision-making to meet the dynamic needs of the Group's business. Therefore, the Directors consider that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. Notwithstanding the deviation, the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors a confirmation of independence, and the Company considers that each of them is independent and has met the guidelines set out in Rule 3.13 of the Listing Rules.

INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN A COMPETING BUSINESS

As at 31 March 2024, the Directors were not aware of any business in which the Directors or the controlling Shareholders are interested that had competed or might compete with the business of the Group.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, each of Microware International and Mr. Yang (the “**Covenantors**”) had undertaken to the Company in the deed of non-competition (the “**Deed of Non-competition**”) entered into by them in favour of the Company on 15 February 2017 that he/it will not, and will procure his/its close associates (as defined in the Listing Rules and other than members of the Group) not to directly or indirectly participate, acquire or hold any right or interest in or otherwise be involved in or undertake any business that directly or indirectly competes, or may compete, with the existing business activity or any business activities that the Group may undertake in the future, or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time except where the Covenantors hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group and they do not control 10% or more of the board of directors of such company. Details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed “Relationship with Our Controlling Shareholders”. The Deed of Non-Competition will lapse automatically if the Covenantors and their respective close associates (as defined in the Listing Rules) cease to hold, whether directly or indirectly, 30% of the total issued shares of the Company or the shares of the Company cease to be listed on the Stock Exchange.

As disclosed in the Company's announcement dated 13 September 2023, upon completion of the placing, each of the Covenantors was interested in 48,380,000 shares, representing approximately 16.1% of the entire issued share capital of the Company and they had ceased to be the controlling Shareholders of the Company. Accordingly, the Covenantors and their respective close associates ceased to hold, whether directly or indirectly, 30% of the total issued shares of the Company, and the Deed of Non-competition had lapsed automatically on 13 September 2023. Each of the Covenantors has made a written confirmation to the Board in respect of their compliance with the undertakings in the Deed of Non-competition for the period from 1 April 2023 to 13 September 2023 (both days inclusive) (the “**Relevant Period**”).

Upon receiving the confirmations from the Covenantors, the independent non-executive Directors had reviewed the same as part of the annual review process and were satisfied that each of the Covenantors has complied with the Deed of Non-competition during the Relevant Period.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company maintained the prescribed public float under the Listing Rules.

Directors' Report

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that its employees are valuable assets for the Group's continuous development. Thus, it offers competitive salary package to its employees including mandatory provident funds in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and medical insurance coverage to employees who are retained after the probation period. In order to promote overall efficiency, employee loyalty and retention, employees of the Group are required to attend orientation sessions when they first join the Group and may attend other training courses held onsite or externally.

The Company has also adopted the Share Option Scheme and the Share Award Scheme to recognise and motivate contributions of its employees. Further details regarding the Share Option Scheme and the Share Award Scheme are set out in the paragraphs headed "Share Option Scheme" and "Share Award Scheme" on pages 40 to 44 of this report.

The Group provides high quality IT infrastructure solutions to its customers from both private sector and public sector to fulfil their immediate and long-term needs. The Group also communicates with its customers regularly to maintain close relationship with them.

The Group strives to maintain fair and cooperative relationships with its suppliers.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles, every Director, auditor, secretary or other officers of the Company shall be entitled to be indemnified by the Company 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 may sustain or incur 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.

The Company has taken appropriate insurance coverage in respect of Directors' and officers' liability throughout the Year.

RELIEF OF TAXATION

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

MANAGEMENT CONTRACT

No contract concerning the management or administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

IMPORTANT EVENT AFTER THE END OF THE YEAR

There is no important event affecting the Group which has occurred since the end of the Year up to the date of this report.

REVIEW OF THE ANNUAL RESULTS

The audit committee of the Board (the “**Audit Committee**”) has reviewed the annual results for the Year with the Company's management and considered that such results have been prepared in accordance with the applicable accounting standards and requirements with sufficient disclosure. The Audit Committee has been established in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Lan Jia, Mr. Dai Bin, and Mr. Xu Jianwen. Ms. Lan Jia serves as the chairlady of the Audit Committee. The primary responsibilities of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board.

AUDITORS

There has been no change in auditors in the preceding three years. A resolution will be proposed at the AGM to re-appoint Deloitte Touche Tohmatsu as the external auditors of the Company until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.

On behalf of the Board

Wang Guangbo
Chairman

Independent Auditor's Report

Deloitte.

德勤

TO THE SHAREHOLDERS OF MICROWARE GROUP LIMITED

美高域集團有限公司

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Microware Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 55 to 119, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditor's Report

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of Inventories	
We identified valuation of inventories as a key audit matter due to the use of judgment and estimates by management in identifying obsolete and slow-moving inventories and estimating the allowance for inventories. Obsolete and slow-moving inventories were identified by management based on ageing analysis and conditions and marketability of inventories. Allowance was applied to inventories based on assessment of net realisable value by management by considering the latest selling prices, current market conditions and estimated costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which must incur to make the sale. As set out in note 15 to the consolidated financial statements, the Group had inventories of HK\$111,480,000 (net of allowance of inventories of HK\$799,000) as at 31 March 2024.	Our procedures in relation to the valuation of inventories included: • Obtaining an understanding of how allowance for inventories is estimated by the management; • Obtaining an understanding of the key controls of the Group in relation to identification of obsolete and slow-moving inventories and preparation of ageing analysis of inventories; • Testing the ageing analysis of the inventories, on a sample basis, to the source documents (goods receipts notes); • Assessing the reasonableness of the net realisable value of inventories estimated by the management for those obsolete and slow-moving inventories with reference to the recent selling prices less cost necessary to make the sale, movements, physical conditions, ageing analysis and subsequent sales of inventories; and • Testing the subsequent sales, on a sample basis, to source documents (sales invoices and sales orders).

Independent Auditor's Report

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yeung Pik Fung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Revenue	5	1,234,334	1,166,848
Cost of sales		(1,089,378)	(1,045,282)
Gross profit		144,956	121,566
Other income	6	4,425	8,968
Other gains and losses, net	6	1,757	1,330
Other expenses		(3,650)	(2,222)
Distribution and selling expenses		(69,085)	(60,029)
Administrative expenses		(33,905)	(30,258)
Finance cost		(741)	(620)
Profit before taxation		43,757	38,735
Taxation	7	(7,529)	(5,559)
Profit and total comprehensive income for the year	8	36,228	33,176
Profit and total comprehensive income (expense) for the year attributable to			
— owners of the Company		36,228	33,179
— non-controlling interest		—	(3)
		36,228	33,176
Earnings per share	11		
Basic (HK\$)		0.12	0.11

Consolidated Statement of Financial Position

As at 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	11,486	16,955
Prepayments and deposits	17	1,736	1,944
Derivative financial instrument	14	400	177
Deferred tax assets	13	68	—
		13,690	19,076
CURRENT ASSETS			
Inventories	15	111,480	58,220
Loans to directors	16	5,800	—
Trade and other receivables, prepayments and deposits	17	186,106	146,202
Pledged bank deposits	18	34,675	39,900
Time deposits	18	5,384	5,161
Cash and cash equivalents	18	159,804	248,272
		503,249	497,755
CURRENT LIABILITIES			
Trade and other payables and accruals	19	212,434	203,350
Contract liabilities	20	95,099	82,575
Tax liabilities		3,605	984
Lease liabilities	21	9,573	10,970
Bank borrowings	22	11,000	—
		331,711	297,879
NET CURRENT ASSETS		171,538	199,876
TOTAL ASSETS LESS CURRENT LIABILITIES		185,228	218,952
NON-CURRENT LIABILITIES			
Contract liabilities	20	3,921	4,634
Lease liabilities	21	—	1,639
Deferred tax liabilities	13	—	208
		3,921	6,481
NET ASSETS		181,307	212,471
CAPITAL AND RESERVES			
Share capital	23	3,000	3,000
Reserves		178,307	209,471
Equity attributable to owners of the Company		181,307	212,471

The consolidated financial statements on pages 55 to 119 were approved and authorised for issue by the Board of Directors on 27 June 2024 and are signed on its behalf by:

Wang Guangbo
DIRECTOR

Zhang Ting
DIRECTOR

Consolidated Statement of Changes in Equity

For the Year ended 31 March 2024

	Share capital HK\$'000	Share premium HK\$'000	Treasury shares HK\$'000 (note ii)	Other reserves HK\$'000 (note i)	Retained profits HK\$'000	Subtotal HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2022	3,000	75,297	—	70,832	62,629	211,758	(962)	210,796
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	33,179	33,179	(3)	33,176
Dividends paid (note 10)	—	—	—	—	(31,500)	(31,500)	—	(31,500)
Acquisition of additional interest of an existing subsidiary	—	—	—	(966)	—	(966)	965	(1)
At 31 March 2023	3,000	75,297	—	69,866	64,308	212,471	—	212,471
Profit and total comprehensive income for the year	—	—	—	—	36,228	36,228	—	36,228
Treasury shares repurchased (note 23)	—	—	(29,892)	—	—	(29,892)	—	(29,892)
Dividends paid (note 10)	—	—	—	—	(37,500)	(37,500)	—	(37,500)
At 31 March 2024	3,000	75,297	(29,892)	69,866	63,036	181,307	—	181,307

Notes:

- (i) The amount recorded in other reserves were resulted from the following transactions:
- (a) the balance of HK\$67,172,000 credited in other reserves represents the merger reserve arising from the completion of the group reorganisation on 31 March 2016;
 - (b) the balance of HK\$13,474,000 credited in other reserves represents the shareholder's contribution arising from share-based payment arrangements attributable to owners of the Company;
 - (c) the balance of HK\$10,780,000 debited in other reserves represents the changes in ownership of interests of subsidiaries held by non-controlling interests.
- (ii) On 30 January 2024, 31 January 2024, 1 February 2024 and 2 February 2024, an aggregate of 27,258,000 ordinary shares of the Company were repurchased at an aggregate cost of HK\$29,892,000 for the purpose of satisfying the share award scheme adopted with effect from 16 January 2024.

Consolidated Statement of Cash Flows

For the Year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	43,757	38,735
Adjustments for:		
Interest income	(3,868)	(1,532)
Allowance for inventories	151	212
Fair value changes of derivative financial instruments	(1,645)	(1,038)
Depreciation	13,089	13,895
Write back of other payable	—	(1,099)
Impairment losses under expected credit loss ("ECL") model, net of reversal	71	—
Interest expense	741	620
Loss on disposal/early termination of property, plant and equipment	547	—
Operating cash flows before movements in working capital	52,843	49,793
Increase in inventories	(53,411)	(3,233)
(Increase) decrease in trade and other receivables, prepayments and deposits	(39,767)	51,372
Increase (decrease) in trade and other payables and accruals	9,084	(8,768)
Increase (decrease) in contract liabilities	11,811	(8,403)
Cash (used in) generated from operations	(19,440)	80,761
Income tax paid	(5,184)	(5,078)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(24,624)	75,683
INVESTING ACTIVITIES		
Cash outflow from derivative financial instruments	(163,507)	(112,708)
Placement of pledged bank deposits	(127,152)	(109,104)
Placement of time deposits with original maturity over three months but less than one year	(21,172)	(15,393)
Loans to directors	(5,800)	—
Purchase of property, plant and equipment	(234)	(2,292)
Cash inflow from derivative financial instruments	164,929	113,575
Withdrawal of pledged bank deposits	132,377	101,552
Withdrawal of time deposits with original maturity over three months but less than one year	20,949	15,336
Bank interest received	3,868	1,532
NET CASH FROM (USED IN) INVESTING ACTIVITIES	4,258	(7,502)
FINANCING ACTIVITIES		
Dividends paid	(37,500)	(31,500)
Repayments of borrowings	(30,000)	(9,000)
Purchase of treasury shares	(29,892)	—
Repayment of lease liabilities	(10,969)	(10,943)
Interest paid on lease liabilities	(392)	(617)
Interest paid	(349)	(3)
New bank borrowings raised	41,000	—
Payment of acquisition of additional interest of an existing subsidiary	—	(1)
NET CASH USED IN FINANCING ACTIVITIES	(68,102)	(52,064)

Consolidated Statement of Cash Flows

For the Year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(88,468)	16,117
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	248,272	232,155
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	159,804	248,272

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

1. GENERAL INFORMATION

Microware Group Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 20 January 2016. The addresses of the Company’s registered office and the principal place of business are at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 1/F, Century Centre, 44-46 Hung To Road, Kwun Tong, Kowloon, Hong Kong, respectively.

On 26 June 2023, Microware International Holdings Limited (“**Microware International**”), a limited liability company incorporated in the British Virgin Islands (the “**BVI**”) and the then immediate and ultimate holding company of the Company, sold 42,500,000 shares of the Company, representing approximately 14.16% of the ordinary share capital of the Company to Weiye Holdings Group Limited (“**Weiye**”), a limited liability company incorporated in the BVI and wholly-owned by Mr. Wang Guangbo (“**Mr. Wang**”). On 13 September 2023, Mr. Yang Peter Shun Tsing and through Microware International completed a placing of a total of 114,000,000 ordinary shares to 9 Placees and ceased to be the immediate and ultimate holding company of the Company. Furthermore, on 28 November 2023, Weiye entered into a sales and purchase agreement with Microware International, such that Microware International agreed to sell and Weiye agreed to purchase 35,000,000 ordinary shares of the Company. On 2 February 2024, Mr. Wang has assumed the rights, obligations, duties and liabilities of Weiye under the sale and purchase agreement through a deed of novation entered into among Weiye, Mr. Wang and Microware International to effect the acquisition of 35,000,000 ordinary shares of the Company by Mr. Wang in his personal capacity instead of via Weiye Holdings. On 8 February 2024, Mr. Wang has completed the purchase of 17,500,000 ordinary shares of the Company from Microware International.

As at 31 March 2024, Mr. Wang (personally and via Weiye) is interested in 60,000,000 ordinary shares of the Company, representing approximately 20.00% of the ordinary share capital of the Company. Meanwhile, Microware International is interested in 20,804,000 ordinary shares of the Company, representing approximately 6.94% of the ordinary share capital of the Company and therefore ceased to be a substantial shareholder of the Company. As at 31 March 2024, Mr. Wang and Tang Huangju (one of the 9 Placees) held 20.00% and 12.56% of the ordinary share capital of the Company, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 30. The Company and its subsidiaries (the “**Group**”) is principally engaged in the provision of information technology (“**IT**”) infrastructure solution services and IT managed services in Hong Kong.

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

Impacts on application of Amendments to HKAS 8 "Definition of Accounting Estimates"

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"

The Group has applied the amendments for the first time in the current year. HKAS 1 "Presentation of Financial Statements" is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” (continued)

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“**MPF**”) – Long Service Payment (“**LSP**”) offsetting mechanism in Hong Kong

As disclosed in note 25, the Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee’s LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong (continued)

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2022, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

The application of the abolition of the MPF-LSP offsetting mechanism in Hong Kong has had no material impact on the Group's financial positions and performance in the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

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

² Effective for annual periods beginning on or 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

3.2 Material accounting policy information

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of the reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on fair value of the consideration given in exchange for goods or services.

Revenue from contracts with customers

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers *(continued)*

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

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

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

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers *(continued)*

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation *(continued)*

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Warranties

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

Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

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

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

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

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property, plant and equipment", the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

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

The lease payments include fixed payments less any lease incentives receivable.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

Lease modifications

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

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees render the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

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

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to the contributions.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in term of historical cost in a foreign currency are not retranslated.

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

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation *(continued)*

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

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

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

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

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

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

Current and deferred tax is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position and consolidated statement of cash flow include:

- (a) cash, which comprises of cash on hand and demand deposits; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Impairment on property, plant and equipment

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

Financial instruments

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

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

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (“**FVTOCI**”) or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains and losses, net” line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and other receivables and deposits, pledged bank deposits, loans to directors, time deposits and bank balance) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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:

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

(iv) Write-off policy

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables and accruals, amount due to a non-controlling interest of a subsidiary and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Allowance for inventories

Obsolete and slow-moving inventories were identified by management based on ageing analysis and conditions and marketability of inventories. Allowance was applied to inventories based on assessment of net realisable value by management by considering the latest selling prices, current market conditions and estimated costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which must incur to make the sale. Allowance will be provided if the net realisable value is estimated to be below the cost.

Allowance for inventories of HK\$151,000 (2023: Allowance for inventories of HK\$212,000) is charged for the year ended 31 March 2024. The carrying amount of inventories is HK\$111,480,000 (2023: HK\$58,220,000) as at 31 March 2024. The carrying amount of allowance of inventories is HK\$799,000 (2023: HK\$648,000) as at 31 March 2024.

Estimated impairment of trade receivables

The management of the Group estimates the amount of lifetime ECL of trade receivables based on the grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit-impaired are assessed for ECL individually, if any.

As at 31 March 2024, the carrying amount of trade receivables is HK\$159,301,000 (2023: HK\$117,619,000). During the year ended 31 March 2024, an impairment loss on trade receivables amounting to HK\$71,000 has been recognised. No impairment loss was recognised during the year ended 31 March 2023 as the management of the Group considered the ECL of trade receivables was insignificant.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 32 and 17 respectively.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION

Revenue

- (i) Disaggregation of revenue and reconciliation to segment revenue

For the year ended 31 March 2024

Segments	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Types of goods or service			
Procurement of hardware and software	1,043,474	—	1,043,474
Procurement of semiconductor products	26,528	—	26,528
Provision of design of solutions	16,295	14,870	31,165
Provision of maintenance and/or support services to IT systems of the customers	2,470	130,697	133,167
Total	1,088,767	145,567	1,234,334
Timing of revenue recognition			
A point in time	1,070,002	—	1,070,002
Over time	18,765	145,567	164,332
Total	1,088,767	145,567	1,234,334

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Revenue *(continued)*

- (i) Disaggregation of revenue and reconciliation to segment revenue *(continued)*

Revenue from major customer types

The following is an analysis of the Group's revenue from its major customer types:

	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Public sector			
Hong Kong Government	390,437	34,881	425,318
Public bodies	149,510	4,939	154,449
Educational institutions and non-profit organisations	141,365	8,022	149,387
Sub-total	681,312	47,842	729,154
Private sector			
Banking and finance	148,286	60,403	208,689
IT	15,737	5,797	21,534
Telecommunications and media	15,048	3,361	18,409
Transportation	32,866	3,500	36,366
Others	195,518	24,664	220,182
Sub-total	407,455	97,725	505,180
	1,088,767	145,567	1,234,334

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Revenue *(continued)*

(i) Disaggregation of revenue and reconciliation to segment revenue *(continued)*

For the year ended 31 March 2023

<u>Segments</u>	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Types of goods or service			
Procurement of hardware and software	1,017,868	—	1,017,868
Provision of design of solutions	14,057	9,739	23,796
Provision of maintenance and/or support services to IT systems of the customers	2,008	123,176	125,184
Total	1,033,933	132,915	1,166,848
Timing of revenue recognition			
A point in time	1,017,868	—	1,017,868
Over time	16,065	132,915	148,980
Total	1,033,933	132,915	1,166,848

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Revenue *(continued)*

- (i) Disaggregation of revenue and reconciliation to segment revenue *(continued)*

Revenue from major customer types

The following is an analysis of the Group's revenue from its major customer types:

	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Public sector			
Hong Kong Government	352,582	33,945	386,527
Public bodies	142,791	3,069	145,860
Educational institutions and non-profit organisations	101,275	8,820	110,095
Sub-total	596,648	45,834	642,482
Private sector			
Banking and finance	168,314	49,718	218,032
IT	29,622	6,590	36,212
Telecommunications and media	26,674	3,174	29,848
Transportation	38,568	4,069	42,637
Others	174,107	23,530	197,637
Sub-total	437,285	87,081	524,366
	1,033,933	132,915	1,166,848

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Revenue *(continued)*

(ii) Performance obligations for contracts with customers

The Group recognises revenue under HKFRS 15 mainly from the (i) procurement of hardware and software; (ii) procurement of semiconductor products; (iii) provision of design of solutions; and (iv) provision of maintenance and/or support services to IT systems of the customers.

For revenue from procurement of hardware and software, revenue is recognised when the customer obtains the control of the related products, being when the products are handed over to the customers and the titles of products are passed to the customers.

For stand-alone procurement of hardware and software, control transfers at the point in time when the customer takes undisputed delivery of the goods.

When the hardware and software are sold together with design of solutions, the Group determines the prices for each of the procurement of hardware and software and design of solutions on a stand-alone selling price basis at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer.

For revenue from procurement of semiconductor products, revenue is recognised when the customer obtains the control of the related products, being when the products are handed over to the customers and the titles of products are passed to the customers.

For revenue from provision of design of solutions, revenue is recognised over time using the input method when the assets of the customers are enhanced, being the time when the Group carries out implementation work of the solutions provided.

For revenue from provision of maintenance and/or support services to IT systems of the customers, revenue is recognised over time using the output method when the customers simultaneously receives and consumes the benefits provided by the Group's performance, being the time when the Group carries out the maintenance and support services.

Details of contract liabilities are set out in the note 20.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Revenue *(continued)*

- (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 and the expected timing of recognising revenue are as follows:

	Provision of maintenance and/or support services to IT systems of the customers HK\$'000	Procurement of hardware and software HK\$'000
Within one year	78,152	384,206
More than one year but not more than two years	3,377	116
More than two years but not more than five years	1,510	—
More than five years	1	—
	83,040	384,322

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2023 and the expected timing of recognising revenue are as follows:

	Provision of maintenance and/or support services to IT systems of the customers HK\$'000	Procurement of hardware and software HK\$'000
Within one year	93,467	229,633
More than one year but not more than two years	4,130	646
More than two years but not more than five years	2,251	116
More than five years	117	—
	99,965	230,395

All provision of design of solutions services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment information

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company who are also the chief operating decision makers (the “**CODM**”) that are used to make strategic decisions. Information reported to the CODM is based on the business lines operating by the Group. No operating segments have been aggregated to form the following reportable segments.

Details of the Group’s operating and reportable segments are as follows:

- (1) IT infrastructure solution services business refers to the procurement of semiconductor products, procurement of hardware and software by the Group and such procurement together with provision of design of solutions; and
- (2) IT managed services business refers to the provision of design of solutions, provision of maintenance and/or support services to IT systems of the customers.

An analysis of the Group’s operating and reportable segment revenue and segment results is set out as below:

For the year ended 31 March 2024

	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Segment revenue	1,088,767	145,567	1,234,334
Segment results	64,532	14,179	78,711
Other income			4,425
Other gains and losses, net			1,757
Other expenses			(3,650)
Certain distribution and selling expenses			(2,840)
Administrative expenses			(33,905)
Finance cost			(741)
Profit before taxation			43,757

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Segment information *(continued)*

For the year ended 31 March 2023

	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Total HK\$'000
Segment revenue	1,033,933	132,915	1,166,848
Segment results	49,806	12,811	62,617
Other income			8,968
Other gains and losses, net			1,330
Other expenses			(2,222)
Certain distribution and selling expenses			(1,080)
Administrative expenses			(30,258)
Finance cost			(620)
Profit before taxation			38,735

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by each segment without allocation of other income, other gains and losses, net, other expenses, certain distribution and selling expenses, administrative expenses and finance cost.

No analysis of the Group's assets and liabilities by reportable segments is disclosed as it is not regularly provided to the CODM for review.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Other segment information

	Segment of IT infrastructure solution services business HK\$'000	Segment of IT managed services business HK\$'000	Unallocated HK\$'000	Total HK\$'000
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Amounts included in the measure of
segment results:

For the year ended 31 March 2024

Depreciation	6,501	1,613	4,975	13,089
Allowance for inventories	151	—	—	151
Impairment loss under ECL model, net of reversal	71	—	—	71

For the year ended 31 March 2023

Depreciation	6,704	2,153	5,038	13,895
Allowance for inventories	212	—	—	212

Geographical information

As all the Group's revenue is derived from its operation in Hong Kong and all its non-current assets (excluding financial assets) are located in Hong Kong, no geographical information is presented.

Information about major customers

No individual customer was accounted for over 10% of the Group's total revenue during both years.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2024 HK\$'000	2023 HK\$'000
Other income		
Interest income	3,868	1,532
Government grants (note a)	—	5,940
Write back of other payable	—	1,099
Others	557	397
	4,425	8,968
Other gains and losses, net		
Fair value changes of derivative financial instruments	1,645	1,038
Net foreign exchange gain	183	292
Impairment loss under ECL model, net of reversal	(71)	—
	1,757	1,330

note:

- (a) For the year ended 31 March 2023, in represents government grants from the Employment Support Scheme amounted to HK\$5,940,000.

7. TAXATION

	2024 HK\$'000	2023 HK\$'000
Hong Kong Profits Tax:		
Current tax	7,805	5,593
Deferred tax (note 13)	(276)	(34)
	7,529	5,559

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime (i.e. other subsidiaries of the Group) will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the year ended 31 March 2024 and 2023.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

7. TAXATION (continued)

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

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	43,757	38,735
Taxation at Hong Kong Profits Tax rate of 16.5%	7,220	6,391
Tax effect of income not taxable for tax purposes	(674)	(1,032)
Tax effect of expenses not deductible for tax purposes	891	338
Tax effect of tax losses not recognised	253	9
Tax effect of two-tiered tax rates	(165)	(165)
Others	4	18
Taxation for the year	7,529	5,559

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Staff costs:		
Directors' remuneration (note 9)	9,901	8,741
Other staff costs	108,054	96,507
Retirement benefits scheme contributions (excluding directors)	3,476	3,415
	121,431	108,663
Auditor's remuneration		
— Audit services	1,540	1,540
— Non-audit services	258	376
Cost of inventories recognised as an expense (note a)	942,677	936,176
Depreciation of property, plant and equipment	13,089	13,895

note:

- (a) Cost of inventories charged to profit or loss including allowance for inventories of HK\$151,000 (2023: allowance for inventories of HK\$212,000).

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's emoluments

The emoluments paid or payable to the directors and chief executive of Company by the Group during the year were as follows:

	Directors' fee HK\$'000	Salaries, allowance and other benefits HK\$'000	Bonus HK\$'000 (note i)	Retirement benefits scheme contribution HK\$'000	Total HK\$'000
For the year ended 31 March 2024					
Executive directors					
Mr. Wang (note iii)	104	689	—	40	833
Mr. Huang Tianlei (note iv)	72	180	—	8	260
Mr. Zhang Ting (note v)	31	190	—	9	230
Mr. Yang Peter Shun Tsing ("Mr. Yang") (note vi)	—	406	—	—	406
Mr. Cheung Wing Fai (note vi)	87	1,759	602	33	2,481
Mr. Chu Ming Ho ("Mr. Chu") (note ii) (note vi)	—	2,251	1,039	72	3,362
Mr. Au Man Wah (note vi)	87	1,121	407	36	1,651
Non-executive director					
Mr. Wang Zhi (note vii)	11	—	—	—	11
Mr. Wan Yiu Hon (note viii)	97	—	—	—	97
Independent non-executive directors					
Mr. Dai Bin (note ix)	36	—	—	—	36
Mr. Xu Jianwen (note x)	44	—	—	—	44
Mr. Lu Junbo (note xi)	102	—	—	—	102
Ms. Lan Jia (note xii)	13	—	—	—	13
Mr. Cheng Tak Chung (note xiii)	125	—	—	—	125
Ms. Li Wai Man (note xiii)	125	—	—	—	125
Mr. Li Richard King Hung (note xiii)	125	—	—	—	125
	1,059	6,596	2,048	198	9,901

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Directors' and chief executive's emoluments (continued)

	Directors' fee HK\$'000	Salaries, allowance and other benefits HK\$'000	Bonus HK\$'000 (note i)	Retirement benefits scheme contribution HK\$'000	Total HK\$'000
For the year ended 31 March 2023					
Executive directors					
Mr. Yang Peter Shun Tsing ("Mr. Yang")	—	600	—	—	600
Mr. Cheung Wing Fai	94	1,648	779	30	2,551
Mr. Chu Ming Ho ("Mr. Chu") (note ii)	—	2,918	942	70	3,930
Mr. Au Man Wah	70	727	308	27	1,132
Non-executive director					
Mr. Wan Yiu Hon	132	—	—	—	132
Independent non-executive directors					
Mr. Cheng Tak Chung	132	—	—	—	132
Ms. Li Wai Man	132	—	—	—	132
Mr. Li Richard King Hung	132	—	—	—	132
	692	5,893	2,029	127	8,741

Notes:

- (i) Bonus was determined by reference to their duties and responsibilities of the relevant individual within the Group and the Group's performance.
- (ii) Mr. Chu acts as the chairman and chief executive officer of the Group until 11 September 2023 and 5 December 2023, respectively. Included in salaries, allowance and other benefits was rental expense of former director's quarter occupied by Mr. Chu paid by the Group to the landlord, Mr. Yang, of HK\$864,000 (2023: HK\$960,000) for the year ended 31 March 2024 with details of lease liabilities and interested expenses recognised as set out in note 26.
- (iii) Mr. Wang was appointed as executive director of the Group on 6 July 2023. Mr. Wang was further appointed as the chairman of the Group on 11 September 2023.
- (iv) Mr. Huang Tianlei was appointed as executive director of the Group on 26 September 2023.
- (v) Mr. Zhang Ting was appointed as executive director of the Group on 10 January 2024.
- (vi) Mr. Yang, Mr. Cheung Wing Fai, Mr. Chu and Mr. Au Man Wah resigned as executive directors of the Group on 5 December 2023.
- (vii) Mr. Wang Zhi was appointed as a non-executive director of the Group on 26 February 2024.
- (viii) Mr. Wan Yiu Hon resigned as a non-executive director of the Group on 26 September 2023.
- (ix) Mr. Dai Bin was appointed as an independent non-executive director of the Group on 28 November 2023.
- (x) Mr. Xu Jianwen was appointed as an independent non-executive director of the Group on 5 December 2023.
- (xi) Mr. Lu Junbo was appointed as an independent non-executive director of the Group on 6 July 2023.
- (xii) Ms. Lan Jia was appointed as an independent non-executive director of the Group on 26 February 2024.
- (xiii) Mr. Cheng Tak Chung, Ms. Li Wai Man and Mr. Li Richard King Hung resigned as independent non-executive directors of the Group on 28 November 2023.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(continued)*

Directors' and chief executive's emoluments *(continued)*

The executive directors' emoluments stated above were for their services in connection with the management of the affairs of the Company and its subsidiaries undertaking. The non-executive director's emoluments shown above were for his services as the director of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During both years, no remuneration was paid by the Company to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. The directors of the Company have not waived any remuneration during the year.

Employees' emoluments

The five highest paid individuals of the Group include three (2023: three) directors of the Company for the year ended 31 March 2024, whose emoluments are included in the disclosures above. The emoluments of the remaining two (2023: two) individuals for the year ended 31 March 2024, are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other benefits	1,896	1,764
Bonuses	689	486
Retirement benefits scheme contributions	65	58
	2,650	2,308

The number of highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2024 No. of employees	2023 No. of employees
HK\$1,000,001 to HK\$1,500,000	2	2

During both years, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the Year ended 31 March 2024

10. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Interim dividend – HK\$0.02 (2023: 2023 interim dividend HK\$0.045) per share	6,000	13,500
2023 Final dividend – HK\$0.025 (2023: 2022 final dividend HK\$0.06) per share	7,500	18,000
2023 Special dividend – HK\$0.08 (2023: 2022 special dividend HK\$Nil) per share	24,000	—
	37,500	31,500

Subsequent to the end of the reporting period, no dividend in respect of the year ended 31 March 2024 (2023: a special dividend in respect of the year ended 31 March 2023 of HK\$0.08 per share, in an aggregate amount of HK\$24,000,000), has been declared by the directors of the Company. No final dividend in respect of the year ended 31 March 2024 (2023: a final dividend in respect of the year ended 31 March 2023 of HK\$0.025 per share, in an aggregate amount HK\$7,500,000), has been proposed by the directors of the Company and is subject to approval by the shareholders (the “Shareholders”) in the forthcoming general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2024 HK\$'000	2023 HK\$'000
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	36,228	33,179
	2024 '000	2023 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	295,505	300,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the treasury shares repurchased during the year.

No diluted earnings per share for both years was presented as there were no potential ordinary shares in issue during both years.

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For the Year ended 31 March 2024

12. PROPERTY, PLANT AND EQUIPMENT

	Leased properties HK\$'000	Leased equipment HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST						
At 1 April 2022	8,169	7,544	5,791	17,240	296	39,040
Additions	—	2,569	—	2,461	—	5,030
Disposal	—	—	—	(553)	—	(553)
Modification of lease term	7,099	—	—	—	—	7,099
Eliminated upon leases expired	(7,150)	—	—	—	—	(7,150)
At 31 March 2023	8,118	10,113	5,791	19,148	296	43,466
Additions	—	—	—	234	—	234
Disposal/early termination	—	(1,406)	(235)	(1,436)	(296)	(3,373)
Modification of lease term	7,933	—	—	—	—	7,933
Eliminated upon leases expired	(6,257)	—	—	—	—	(6,257)
At 31 March 2024	9,794	8,707	5,556	17,946	—	42,003
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 April 2022	471	1,467	5,117	12,968	296	20,319
Provided for the year	7,620	3,404	247	2,624	—	13,895
Eliminated on disposal	—	—	—	(553)	—	(553)
Eliminated upon leases expired	(7,150)	—	—	—	—	(7,150)
At 31 March 2023	941	4,871	5,364	15,039	296	26,511
Provided for the year	7,177	3,350	202	2,360	—	13,089
Eliminated on disposal/early termination	—	(859)	(235)	(1,436)	(296)	(2,826)
Eliminated upon leases expired	(6,257)	—	—	—	—	(6,257)
At 31 March 2024	1,861	7,362	5,331	15,963	—	30,517
CARRYING VALUE						
At 31 March 2024	7,933	1,345	225	1,983	—	11,486
At 31 March 2023	7,177	5,242	427	4,109	—	16,955

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leased properties	Over the shorter of its estimated useful life and the lease term
Leased equipment	Over the shorter of its estimated useful life and the lease term
Leasehold improvements	Over the shorter of lease term or 20%
Furniture, fixtures and office equipment	20% - 33 $\frac{1}{3}$ %
Motor vehicles	33 $\frac{1}{3}$ %

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Right-of-use assets (included in the leased properties and leased equipment)

	Leased properties HK\$'000	Leased equipment HK\$'000	Total HK\$'000
As at 31 March 2024			
Carrying amount	7,933	1,345	9,278
As at 31 March 2023			
Carrying amount	7,177	5,242	12,419
For the year ended 31 March 2024			
Depreciation charge	7,177	3,350	10,527
For the year ended 31 March 2023			
Depreciation charge	7,620	3,404	11,024
		2024 HK\$'000	2023 HK\$'000
Expense relating to short-term leases		144	197
Total cash outflow for leases		11,505	11,757
Additions of right-of-use assets		7,933	9,668

For both years, the Group leases office premises from a related company for its operations and a former director's quarter from Mr. Yang as disclosed in note 26. In addition to that, the Group leased equipment and a warehouse from independent third parties. Lease contracts are entered into for fixed term of one to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for a warehouse. As at 31 March 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short term lease expense for year ended 31 March 2024 disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of HK\$9,573,000 are recognised with related right-of-use assets of HK\$9,278,000 as at 31 March 2024 (2023: lease liabilities of HK\$12,609,000 are recognised with related right-of-use assets of HK\$12,419,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

13. DEFERRED TAX ASSETS (LIABILITIES)

The following are the major deferred tax assets (liabilities) arising from difference between tax and accounting depreciation recognised by the Group and movement thereon during the year.

	HK\$'000
At 1 April 2022	(242)
Credit to profit or loss	34
At 31 March 2023	(208)
Credit to profit or loss	276
At 31 March 2024	68

As at 31 March 2024, the Group had estimated unused tax losses of HK\$130,973,000 (2023: HK\$11,564,000) to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. All losses may be carried forward indefinitely.

14. DERIVATIVE FINANCIAL INSTRUMENT

The Group entered into HK\$ to United States dollars ("US\$") net-settled structured foreign currency forward contracts with banks in Hong Kong in order to manage the Group's currency risk.

The Group is required to transact with the bank monthly during contract period for designated notional amount under the respective contract. If the spot rate for conversion of US\$ for HK\$ as prevailing in the international foreign exchange market ("spot rate") on fixing date is higher than or at the strike price, the Group will buy notional amount 1 at the strike price from the banks. If the spot rate on fixing date is lower than the strike price, the Group will buy notional amount 2 at the strike price from the banks.

	Notional amount 1	Notional amount 2	Contract date	Strike price	Beginning fixing date	Target value (note i)	Ending fixing date (note i)
As at 31 March 2023:							
Contract A	US\$500,000	US\$1,000,000	6 October 2022	7.788	3 November 2022	HK\$125,000	2 October 2024
Contract B	US\$500,000	US\$1,000,000	15 November 2022	7.749	15 March 2023	HK\$100,000	12 November 2024
As at 31 March 2024:							
Contract C	US\$500,000	US\$1,000,000	18 January 2024	7.750	27 March 2024	HK\$150,000	30 December 2025
Contract D	US\$500,000	US\$1,000,000	25 January 2024	7.745	25 April 2024	HK\$150,000	21 January 2026

Notes:

- (i) The contracts mature at the earlier of (1) target redemption event when target value is hit; or (2) ending fixing date.
- (ii) The contracts are secured with pledged bank deposits amounted to HK\$9,867,000 (2023: HK\$9,517,000).

The above contracts are measured at fair value at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

15. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Finished goods	111,480	58,220

16. LOANS TO DIRECTORS

	As at		Maximum amount outstanding during the year		
	1 April 2022 HK\$'000	31 March 2023 HK\$'000	31 March 2024 HK\$'000	2024 HK\$'000	2023 HK\$'000
Mr. Huang Tianlei	—	—	2,900	2,900	—
Mr. Zhang Ting	—	—	2,900	2,900	—
	—	—	5,800	5,800	—

Amounts represent loans to directors which are unsecured, interest bearing and are repayable on 28 July 2024. The whole amount has been subsequently repaid by the directors.

17. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024 HK\$'000	2023 HK\$'000
Trade receivables from contracts with customers	159,381	117,628
Less: Allowance for credit losses	(80)	(9)
	159,301	117,619
Rental and utilities deposits	166	320
Prepayments for costs of maintenance services	25,538	26,945
Others	2,837	3,262
Total trade and other receivables, deposits and prepayments	187,842	148,146
Analysed as:		
Current	186,106	146,202
Non-current (including prepayments for costs of maintenance services, rental and utilities deposits)	1,736	1,944
	187,842	148,146

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

17. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(continued)*

As at 1 April 2022, trade receivables from contracts with customers amounted to HK\$172,410,000.

Before accepting any new customer, the Group performs a credit review to assess the potential customer's credit quality and defines credit limits by customer. Limits and credit rating to customers are reviewed on a regular basis. The Group allows credit period of 7 to 90 days to its customers.

The following is an ageing analysis of trade receivables from third parties net of allowance for impairment losses presented based on the invoice date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
0 to 30 days	92,481	72,841
31 to 60 days	29,130	23,488
61 to 90 days	15,405	6,906
91 to 120 days	8,186	4,388
121 to 180 days	8,169	6,515
Over 180 days	5,930	3,481
	159,301	117,619

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$71,029,000 (2023: HK\$48,412,000) which are past due as at the reporting date. Out of the past due balances, HK\$14,167,000 (2023: HK\$10,082,000) has been past due 90 days or more and is not considered as in default as these debtors have a good business relationship with the Group and recurring overdue records of these debtors with satisfactory settlement history.

Detail of impairment assessment of trade and other receivables and deposits are set out in note 32.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

18. PLEDGED BANK DEPOSITS/TIME DEPOSITS/CASH AND CASH EQUIVALENTS

	2024 HK\$'000	2023 HK\$'000
Cash on hand	24	26
Bank balances	159,780	248,246
Cash and cash equivalents	159,804	248,272
Time deposits	5,384	5,161
Pledged bank deposits	34,675	39,900

Cash and cash equivalents include short-term bank deposits held by the Group for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 4.00% to 4.20% (2023: 0.26% to 4.00%) per annum.

Time deposits include bank deposit with original maturity over three months but less than one year, which carry fixed interest rate at 4.65% (2023: 4.00%) per annum.

Pledged bank deposits carry fixed interest rate of 4.00% to 4.20% (2023: 0.05% to 4.00%) per annum and mainly represent deposits pledged to secure derivative financial instruments of HK\$9,867,000 (2023: HK\$9,517,000) as disclosed in note 14 and performance guarantees of HK\$20,477,000 (2023: HK\$29,591,000) as disclosed in note 28 as at 31 March 2024 which will be released upon the maturity of the derivative financial instruments and completion of the contract works, respectively.

Detail of impairment assessment of pledge bank deposits, time deposits and bank balances are set out in note 32.

19. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an analysis of trade and other payables and accruals:

	2024 HK\$'000	2023 HK\$'000
Trade payables	170,455	165,958
Accrued staff costs	18,569	14,522
Accrued purchases	8,320	11,327
Others	15,090	11,543
	212,434	203,350

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For the Year ended 31 March 2024

19. TRADE AND OTHER PAYABLES AND ACCRUALS *(continued)*

The following is an ageing analysis of trade payables presented based on the invoice date:

	2024 HK\$'000	2023 HK\$'000
0 to 30 days	84,599	90,102
31 to 60 days	62,955	59,693
61 to 90 days	19,132	13,441
Over 90 days	3,769	2,722
	170,455	165,958

20. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Current	95,099	82,575
Non-current	3,921	4,634
	99,020	87,209

As at 1 April 2022, contract liabilities amounted to HK\$95,612,000.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

During the year ended 31 March 2024, the Group has recognised revenue of HK\$82,575,000 (2023: HK\$92,260,000) that was included in the contract liabilities balance at the beginning of the year.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Procurement of hardware and software, design of solution/maintenance and/or support services

The Group typically receives 20% – 30% of the contract value as deposits and advance payments for the procurement of hardware and software, design of solution/maintenance and/or support services when the purchase order is entered into, while the amount of deposits may be varied depending on the business relationship with the customers. The deposits and advance payments result in contract liabilities being recognised until the customer obtains control of hardware and software, or until revenue recognised on the relevant contract exceeds the amounts of deposit and advance payments.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

21. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Lease liabilities payable:		
Within one year	9,573	10,970
Within a period of more than one year but not more than two years	—	1,639
	9,573	12,609
Less: Amount due for settlement within 12 months shown under current liabilities	(9,573)	(10,970)
Amount due for settlement after 12 months shown under non-current liabilities	—	1,639

22. BANK BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Borrowings included bank loans:		
Revolving loans	11,000	—
The bank loans are repayable as follows:		
Within one year	11,000	—

As at 31 March 2024, the Group's bank loans carried annual interests at HIBOR plus 2% (2023: nil).

	2024	2023
Effective interest rates		
Variable-rate borrowings	6.69%	N/A

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

23. SHARE CAPITAL

The share capital as at 31 March 2023 and 2024 represented the share capital of the Company with the details as follows:

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised: At 1 April 2022, 31 March 2023 and 2024	5,000,000,000	50,000
Issued and fully paid: At 1 April 2022, 31 March 2023 and 2024	300,000,000	3,000

There was no movement in the Company's share capital for both years.

During the year, the trustee purchased the ordinary shares of the Company through The Stock Exchange of Hong Kong Limited as follows:

2024

Month of purchases	No. of ordinary shares of HK\$0.01 each	Price paid per share		Aggregate consideration paid (including expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
January 2024	13,566,000	1.10	1.10	14,905
February 2024	13,692,000	1.10	1.09	14,987
	27,258,000			29,892

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

24. EQUITY-SETTLED SHARE AWARD SCHEME OF THE COMPANY

The Company's share award scheme (the "**Scheme**") was adopted with effect from 16 January 2024 pursuant to a resolution passed on 10 January 2024 for the primary purpose of motivating certain eligible participants to optimise their performance and efficiency for the benefit of the Group, recognising and rewarding certain eligible participants for their performance and contributions, and retaining certain eligible participants for their continual contribution to the operation and development of the Group. The Scheme will expire on 16 January 2034. Under the Scheme, the directors of the Company may grant share awards to any eligible employees, excluding any connected person(s) of the Group.

The total number of ordinary shares in respect of which shares may be awarded under the Scheme is not permitted to exceed 10% of the ordinary shares of the Company in issue at any point in time. The number of ordinary shares in respect of which are awarded and may be awarded to any individual is not permitted to exceed 3% of the ordinary shares of the Company in issue at any point in time.

No share award is granted during the year ended 31 March 2024. As of 31 March 2024, the number of ordinary shares that remained outstanding under the Scheme was 27,258,000 (2023: N/A).

25. RETIREMENT BENEFITS SCHEME

Defined contribution scheme

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years.

The retirement benefits scheme contributions arising from the MPF Scheme of HK\$3,674,000 (2023: HK\$3,542,000) charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid or payable to the MPF Scheme by the Group.

Defined benefit scheme

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("**LSP**") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) x $\frac{2}{3}$ x Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

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For the Year ended 31 March 2024

25. RETIREMENT BENEFITS SCHEME *(continued)*

Defined benefit scheme *(continued)*

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "**Offsetting Arrangement**").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The Amendment Ordinance does not have significant impact on the Group's LSP liability with respect to employees that participate in MPF Scheme.

26. RELATED PARTY TRANSACTIONS

The Group had entered into the following related party transactions:

Name of related parties	Nature of transactions	2024 HK\$'000	2023 HK\$'000
Microwave Properties limited ("Microwave Properties")	Interest expenses on lease liabilities	147	207
	Lease liabilities	—	6,258
Mr. Yang	Interest expenses on lease liabilities	20	31
	Lease liabilities	—	841
Mr. Huang Tianlei (note 16)	Director's loan	2,900	—
Mr. Zhang Ting (note 16)	Director's loan	2,900	—

During both years, the Group, as the tenant, and Mr. Yang, as the landlord, entered into a tenancy agreement in respect of a residential property which is provided to Mr. Chu as a former director's quarter.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

26. RELATED PARTY TRANSACTIONS *(continued)*

Mr. Yang and Mr. Chu resigned as directors of the Company on 5 December 2023 and ceased to be related parties of the Company since then.

Mr. Yang is the controlling shareholder of Microware Properties. Therefore, Microware Properties also ceased to be a related company of the Company since 5 December 2023.

Compensation of key management personnel

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

	2024 HK\$'000	2023 HK\$'000
Short-term benefits	13,822	12,798
Post-employment benefits	298	236
	14,120	13,034

27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS

The Group has entered into the International Swaps and Derivatives Association Master Netting Agreements ("ISDA Agreements") with certain banks. The following recognised financial assets are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts:

At 31 March 2024

	Gross/net amounts presented on consolidated statement of financial position HK\$'000	Related amount not set off in consolidated statement of financial position		
		Financial instrument HK\$'000	Cash collateral received/ pledged HK\$'000	Net amount HK\$'000
Recognised financial assets: — Bank balances	9,867	—	—	9,867
Recognised financial assets: — Derivative financial instruments	400	—	—	400

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27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO ENFORCEABLE MASTER NETTING ARRANGEMENTS *(continued)*

At 31 March 2023

	Gross/net amounts presented on consolidated statement of financial position HK\$'000	Related amount not set off in consolidated statement of financial position		
		Financial instrument HK\$'000	Cash collateral received/ pledged HK\$'000	Net amount HK\$'000
Recognised financial assets:				
— Bank balances	9,517	—	—	9,517
Recognised financial assets:				
— Derivative financial instruments	177	—	—	177

28. PERFORMANCE GUARANTEES

As at 31 March 2024, the performance guarantees of the Group of HK\$20,477,000 (2023: HK\$29,591,000) were given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance guarantees have been given, such customers may demand the bank to pay them the sum or sum stipulated in such demand. The Group will become liable to compensate the bank accordingly. The performance guarantee will be released upon completion of the contract works.

As at 31 March 2024 and 2023, the directors of the Company did not consider that it is probable that a claim will be made against the Group.

Notes to the Consolidated Financial Statements

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29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
Non-current asset		
Investment in a subsidiary	46,056	46,056
Current assets		
Loans to directors	5,800	—
Other receivables, prepayment and deposits	401	484
Amount due from a subsidiary	—	556
Cash and cash equivalents	3,551	32,344
	9,752	33,384
Current liability		
Other payables and accruals	511	—
Amount due to a subsidiary	6,207	491
	6,718	491
Net current assets	3,034	32,893
Net assets	49,090	78,949
Capital and reserves		
Share capital (note 23)	3,000	3,000
Reserves (note i)	46,090	75,949
	49,090	78,949

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Note i:

Reserves of the Company

	Share premium HK\$'000	Treasury stock HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2022	75,297	—	(27)	75,270
Profit and total comprehensive income for the year	—	—	32,179	32,179
Dividends paid (note 10)	—	—	(31,500)	(31,500)
At 31 March 2023	75,297	—	652	75,949
Profit and total comprehensive income for the year	—	—	37,533	37,533
Treasury shares repurchased	—	(29,892)	—	(29,892)
Dividends paid (note 10)	—	—	(37,500)	(37,500)
At 31 March 2024	75,297	(29,892)	685	46,090

30. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries at the end of each reporting period are as follows:

Name of subsidiaries	Place of incorporation/ operation	Particulars of issued and paid up capital	Proportion of ownership interest attributable to the Company		Principal activities
			2024	2023	
Microware Hong Kong Limited [^]	BVI	HK\$1	100%	100%	Investment holding
Microware Limited	Hong Kong	US\$6,000,000	100%	100%	Provision of IT infrastructure solutions services and provision of IT managed services
Cumulus Managed Services Limited	Hong Kong	HK\$1	100%	100%	Provision of IT infrastructure solutions services
Microware Computer Systems Limited	Hong Kong	HK\$10,000	100%	100%	Inactive
ProAct IT Services Limited	Hong Kong	HK\$100,000	100%	100%	Provision of IT managed services
Cyber Range Limited	Hong Kong	HK\$10,000	100%	100%	Procurement of semiconductor products

[^] Directly held by the Company.

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

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For the Year ended 31 March 2024

31. CAPITAL RISK MANAGEMENT

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

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

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

32. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Financial assets at amortised cost	365,848	411,910
Derivative financial instruments	400	177
Financial liabilities		
Amortised cost	196,545	177,501

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, loans to directors, trade and other payables and accruals, bank borrowings, lease liabilities, derivative financial instruments, pledged bank deposits, time deposits as well as cash and cash equivalents. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risks

Interest rate risk

The Group's fair value interest rate risk relates primarily to loans to directors (note 16), pledged bank deposits (note 18), time deposits (note 18) and lease liabilities (note 21). The Group's cash flow interest rate risk relates primarily to variable-rate bank balances (note 18) and bank borrowings (note 22).

The Group has not used any interest rate hedging policy to mitigate its exposure associated with interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for nonderivative instruments at the end of the reporting period. For variable-rate bank borrowings, to the extent that they were not hedged by effective instruments, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2023: N/A) increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

For bank borrowings at variable-rate of HK\$11,000,000 (2023: N/A), if interest rate had been 50 basis points (2023: N/A) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2024 would decrease/increase by HK\$55,000 (2023: N/A).

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risks *(continued)*

Interest rate risk *(continued)*

Sensitivity analysis (continued)

The directors of the Company consider the Group's exposure to future cash flow interest rate risk is minimal for variable-rate bank balances taking into account the minimal fluctuation on market interest rate and carrying amounts as at 31 March 2024 and 2023. Accordingly, no sensitivity analysis on interest rate risk for variable-rate bank balances is presented.

Currency risk

The Group has foreign currency purchases, which exposes the Group to foreign currency risk. Certain bank balances, trade receivables and trade payables of the Group are denominated in foreign currencies. The carrying amounts of the Group's bank balances, trade receivables and trade payables denominated in foreign currencies at the end of each reporting period are as follows:

	Bank balances		Trade receivables		Trade payables	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
US\$	5,643	11,993	12,309	6,866	62,102	75,284

The Group has entered into certain foreign exchange forward contract as set out in note 14 to mitigate foreign exchange exposure arising on the purchase to external parties. The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

No sensitivity analysis is provided on derivative financial instruments as the management of the Company considers that the effect of the foreign exchange rate fluctuations on the fair value of derivative financial instruments are considered as insignificant.

Sensitivity analysis

The change in exchange rate of HK\$ against US\$ has not been considered in the sensitivity analysis as HK\$ is pegged to US\$. In the opinion of the directors of the Company, the Group does not expect any significant movements between the exchange rate of US\$ against HK\$.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 March 2024, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of performance guarantees provided by the Group is disclosed in note 28. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Loans to directors

For loans to directors, the directors of the Company perform assessment of the recoverability based on the remuneration package of the directors, as well as the subsequent settlement records. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of loans to directors. The Group performs impairment assessment under 12m ECL model and considers the exposure to the credit risk is low and ECL, if any, is immaterial.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Trade receivables

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group assess the potential customer's credit quality customer at new customer acceptance. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade receivables based on the grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by sectors is mainly in Hong Kong Government, Commercials, Bank and finance and Educational institution and non-profit organisations which accounted for 44%, 24%, 9% and 8%, respectively of the total trade receivables as at 31 March 2024 (2023: Hong Kong Government, Commercials, Bank and finance and Educational institution and non-profit organisations which accounted for 38%, 16%, 13% and 11%, respectively). The Group has concentration of credit risk as 22% (2023: 16%) of the total trade receivables was due from the Group's five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

For trade receivables of HK159,381,000 (2023: HK117,628,000) (note 17), the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group assessed the ECL on trade receivables using the grouping with reference to past default experience for recurring customers and current past due exposure for new customers.

The estimated loss rates on trade receivables are estimated based on historical observed default rates over the expected life of the debtors and study of other corporates' default and recovery data from international credit-rating agencies including Moody's, and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

Based on the assessment of the management, an impairment loss on trade receivables amounting to HK\$71,000 (2023: nil) has been recognised during the year ended 31 March 2024.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Other receivables and deposits

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits. The Group performs impairment assessment under 12m ECL model.

For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Past due HK\$'000	Not past due/ no fixed repayment terms HK\$'000	Total HK\$'000
Financial assets at amortised cost			
Other receivables and deposits (note 17)			
As at 31 March 2024	—	884	884
As at 31 March 2023	—	958	958

Based on the assessment of the management, the ECL on other receivables and deposits is insignificant.

Pledged bank deposits, time deposits and bank balances

The Group only transacts with reputable banks with high credit ratings assigned by international credit-rating agencies and therefore the directors of the Company consider the risk of default is low. The Group uses 12m ECL to perform the assessment under ECL on balances individually based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies including Moody's, ranging from Aa3 to A3. As at 31 March 2024, the directors of the Company consider the credit risk is limited and thus the ECL on pledged bank deposits, time deposits and bank balances of HK\$34,675,000 (2023: HK\$39,900,000), HK\$5,384,000 (2023: HK\$5,161,000) and HK\$159,780,000 (2023: HK\$248,246,000) respectively (note 18) is insignificant.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12-month ECL — not credit-impaired
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	12-month ECL — not credit-impaired
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's trade receivables, other receivables and deposits, pledged bank deposits, time deposits and bank balances which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2024 Gross carrying amount HK\$	2023 Gross carrying amount HK\$
Loans to directors	16	N/A	Low risk	12-month ECL	5,800	—
Trade receivables	17	N/A	Low risk	Lifetime ECL (Not credit-impaired)	159,381	117,628
Other receivables and deposits	17	N/A	Low risk	12-month ECL	884	958
Pledged bank deposits	18	Aa3 to A1	N/A	12-month ECL	34,675	39,900
Time deposits	18	Aa3	N/A	12-month ECL	5,384	5,161
Bank balances	18	Aa3 to A3	N/A	12-month ECL	159,780	248,246

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment *(continued)*

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) HK\$'000
As at 1 April 2022 and 31 March 2023	(9)
Impairment loss recognised	(71)
As at 31 March 2024	(80)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 31 March 2024, the Group had available unutilised bank facilities of approximately HK\$1,281,489,000 (2023: HK\$1,092,203,000).

The contractual maturity of the Group for its non-derivative financial liabilities (excluding bank borrowings) with undiscounted cash flow of HK\$185,545,000 (2023: HK\$177,501,000), based on the earliest date on which the Group can be required to pay, are repayable on demand or within 3 months.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

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

Liquidity tables

	Weighted average effective interest rate per annum %	On demand HK\$'000	Less than 3 months 3 months HK\$'000	3 months to 1 year HK\$'000	1 - 2 years HK\$'000	2 - 5 years HK\$'000	Over 5 years HK\$'000	Total un- discounted cash flows HK\$'000	Total carrying amounts HK\$'000
As at 31 March 2024									
Lease liabilities	6.69	—	3,053	6,834	—	—	—	9,887	9,573
Bank borrowings	6.69	11,000	—	—	—	—	—	11,000	11,000
		11,000	3,053	6,834	—	—	—	20,887	20,573
As at 31 March 2023									
Lease liabilities	5.91	—	2,903	8,459	1,661	—	—	13,023	12,609

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

Liquidity tables *(continued)*

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual cash inflows and outflows on derivative instruments by using the forward rate published by independent researchers as at 31 March 2024 and 2023. The liquidity analysis for the Group's derivative financial instruments is prepared based on the contractual maturities as the management of the Company considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

	On demand or less than 3 months HK\$'000	3 months to 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount of derivative forward contract assets HK\$'000
As at 31 March 2024				
Derivative — gross settlement				
— Inflow	3,912	—	3,912	—
— Outflow	(3,875)	—	(3,875)	—
	37	—	37	400
As at 31 March 2023				
Derivative — gross settlement				
— Inflow	7,851	—	7,851	—
— Outflow	(7,769)	—	(7,769)	—
	82	—	82	177

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

32. FINANCIAL INSTRUMENTS *(continued)*

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 March		Fair value hierarchy	Valuation technique	Key input
	2024	2023			
Derivative financial instruments	Assets HK\$400,000	Assets HK\$177,000	Level 2	Discounted cash flow	Forward exchange rate and contracted exchange rate

There were no transfers between Level 1 and 2 during the year.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

Notes to the Consolidated Financial Statements

For the Year ended 31 March 2024

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities HK\$'000 (note 21)	Dividends payable HK\$'000	Bank borrowings HK\$'000	Interest payable HK\$'000	Total HK\$'000
As at 1 April 2022	13,884	—	9,000	—	22,884
Financing cash flow	(11,560)	(31,500)	(9,000)	(3)	(52,063)
Finance cost	617	—	—	3	620
Other non-cash changes:					
Dividends declared (note 10)	—	31,500	—	—	31,500
New leases entered and leases modified (note 12)	9,668	—	—	—	9,668
As at 31 March 2023	12,609	—	—	—	12,609
Financing cash flow	(11,361)	(37,500)	11,000	(349)	(38,210)
Finance cost	392	—	—	349	741
Other non-cash changes:					
Dividends declared (note 10)	—	37,500	—	—	37,500
Leases modified (note 12)	7,933	—	—	—	7,933
As at 31 March 2024	9,573	—	11,000	—	20,573

Financial Summary

RESULTS

	For the year ended 31 March				2024
	2020	2021	2022	2023	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Revenue	1,365,341	1,114,277	1,148,967	1,166,848	1,234,334
Profit before taxation	49,258	54,468	38,325	38,735	43,757
Taxation	(8,944)	(7,546)	(6,349)	(5,559)	(7,529)
Profit for the year	40,314	46,922	31,976	33,176	36,228
Attributable to:					
Owners of the Company	40,619	47,332	31,970	33,179	36,228
Non-controlling interests	(305)	(410)	6	(3)	–
	40,314	46,922	31,976	33,176	36,228
Earnings per share					
Basic (HK\$)	0.14	0.16	0.11	0.11	0.12

ASSETS AND LIABILITIES

	At 31 March				2024
	2020	2021	2022	2023	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Total assets	551,938	489,474	543,220	516,831	516,939
Total liabilities	(318,040)	(268,654)	(332,424)	(304,360)	(335,632)
	233,898	220,820	210,796	212,471	181,307
Equity attributable to owners of the Company	234,456	221,788	211,758	212,471	181,307
Non-controlling interests	(558)	(968)	(962)	–	–
	233,898	220,820	210,796	212,471	181,307