



ALLIED SUSTAINABILITY AND ENVIRONMENTAL CONSULTANTS GROUP LIMITED  
沛然環保顧問有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 8320

# INTERIM REPORT



# 2023/24



## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of Allied Sustainability and Environmental Consultants Group Limited (the “Company”, and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



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## Financial Highlights

Revenue of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2023 amounted to approximately HK\$25.2 million while gross profit of the Group for the same period amounted to approximately HK\$11.0 million.

The net profit after tax of the Group for the six months ended 30 September 2023 amounted to approximately HK\$33,000, as compared with the net loss after tax of approximately HK\$997,000 for the six months ended 30 September 2022, mainly due to (i) an increase in revenue and (ii) improvement in gross profit margin, resulting from implementing a more effective direct cost control measures for the six months ended 30 September 2023.

The board of Directors (the “Board”) has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

## Interim Results

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 September 2023, together with the relevant comparative unaudited/audited figures, which have not been audited nor reviewed by the independent auditor but have been reviewed and approved by the audit committee of the Company (the "Audit Committee"), as follows:

### Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	5	<b>14,015</b>	11,055	<b>25,204</b>	22,603
Cost of services provided		<b>(8,018)</b>	(7,715)	<b>(14,215)</b>	(14,246)
<b>Gross profit</b>		<b>5,997</b>	3,340	<b>10,989</b>	8,357
Other income, gains and losses, net	6	<b>231</b>	273	<b>657</b>	1,546
Administrative expenses		<b>(5,997)</b>	(4,488)	<b>(11,067)</b>	(9,914)
Finance costs	7	<b>(125)</b>	(110)	<b>(247)</b>	(188)
Share of results of joint ventures		<b>(1)</b>	–	<b>(6)</b>	–
Net provision for impairment on trade receivables and contract assets		<b>(109)</b>	(416)	<b>(183)</b>	(811)
<b>Profit/(loss) before income tax</b>	8	<b>(4)</b>	(1,401)	<b>143</b>	(1,010)
Income tax (expense)/credit	9	<b>(110)</b>	34	<b>(110)</b>	13
<b>Profit/(loss) for the period</b>		<b>(114)</b>	(1,367)	<b>33</b>	(997)
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the Company		<b>(104)</b>	(1,356)	<b>48</b>	(985)
Non-controlling interests		<b>(10)</b>	(11)	<b>(15)</b>	(12)
		<b>(114)</b>	(1,367)	<b>33</b>	(997)

# Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Other comprehensive income</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
– Exchange differences arising on translation of foreign operations		(22)	–	(269)	–
<b>Other comprehensive income for the period, net of income tax</b>		(22)	–	(269)	–
<b>Total comprehensive income for the period</b>		(136)	(1,367)	(236)	(997)
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		(126)	(1,356)	(221)	(985)
Non-controlling interests		(10)	(11)	(15)	(12)
		(136)	(1,367)	(236)	(997)
<b>Earnings/(loss) per share attributable to owners of the Company</b>					
– Basic earnings/(loss) per share (HK cents)	10	(0.01)	(0.20)	0.01	(0.14)
– Diluted earnings/(loss) per share (HK cents)	10	(0.01)	(0.20)	0.01	(0.14)

# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Note	Unaudited 30 September 2023 HK\$'000	Audited 31 March 2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	12	726	701
Intangible assets		35	105
Right-of-use assets		6,572	6,583
Interest in associates		114	114
Interest in joint ventures		20	11
Financial assets at fair value through other comprehensive income		102	102
Financial assets at fair value through profit or loss		4,707	4,707
Deposits and prepayment		1,353	1,014
Deferred tax assets		836	836
		<b>14,465</b>	14,173
<b>Current assets</b>			
Contract assets		53,453	52,143
Trade receivables	13	12,189	11,161
Prepayments, deposits and other receivables		4,701	3,809
Tax recoverable		–	68
Cash and cash equivalents		7,916	12,940
		<b>78,259</b>	80,121
<b>Current liabilities</b>			
Trade payables	14	3,019	3,182
Other payables and accruals		3,711	5,170
Bank loans		8,387	8,542
Contract liabilities		1,052	1,058
Lease liabilities		3,581	2,828
Tax payable		105	63
		<b>19,855</b>	20,843
<b>Net current assets</b>		<b>58,404</b>	59,278
<b>Total assets less current liabilities</b>		<b>72,869</b>	73,451
<b>Non-current liability</b>			
Lease liabilities		3,090	3,838
<b>Net assets</b>		<b>69,779</b>	69,613
<b>Equity</b>			
Share capital	15	14,030	14,030
Reserves		55,702	55,561
<b>Total equity attributable to owners of the Company</b>		<b>69,732</b>	69,591
<b>Non-controlling interests</b>		<b>47</b>	22
<b>Total equity</b>		<b>69,779</b>	69,613

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to owners of the Company									
	Share capital	Other reserve*	Revaluation reserve*	Translation reserve*	Shares held under share award scheme*	Shares award reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2022</b>	14,030	68,496	(281)	305	(3,206)	405	(5,882)	73,867	47	73,914
Loss for the period	-	-	-	-	-	-	(985)	(985)	(12)	(997)
Total comprehensive income for the period	-	-	-	-	-	-	(985)	(985)	(12)	(997)
Purchase of shares under share award scheme	-	-	-	-	(801)	-	-	(801)	-	(801)
Equity-settled share-based payments	-	-	-	-	-	165	-	165	-	165
Lapsed shares	-	-	-	-	-	(26)	26	-	-	-
<b>At 30 September 2022</b>	14,030	68,496	(281)	305	(4,007)	544	(6,841)	72,246	35	72,281
<b>At 1 April 2023</b>	14,030	68,470	(398)	(122)	(3,626)	381	(9,144)	69,591	22	69,613
Profit/(loss) for the period	-	-	-	-	-	-	48	48	(15)	33
Exchange differences arising on translation of foreign operations	-	-	-	(269)	-	-	-	(269)	-	(269)
Total comprehensive income for the period	-	-	-	(269)	-	-	48	(221)	(15)	(236)
Incorporation of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	40	40
Issuance of shares to share award grantee	-	(227)	-	-	227	-	-	-	-	-
Equity-settled share-based payments	-	-	-	-	-	362	-	362	-	362
Ordinary shares to be issued upon vesting of share award	-	247	-	-	-	(247)	-	-	-	-
<b>At 30 September 2023</b>	14,030	68,490	(398)	(391)	(3,399)	496	(9,096)	69,732	47	69,779

\* At 30 September 2023, these accounts comprise the unaudited condensed consolidated reserves of approximately HK\$55,702,000 (31 March 2023: HK\$55,561,000) in the unaudited condensed consolidated statement of financial position.

Note: The Company adopted a share award scheme on 8 February 2017. For details, please refer to the section headed "Share Award Scheme" in this report.



# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Note	Unaudited Six months ended 30 September	
		2023 HK\$'000	2022 HK\$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax		143	(1,010)
Adjustments for:			
Finance costs	7	247	188
Interest income	6	(66)	(38)
Depreciation of property, plant and equipment	8	210	408
Depreciation of right-of-use assets	8	1,819	1,930
Amortisation of intangible assets	8	70	70
Equity-settled share-based payment expenses		362	165
Provision for impairment of trade receivables and contract assets, net		183	811
Share of results of joint ventures		6	–
COVID-19-related rent concessions		–	(208)
Operating cash flow before movements in working capital		2,974	2,316
Increase in contract assets		(1,319)	(3,115)
(Increase)/decrease in trade receivables		(1,202)	2,987
(Increase)/decrease in prepayments, deposits and other receivables		(1,144)	14
(Decrease)/increase in trade payables		(163)	806
Decrease in other payables and accruals		(1,459)	(1,032)
Decrease in contract liabilities		(6)	(1,672)
<b>Cash (used in)/generated from operations</b>		<b>(2,319)</b>	304
Interest received		19	14
Tax paid		–	(10)
Net cash (used in)/generated from operating activities		<b>(2,300)</b>	308
<b>Cash flows from investing activities</b>			
Payments for acquisition of property, plant and equipment		(235)	(378)
Payments for acquisition of right-of-use assets		(2)	–
Capital injection in a joint venture		(15)	–
Release of pledged bank deposits		–	1,002
Net cash (used in)/generated from investing activities		<b>(252)</b>	624

## Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	<b>Unaudited Six months ended 30 September</b>	
	<b>2023 HK\$'000</b>	2022 HK\$'000
<b>Cash flows from financing activities</b>		
Proceeds from new bank loans	–	6,500
Repayment of bank loans	<b>(155)</b>	(7,240)
Interest paid	<b>(150)</b>	(132)
Payment for purchase of shares of the Company under share award scheme	–	(801)
Repayment of lease liabilities – Principal	<b>(1,795)</b>	(1,769)
Repayment of lease liabilities – Interest	<b>(97)</b>	(56)
Net cash used in financing activities	<b>(2,197)</b>	(3,498)
Net decrease in cash and cash equivalents	<b>(4,749)</b>	(2,566)
Cash and cash equivalents at beginning of the period	<b>12,940</b>	16,449
Effect of foreign exchange rate changes	<b>(275)</b>	–
<b>Cash and cash equivalents at end of the period</b>	<b>7,916</b>	13,883
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>7,916</b>	13,883

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 1. Corporate Information and Basis of Preparation

### (a) Corporate information

Allied Sustainability and Environmental Consultants Group Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The Company’s subsidiaries were principally engaged in the provision of consultancy services relating to green building certification consultancy, sustainability and environmental consultancy, acoustics, noise and vibration control and audio-visual design consultancy and environmental, social and governance (“ESG”) reporting consultancy in Hong Kong, Macau and the People’s Republic of China (the “PRC”).

In the opinion of the directors of the Company, the ultimate holding company is Gold Investments Limited, a company incorporated in the British Virgin Islands (the “BVI”). Ms. Kwok May Han Grace (“Ms. Kwok”) and Mr. Wu Dennis Pak Kit (“Mr. Wu”), Executive Directors of the Company, being the controlling shareholders of Gold Investments Limited, are the ultimate controlling shareholders of the Company.

This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”), and all values are rounded to the nearest thousand unless otherwise indicated.

### (b) Basis of preparation

The Group’s unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2022/23 annual financial statements except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 April 2023. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 1. Corporate Information and Basis of Preparation (Continued)

### (b) Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on these financial statements and major sources of estimation uncertainty are discussed in note 4.

All significant intragroup transactions and balances have been eliminated on consolidation.

## 2. Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations.

### (a) Adoption of revised HKFRSs

Amendments to HKFRS 3  
Amendments to HKAS 16

Reference to the Conceptual Framework  
Property, Plant and Equipment – Proceeds before  
Intended Use

Amendments to HKAS 37  
Amendment to HKFRSs

Onerous Contracts – Cost of Fulfilling a Contract  
Annual Improvements to HKFRSs 2018–2020

The adoption of the above revised standards has had no significant effect on the condensed consolidated financial statements of the Group.

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 2. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

### (b) New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policy <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024

The Group has already commenced an assessment of the related impact of applying the above new and amendments to HKFRSs. So far, it has concluded that the above new and amendments to HKFRSs will be applied at the respective effective dates and the application of them is unlikely to have a significant impact on the unaudited interim condensed consolidated financial statements of the Group.

## 3. Summary of Significant Accounting Policies

The accounting policies and methods of computation used in the Financial Information are the same as those followed in the preparation of the audited consolidated financial statements of the Group for the year ended 31 March 2023 included in the annual report 2022/23.

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 4. Significant Accounting Estimates and Judgements

In the adoption of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

### Key sources of estimation uncertainty

#### (i) Contract revenue from provision of consultancy services

Revenue recognition from provision of consultancy services is dependent on the estimation of the progress of the satisfaction of performance obligation of a service contract over time. Based on the Group's past experience and the nature of the contract activities undertaken by the Group, there are significant judgements exercised by the management of the Group in determining the budgeted costs of each contract and the progress towards complete satisfaction of the performance obligation and the amount of revenue from the provision of consultancy services recognised.

#### (ii) Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on the Group's historical settlement experience as groupings of various debtors that have similar loss patterns.

The provision matrix is based on the provision rates, taking into forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 5. Segment Information

For management purposes, the Group is organised into business units based on their services and has four reportable operating segments as follows:

- (a) Green building certification consultancy segment involves consultancy on the application of green building certification for new buildings, existing buildings and interiors of buildings;
- (b) Sustainability and environmental consultancy segment involves consultancy on sustainability and environmental impact assessment for compliance with statutory requirements in relation to environmental impact and pollution control;
- (c) Acoustics, noise and vibration control and audio-visual design consultancy segment involves designs for architectural acoustic, mechanical vibration, noise control and audio-visual systems; and
- (d) ESG reporting and consultancy segment involves ESG reporting and consultancy.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profits, which is a measure of adjusted profit/(loss) before income tax. The adjusted profit/(loss) before income tax is measured consistently with the Group's profit/(loss) before income tax except that share of results of associates, share of results of joint ventures and finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, intangible assets, right-of-use assets, interest in associates, interest in joint ventures, deferred tax assets, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank loans, lease liabilities, current tax payable, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 5. Segment Information (Continued)

	Green building certification consultancy		Sustainability and environmental consultancy		Acoustics, noise and vibration control and audio-visual design consultancy		ESG reporting and consultancy		Total	
	Unaudited									
	Six months ended 30 September									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Revenue – over time										
Hong Kong	15,888	13,264	4,927	4,424	2,059	1,802	2,080	2,378	24,954	21,868
The PRC	250	451	-	-	-	75	-	87	250	613
Macau	-	-	-	-	-	122	-	-	-	122
	<b>16,138</b>	<b>13,715</b>	<b>4,927</b>	<b>4,424</b>	<b>2,059</b>	<b>1,999</b>	<b>2,080</b>	<b>2,465</b>	<b>25,204</b>	<b>22,603</b>
Segment results	8,396	6,550	2,414	1,472	123	(107)	56	442	10,989	8,357
Reconciliation										
Unallocated income									657	1,546
Unallocated expenses									(11,250)	(10,725)
Share of results of joint ventures									(6)	-
Finance costs									(247)	(188)
Profit/(loss) before income tax									<b>143</b>	<b>(1,010)</b>
Unallocated:										
- Depreciation and amortisation									2,099	2,408
- Capital expenditure										
- Additions to property, plant and equipment									235	378
- Additions to intangible asset and right-of-use assets									1,808	8,222



# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 5. Segment Information (Continued)

	Green building certification consultancy		Sustainability and environmental consultancy		Acoustics, noise and vibration control and audio-visual design consultancy		ESG reporting and consultancy		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30 September 2023	31 March 2023	30 September 2023	31 March 2023	30 September 2023	31 March 2023	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	42,089	40,337	12,159	12,224	9,652	9,468	1,742	2,203	65,642	64,232
Reconciliation										
Unallocated assets									27,082	30,062
Total assets									92,724	94,294
Segment liabilities	1,885	1,861	1,933	2,004	194	240	59	135	4,071	4,240
Reconciliation										
Unallocated liabilities									18,874	20,441
Total liabilities									22,945	24,681

### (a) Geographical information

The principal place of the Group's operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile.

As at 30 September 2023, except for non-current assets of approximately HK\$1.6 million located in Malaysia, all the Group's remaining non-current assets were located in Hong Kong. As at 31 March 2023, all the Group's non-current assets were located in Hong Kong.

### (b) Information about major customers

No revenue from a single external customer accounted for 10% or more of the Group's revenue for the six months ended 30 September 2023 and 2022.

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 6. Other Income, Gains and Losses, Net

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Interest income	44	10	66	38
Rent concession in relation to COVID-19 (Note (ii))	–	41	–	208
Government subsidies (Note (i))	174	200	485	1,217
Sundry income	13	22	106	83
	<b>231</b>	273	<b>657</b>	1,546

Notes:

- (i) The government subsidies recognised for the period ended 30 September 2023 was under the Graduates Subsidy Programme as promulgated by the Environmental Protection Department of the Government of the Hong Kong Special Administrative Region.

The government subsidies recognised for the period ended 30 September 2022 were the approved subsidies from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme and subsidies from Green Employment Scheme under the Graduates Subsidy Programme as promulgated by the Government of the Hong Kong Special Administrative Region of the PRC.

- (ii) The Group was granted a rent concession in relation to COVID-19 for office premises during the six months ended 30 September 2022. The Group applied the practical expedient in paragraph 46A of HKFRS 16 for its rent concession in relation to COVID-19, such that the Group elects not to assess whether the rent concession that meets the conditions in paragraph 46B of HKFRS 16 is a lease modification.

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 7. Finance Costs

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Interest on bank loans	76	67	150	132
Interest on lease liabilities	49	43	97	56
	<b>125</b>	110	<b>247</b>	188

### 8. Profit/(Loss) before Income Tax

The Group's profit/(loss) before income tax is arrived at after charging:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Amortisation of intangible assets	35	35	70	70
Depreciation of property, plant and equipment	101	210	210	408
Depreciation of right-of-use assets	924	930	1,819	1,930
Employee benefits expense: (including directors' emoluments)				
– Salaries, allowances, discretionary bonuses and benefits in kind	8,477	6,820	16,328	13,382
– Retirement benefit scheme contributions (defined contribution scheme)	352	203	618	517
Provision for/(reversal of) impairment on trade receivables, net	195	(99)	174	296
Provision for/(reversal of) impairment on contract assets, net	(86)	515	9	515

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 9. Income Tax Expense/(Credit)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI (six months ended 30 September 2022: Nil).

There is no tax effect relating to other comprehensive income for the period (six months ended 30 September 2022: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% during the periods and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% during the periods.

PRC Corporate Income Tax has been provided at the rate of 25% (six months ended 30 September 2022: 25%) on the estimated assessable profits arising in the PRC for the six months ended 30 September 2023.

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Current – Hong Kong Profits Tax	110	4	110	56
Deferred tax	–	(38)	–	(69)
Income tax expense/(credit)	110	(34)	110	(13)

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 10. Earnings/(Loss) per Share Attributable to Owners of the Company for the Period

#### (a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Profit/(loss) for the period attributable to owners of the Company used in calculating basic earnings/(loss) per share	(104)	(1,356)	48	(985)

	Unaudited Six months ended 30 September	
	2023 Number of shares	2022 Number of shares
<b>Weighted average number of ordinary shares:</b>		
Issued ordinary shares at the beginning of period	694,196,667	690,306,666
Net effect of shares issued/(purchased in the open market)	364,699	(6,833,169)
Weighted average number of ordinary shares for the purpose of the basic earnings/(loss) per share	694,561,366	683,473,497

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 10. Earnings/(Loss) per Share Attributable to Owners of the Company for the Period (Continued)

#### (b) Diluted earnings/(loss) per share

The calculation of the diluted earnings/(loss) per share attributable to owners of the Company is based on profit/(loss) for the period attributable to owners of the Company and the adjusted weighted average number of ordinary shares outstanding of which are adjusted to assume exercise or conversion of all dilutive potential ordinary shares.

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Profit/(loss) for the period attributable to owners of the Company used in calculating diluted earnings/(loss) per share	(104)	(1,356)	48	(985)

	Unaudited Six months ended 30 September	
	2023 Number of shares	2022 Number of shares
<b>Weighted average number of ordinary shares:</b>		
Weighted average number of ordinary shares for the purpose of the basic earnings/(loss) per share	694,561,366	683,473,497
Adjustments for calculation of diluted earnings/(loss) per share – share award scheme	5,504,715	N/A
Adjusted weighted average number of ordinary shares for the purpose of the diluted earnings/(loss) per share	700,066,081	683,473,497

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 10. Earnings/(Loss) per Share Attributable to Owners of the Company for the Period (Continued)

#### (b) Diluted earnings/(loss) per share (Continued)

As at 30 September 2023 and 2022, the Company has outstanding share award. For the outstanding share award, the number of shares that would have been issued assuming the exercise of the share award less the number of shares that could have been issued at fair value (determined as the weighted average amount per employee to be recognised over the remainder of the vesting period for employee services to be rendered per share) for the same total proceeds is the number of shares issued for no consideration.

The computation of diluted earnings/(loss) per share during the six months ended 30 September 2022 does not assume the exercise of the share award because the assumed grant of shares in relation to the share award scheme has anti-dilutive effect to the basic earnings/(loss) per share.

### 11. Dividends

The Board has resolved not to declare the payment of an interim dividend in respect of the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 12. Property, Plant and Equipment

	Furniture, fixtures and office equipment HK\$'000	Leasehold improvement HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
30 September 2022				
At 1 April 2022:				
Cost	2,016	1,396	256	3,668
Accumulated depreciation	(1,511)	(1,160)	(256)	(2,927)
Net carrying amount	505	236	–	741
At 1 April 2022, net of accumulated depreciation				
Additions	370	8	–	378
Depreciation provided during the period	(175)	(233)	–	(408)
At 30 September 2022, net of accumulated depreciation	700	11	–	711
At 30 September 2022:				
Cost	2,386	1,404	256	4,046
Accumulated depreciation	(1,686)	(1,393)	(256)	(3,335)
Net carrying amount	700	11	–	711



## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 12. Property, Plant and Equipment (Continued)

	Furniture, fixtures and office equipment HK\$'000	Leasehold improvement HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
30 September 2023				
At 1 April 2023:				
Cost	2,602	1,405	256	4,263
Accumulated depreciation	(1,910)	(1,396)	(256)	(3,562)
Net carrying amount	692	9	–	701
At 1 April 2023, net of accumulated depreciation	692	9	–	701
Additions	159	76	–	235
Depreciation provided during the period	(205)	(5)	–	(210)
At 30 September 2023, net of accumulated depreciation	646	80	–	726
At 30 September 2023:				
Cost	2,761	1,481	256	4,498
Accumulated depreciation	(2,115)	(1,401)	(256)	(3,772)
Net carrying amount	646	80	–	726

## Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

### 13. Trade Receivables

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
Trade receivables	<b>15,690</b>	14,488
Less: Allowance for credit losses	<b>(3,501)</b>	(3,327)
	<b>12,189</b>	11,161

Trade receivables represent receivables for contract works. Trade receivables are due within 0 to 30 days (31 March 2023: 0 to 30 days) from the date of billing. The Group maintains active and regular control over its outstanding receivables to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the reporting periods, based on invoice date and net of impairment provisions, is as follows:

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
Within 1 month	<b>3,379</b>	4,943
Over 1 month but less than 3 months	<b>4,398</b>	3,016
Over 3 months but less than 6 months	<b>2,430</b>	1,481
Over 6 months but less than 12 months	<b>1,524</b>	977
Over 12 months but less than 24 months	<b>458</b>	686
Over 24 months	<b>–</b>	58
	<b>12,189</b>	11,161

# Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2023

## 14. Trade Payables

An ageing analysis of the trade payables as at the end of each of the reporting periods, based on invoice date, is as follows:

	<b>Unaudited 30 September 2023 HK\$'000</b>	Audited 31 March 2023 HK\$'000
Within 1 month	<b>1,864</b>	1,973
Over 1 month but within 6 months	<b>263</b>	657
Over 6 months	<b>892</b>	552
	<b>3,019</b>	3,182

The average credit period of trade payables is 30 days (31 March 2023: 30 days).

## 15. Share Capital

	<b>Number of ordinary shares '000</b>	<b>Nominal value HK\$'000</b>
Authorised: <b>At 1 April 2022, 31 March 2023, 1 April 2023 and 30 September 2023</b>	2,500,000	50,000
Issued and fully paid: <b>At 1 April 2022, 31 March 2023, 1 April 2023 and 30 September 2023</b>	701,510	14,030

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## 16. Approval of the Unaudited Condensed Consolidated Financial Statements

The unaudited condensed consolidated financial statements for the six months ended 30 September 2023 were approved and authorised for issue by the Board on 9 November 2023.

# Management Discussion and Analysis

## Industry Review

The Group sees potential opportunities of providing green building certification consultancy and sustainability and environmental consultancy services with the metropolisation and surging population in Hong Kong. The Environmental Protection Department of Hong Kong, along with other related government departments, have implemented various laws to regulate environmental issues, such as the Environmental Impact Assessment Ordinance (《環境影響評估條例》) (Chapter 499 of the laws of Hong Kong) has made the preparation of the environmental impact assessment report a mandatory requirement before the construction and operation of various types of designated projects. Moreover, environmental impact assessment usually forms part of planning application under the Town Planning Ordinance (《城市規劃條例》) (Chapter 131 of the laws of Hong Kong) or is required as one of the conditions of development projects.

The Buildings Energy Efficiency Ordinance (《建築物能源效益條例》) (Chapter 610 of the laws of Hong Kong) imposes mandatory control requirements for building development works in Hong Kong on building developers and owners. It indicates the importance of energy saving performance of both public and residential buildings and leads to a demand for sustainability and environmental consultancy and green building certification consultancy services. The Hong Kong Government has also issued (i) the Practice Note of Sustainable Building Design Guidance to enhance the quality and sustainability of the built environment in Hong Kong; (ii) the Works Technical Circulars of Green Government Building to integrate green features in government managed buildings; and (iii) the Energy Saving Plan (《香港都市節能藍圖》) to cap the energy consumption of buildings and form the basis of general development schemes or reports related to the energy saving strategy in Hong Kong. It imposes a mandatory requirement on new government buildings with construction floor area of (i) more than 5,000 square metres with central air conditioning or (ii) more than 10,000 square metres to achieve at least BEAM Plus Gold. The Hong Kong Housing Authority also requires public housing development to obtain BEAM Plus Gold award or above to distinct green housing design. According to the Residential Properties (First-hand Sales) Ordinance (《一手住宅物業銷售條例》) (Chapter 621 of the laws of Hong Kong), a BEAM Plus certification is required in order to obtain the concession on gross floor area for certain green and amenity features in development projects.

The Hong Kong Government has announced the Hong Kong's Climate Action Plan 2050 (《香港氣候行動藍圖2050》), which includes the Hong Kong Roadmap on Popularization of Electric Vehicles (《香港電動車普及化路線圖》), Net-zero Electricity Generation, Energy Saving, and Green Buildings, infrastructures towards decarbonization to catch up with global efforts to address sustainability and climate change.

## Management Discussion and Analysis

### Business Review

The Company's subsidiaries are specialised in providing (i) green building certification consultancy; (ii) sustainability and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy. The four business segments respectively contributed approximately 64.0%, 19.5%, 8.2% and 8.3% to the Group's overall revenue for the six months ended 30 September 2023. For the six months ended 30 September 2023, the Group derives the majority of its revenue from green building certification consultancy, and sustainability and environmental consultancy.

### Green Building Certification Consultancy

This segment mainly provides environmental design and one-stop certification application services for developers and owners to enhance environmental performance and sustainability of their buildings. The Group provides professional consultancy services for its customers to meet global green building standards, including but not limited to Building Environmental Assessment Method (BEAM/BEAM Plus), Leadership in Energy and Environmental Design (LEED) and China Green Building Design Label (China GBL). As at 30 September 2023, the Group had 294 (as at 31 March 2023: 270) engagements with clients which mainly comprised property developers, contractors, architects, designers and government departments.

### Sustainability and Environmental Consultancy

This segment is mainly engaged in the provision of sustainable design solutions to architects for urban regeneration, sustainable development and integrated planning. The solutions include but not limited to providing environmental impact assessment, noise impact assessment, air quality impact assessment, air ventilation assessment, carbon/energy audit and built environmental study. As at 30 September 2023, the Group had 114 (as at 31 March 2023: 107) projects on hand which were mainly from property developers, contractors, architects, designers and government departments.

### Acoustics, Noise and Vibration Control and Audio-visual Design Consultancy

This segment provides services to assist architects and engineers to test and evaluate environmental performance of various materials and products for buildings. The services include but are not limited to architectural acoustics, building acoustics, mechanical service and airborne noise control, sound reinforcement and public address system, architectural and facade lighting system as well as theatre planning and stage equipment system. As at 30 September 2023, the Group had 79 (as at 31 March 2023: 77) projects on hand which were mainly from property developers, architects and designers.

## Management Discussion and Analysis

### Business Review (Continued)

#### ESG Reporting and Consultancy

This segment provides Environmental, Social, and Governance (ESG) Reporting consultancy services to companies listed on the Stock Exchange, which is required by the Stock Exchange to encourage listed companies to identify and disclose ESG issues and key performance indicators that are non-financial information but reflect significant environmental and social impacts, and thus influence the assessments and decisions of stakeholders. The Group offers comprehensive solutions ranging from recognizing the material aspects that make up ESG concerns to developing an ESG implementation strategy and producing an ESG report.

The ESG reporting requirement continues to drive ESG data management demand, and the Group has launched Sustainature, a one-stop ESG online management platform that simplifies the process of ESG data processing for enterprises of all sizes, analyzes and manages data in one place, and assists in the generation of ESG reports in accordance with the Stock Exchange's requirements.

The Group seizes the commercial prospects brought about by the ongoing ESG movement with eagerness. Our expert ESG consultation services have mostly expanded to include Green Finance, Sustainability Strategies, and ESG performance enhancement, which includes the following areas: (a) Green Finance – Green Finance Strategy, Green Finance Certification; (b) Sustainability Strategies – The Global Reporting Initiative (GRI) & ESG Reporting Consultancy, Carbon Auditing and Trading, Science Based Targets (SBT) Setting, Sustainable Development Goals (SDGs) Impact Reporting, Net Zero Roadmap, Corporate Sustainability Strategy and Planning, Stakeholder Engagement, ESG Training and Seminar; (c) ESG performance enhancement – Task Force on Climate-related Financial Disclosures (TCFD) Consultancy, The Global Real Estate Sustainability Benchmark (GRESB) Assessment Consultancy, CDP Reporting Consultancy, Principles for Responsible Investment (PRI) Reporting Consultancy, GRI & ESG Report Verification; and (d) Training – SBT Training as the first CDP-accredited climate change consultancy provider stationed in Hong Kong.

As at 30 September 2023, the Group had 42 (as at 31 March 2023: 57) projects on hand across various industries.

#### Prospects

The vision and mission of the Group are to accelerate the transition to overall sustainability in Hong Kong and the ASEAN region by leveraging on our technical expertise in green building certifications, sustainable finance, carbon neutrality, environmental specialists, and ESG advisory for industry players and outsiders. We will expand the scope and enhance profitability of sustainable finance, green building and infrastructure.

## Management Discussion and Analysis

### Prospects (Continued)

The scope of the Group's operations is comparable to the goals as set out by the Cross-Agency Steering Group to further improve Hong Kong's sustainable finance ecosystem and demonstrate Hong Kong's net zero ambition.

Hong Kong keeps working to establish itself as a premier center for sustainable finance and intends to achieve world-class regulation by embracing global standards such as the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. The circumstances set to facilitate our continuing ESG business services.

The government prioritizes at aiding unlisted corporations and small and medium-sized organizations (SMEs) with sustainability planning and reporting, as well as expanding their use of existing data sources and technologies. It is beneficial to our Company's business growth.

The government aims to establish Hong Kong as an international carbon market to link possibilities across the Mainland, Asia, and the rest of the world. The Group best utilizes the government's endeavor to acquire ESG business in the carbon market, not only in Hong Kong but also in the Mainland and the ASEAN region.

On the green building field, the Building Authority has released the revised Practice Note about building design to foster a quality and sustainable built environment, ensuring sustainable construction remains at the top of the agenda. As public awareness about the quality and sustainability of the built environment grows, it encompasses concerns such as building bulk and height, air ventilation, greening, and energy efficiency.

Hong Kong strives to improve the quality and sustainability of its built environment. The conformity with which the Building Authority (BA) will be concerned and the development plans must obtain a certain rating under the BEAM Plus to be eligible for GFA concession. The demand for the Group's green building and building sustainability services remains robust.

We are committed to provide high-quality, one-stop sustainability and environmental consulting services. Given that many countries' top leaders have pledged to boost their climate resilience, the current market situation delivers higher demand. As an effort of the emerging nation's commitment to a sustainable future, new business models are devised and implemented by institutions and corporations to meet new regulatory requirements. The Group will actively seek business expansion opportunities to expand our sustainability consulting services and satisfy expanding market demand, utilizing our extensive knowledge and skills in green building, environmental design, and sustainability programs.

# Management Discussion and Analysis

## Financial Review

### Revenue

The total revenue of the Group increased from approximately HK\$22.6 million for the six months ended 30 September 2022 to approximately HK\$25.2 million for the six months ended 30 September 2023, representing an increase of 11.5%. As at 30 September 2023, the Group had 529 projects on hand, the aggregate contract sum of which amounted to approximately HK\$233.7 million.

The revenue of green building certification consultancy increased significantly by 17.7% from approximately HK\$13.7 million for the six months ended 30 September 2022 to approximately HK\$16.1 million for the six months ended 30 September 2023, which was resulted from an increment of new contracts awarded to the Group and substantial progress in the contracted service work of our ongoing projects attained in this segment.

The revenue of sustainability and environmental consultancy increased by 11.4% from approximately HK\$4.4 million for the six months ended 30 September 2022 to approximately HK\$4.9 million for the six months ended 30 September 2023, which was mainly due to increase in new contracts awarded to the Group.

The revenue of acoustics, noise and vibration control and audio-visual design consultancy increased by approximately 3.0% from approximately HK\$2.0 million for the six months ended 30 September 2022 to approximately HK\$2.1 million for the six months ended 30 September 2023, which was mainly resulted from increase in new contracts awarded to the Group.

The revenue of ESG reporting and consultancy decreased by 15.6% from approximately HK\$2.5 million for the six months ended 30 September 2022 to approximately HK\$2.1 million for the six months ended 30 September 2023, which was due to the keen market competition in this segment.



## Management Discussion and Analysis

### Financial Review (Continued)

#### Revenue (Continued)

	Unaudited					
	Six months ended 30 September					
	2023		2022		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Green building certification consultancy	16,138	64.0	13,715	60.7	2,423	17.7
Sustainability and environmental consultancy	4,927	19.5	4,424	19.6	503	11.4
Acoustics, noise and vibration control and audio-visual design consultancy	2,059	8.2	1,999	8.8	60	3.0
ESG reporting and consultancy	2,080	8.3	2,465	10.9	(385)	(15.6)
Total	25,204	100.0	22,603	100.0	2,601	11.5

#### Cost of Services Provided and Gross Profit

The majority of the Group's cost of services provided comprised subcontracting cost and direct labour cost. The Group's cost of services provided were at similar level of approximately HK\$14.2 million for the six months ended 30 September 2022 and 2023, which was mainly driven by the net effect of the increase in direct labour cost and the decrease in the Group's expenses on utilisation of subcontracting services of ecology, environmental impact monitoring and laboratory testing works for the six months ended 30 September 2023.

The Group's gross profit increased by approximately 31.5% from approximately HK\$8.4 million for the six months ended 30 September 2022 to approximately HK\$11.0 million for the six months ended 30 September 2023, which was primarily due to increase in gross profit margin and decrease in the subcontracting cost for carrying out projects for the six months ended 30 September 2023.

#### Administrative Expenses

The Group's administrative expenses increased by approximately 11.6% from approximately HK\$9.9 million for the six months ended 30 September 2022 to approximately HK\$11.1 million for the six months ended 30 September 2023 mainly because there is an increase in administrative staff cost to reward their contribution and retain talents, and there is also an increase in equity-settled share-based payment expenses.

## Management Discussion and Analysis

### Financial Review (Continued)

#### Profit/(Loss) Attributable to the Owners of the Company

The profit attributable to the owners of the Company was approximately HK\$48,000 for the six months ended 30 September 2023 as compared to the loss of approximately HK\$985,000 for the corresponding period in 2022, mainly attributed to the increase in gross profit margin for the six months ended 30 September 2023, partially offset by (i) absence of government subsidies from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme during the six months ended 30 September 2023; and (ii) the increase in administrative expenses for the six months ended 30 September 2023.

#### Net Cash (Used in)/Generated from Operating Activities

The Group's net cash used in operating activities for the six months ended 30 September 2023 was approximately HK\$2.3 million, whereas there was net cash generated from operating activities of approximately HK\$0.3 million for the six months ended 30 September 2022. It was mainly due to increase in trade receivables and prepayment, deposit and other receivables and decrease in other payable and accrual for the six months ended 30 September 2023.

#### Liquidity, Financial Resources and Capital Structure

Historically, the Group has met the liquidity and capital requirements primarily through operating cash flows and capital contribution from its shareholders.

The Group requires cash primarily for its working capital needs. As at 30 September 2023, the Group had approximately HK\$7.9 million in cash and bank balances (as at 31 March 2023: approximately HK\$12.9 million), representing a decrease of approximately HK\$5.0 million as compared to those as at 31 March 2023.

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's bank borrowings (including short-term bank loan) as appropriate. The bank borrowings are secured, repayable on demand and denominated in Hong Kong dollars, and bear interest at a floating rate.

As at 30 September 2023, the Group had banking facilities in an aggregate amount of approximately HK\$21.0 million, of which approximately HK\$8.4 million was utilised.

#### Interim Dividend

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2023 (30 September 2022: Nil).

## Management Discussion and Analysis

### Financial Review (Continued)

#### Employees and Remuneration Policies

As at 30 September 2023, the Group had a total of 83 employees (31 March 2023: 78). The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the role and function, performance, qualification and experience of individual employee. The Group recognizes the importance of a good relationship with its employees. The remuneration payable to its employees includes salaries and allowances.

#### Use of Proceeds ("UOP") from the Listing

As at 30 September 2023, the net proceeds ("Net Proceeds") from the initial public offering of the Company (the use of which has been changed on 9 August 2018, 25 March 2019, 20 December 2019 and 16 March 2022, as detailed in the annual report 2022/23 of the Company) have been applied and utilised as follows:

Proposed use of net proceeds as at 31 March 2021	Unused net proceeds as at 31 March 2021	Unused net proceeds up to 16 March 2022	Revised use of net proceeds on 16 March 2022 (Note 1)	Revised allocation of unused net proceeds upon change on use of net proceeds on 16 March 2022	Actual use of net proceeds up to 30 September 2023	Unused net proceeds up to 30 September 2023
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000
Expand into the PRC market through acquisition or establishment of subsidiaries	7,800	7,800	Expand an existing PRC subsidiary for PRC expansion together with local partners	3,300	3,300 (Note 2)	-
			Invest in diversified portfolio of investments products proposed by responsible investment committee	2,800	1,770 (Note 3)	1,030 (Note 5)
Provide funding for the Group's working capital and other general corporate purposes	-	-	Provide funding for the Group's working capital and other general corporate purposes	1,700	1,700 (Note 4)	-
<b>Total</b>	<b>7,800</b>	<b>7,800</b>		<b>7,800</b>	<b>6,770</b>	<b>1,030</b>

# Management Discussion and Analysis

## Financial Review (Continued)

### Use of Proceeds (“UOP”) from the Listing (Continued)

Notes:

1. The Board has resolved to change the allocation of the use of net proceeds on 16 March 2022. For details, please refer to the announcement of the Company dated 16 March 2022.
2. The net proceeds had been injected into a subsidiary of the Company incorporated in the PRC for its establishment, operation and business development.
3. The net proceeds was used for the subscription of the convertible notes issued by Intensel Limited and partial settlement of consideration of HK\$0.2 million for 5% equity interest in SMAC Computing Company Limited.
4. The net proceeds had been used as payment of staff costs and other operation overheads of the Group.
5. The remaining net proceeds of approximately HK\$1.03 million would be used for settlement of consideration of HK\$0.99 million for approximately 5% equity interest in SMAC Computing Company Limited and related expenses. It is expected to be utilized on or before 31 December 2023.

### Gearing Ratio

The gearing ratio of the Group, calculated as total borrowings divided by total share capital and reserves, was approximately 12.0% as at 30 September 2023 (31 March 2023: 12.3%).

### Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars. Nevertheless, the Directors will closely monitor the Group’s foreign currency position and consider natural hedge measures to manage its foreign currency exposures by non-financial methods, managing the transaction currency, leading and lagging payments, receivables management, etc. The Group did not engage in any derivatives agreement and did not have any financial instruments to hedge against its foreign exchange exposure for the six months ended 30 September 2023.

# Management Discussion and Analysis

## Financial Review (Continued)

### Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### Significant Investments and Future Plans for Material Investments and Capital Assets

Saved as disclosed in this report, as at 30 September 2023, the Group did not hold any significant investments in equity interest in any other companies nor have any definite future plans for material investments and capital assets.

### Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

During the six months ended 30 September 2023, there was no material acquisitions nor disposals of subsidiaries, associates or joint ventures.

### Corporate Guarantee and Pledge of Assets

As at 30 September 2023, the Group's bank borrowings were guaranteed or secured by the followings:

- (i) corporate guarantees provided by the Company and one of its wholly-owned subsidiaries; and
- (ii) personal guarantees provided by two Executive Directors (31 March 2023: personal guarantees provided by two Executive Directors).

## Management Discussion and Analysis

### Contingent Liabilities

The Group had no significant contingent liabilities as at 30 September 2023 (31 March 2023: Nil).

### Other Commitments

On 16 February 2021, the Group entered into a shareholders' agreement with Share News Media Limited in respect of China Enterprise Green Financial PR Limited (formerly known as New Economy Communications Limited). Pursuant to the agreement, the parties have agreed to inject initial capital amounting to HK\$1,000,000. As at 30 September 2023, the outstanding capital commitment of the Group amounted to approximately HK\$500,000 (31 March 2023: approximately HK\$500,000).

On 18 February 2021, the Group entered into a shareholders' agreement with Luk Advisor Limited and Mr. Cho Shiu Ming in respect of Marine Sustainature Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounting to HK\$1,000,000. As at 30 September 2023, the outstanding capital commitment of the Group amounted to approximately HK\$505,000 (31 March 2023: approximately HK\$505,000).

On 22 February 2021, the Group entered into a shareholders' agreement with Bamboo International (Group) Co., Ltd. in respect of Bamboo Technology Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounting to HK\$1,500,000. As at 30 September 2023, the outstanding capital commitment of the Group amounted to HK\$445,000 (31 March 2023: approximately HK\$445,000).

The Company expects all capitals to be injected by the Group to the above companies will be funded by the internal resources of the Group.

On 3 January 2023, the Group entered into an investment agreement with SMAC Computing Company Limited. Pursuant to the agreement, the Group has committed to acquire approximately 5% equity interest in SMAC Computing Company Limited at a total consideration of HK\$1,190,000. The Group has paid HK\$200,000 as deposit of the share subscription during the period. As at 30 September 2023, the outstanding capital commitment of the Group amounted to approximately HK\$990,000 (31 March 2023: HK\$1,190,000).

## Management Discussion and Analysis

### Financial Risk Management

Risk management is carried out by the Company's risk management committee pursuant to the policies approved by the Board. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides guidance for the overall risk management and specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### Principal Risks and Uncertainties

The Group's financial condition, operation and business prospect may be affected by various principal risks and uncertainties directly or indirectly. These risks and uncertainties are set out in the section headed "Principal Risks and Uncertainties" under the section headed "Management Discussion and Analysis" of the annual report 2022/23 of the Company.

# Corporate Governance and Other Information

## Equity-linked Agreements

Details of the equity-linked agreements entered into during the six months ended 30 September 2023 or subsisting as at 30 September 2023 are set out below:

### Share Option Scheme

The Company has adopted a share option scheme (the “Share Option Scheme”) by the resolutions in writing of the Shareholders on 23 September 2016 and is subject to Chapter 23 of the GEM Listing Rules. No options has lapsed or has been granted, exercised or cancelled under the Share Option Scheme during the six months ended 30 September 2023. As at 30 September 2023, there was no outstanding option under the Share Option Scheme.

### Share Award Scheme

On 8 February 2017 (the “Adoption Date”), the Company approved the adoption of the Share Award Scheme to complement its human resources policy for enhancing staff welfares to retain the loyalty of the talents and in order that their productivity and potentials can be elevated.

In April 2018, the Administration Committee has resolved to grant 12,100,000 restricted shares (“the Grant Shares”) to a selected participant. The vesting of the Grant Shares is subject to the selected participant remaining at all times after the grant date and on the vesting date a participant of the Company or any of its subsidiaries.

On 24 December 2020, the Board resolved to top up the maximum number of shares under the Share Award Scheme to 37,200,000 shares (with par value of HK\$0.01 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI-Prudential Trustee Limited (“BOCI Trustee”), the trustee under the Share Award Scheme, entered into a supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 5 January 2021.



## Corporate Governance and Other Information

### Equity-linked Agreements (Continued)

#### Share Award Scheme (Continued)

On 22 March 2022, the Board resolved to further top up the maximum number of shares under the Share Award Scheme from 37,200,000 shares (with par value of HK\$0.01 each) to 60,000,000 shares (with par value of HK\$0.02 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI Trustee entered into a second supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 12 April 2022. For details, please refer to the announcement of the Company dated 12 April 2022.

On 19 April 2022 and 22 April 2022, 6,000,000 and 2,000,000 issued shares had been purchased by BOCI Trustee respectively, acting as the trustee, on the Stock Exchange to hold on trust for any participant selected by the Remuneration Committee and the Board pursuant to the terms and conditions of the Share Award Scheme. For details, please refer to the announcements of the Company dated 19 April 2022 and 22 April 2022.

As at 30 September 2023, 12,863,333 issued shares were held by the trustee.

### Impact of the COVID-19 Pandemic

The Group and its overseas subsidiaries have fully resumed work and normal operations in 2023. The Directors anticipate the impact of COVID-19 on the Group's operation and financial performance is immaterial as of the date of this report.

## Corporate Governance and Other Information

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 September 2023, the interests and short positions of Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (《證券及期貨條例》) (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

#### Interests in the Company

Name of Directors	Capacity	Number of shares	Approximate percentage of shareholding
Ms. Kwok May Han Grace ("Ms. Kwok") (Note)	Beneficial owner, interest of a controlled corporation and interest of spouse	373,100,800 (long position)	53.19%
Mr. Wu Dennis Pak Kit ("Mr. Wu") (Note)	Beneficial owner and interest of spouse	373,100,800 (long position)	53.19%

Note: Among these 373,100,800 Shares, (i) 360,850,800 Shares are held by Gold Investments Limited ("Gold Investments"), a company incorporated in the BVI, the issued share capital of which is owned as to 70% by Ms. Kwok, an Executive Director and the chairman of the Board and 30% by Mr. Wu, an Executive Director, the Chief Executive Officer and the husband of Ms. Kwok; (ii) 6,425,000 Shares are held by Ms. Kwok as beneficial owner and (iii) 5,825,000 Shares are held by Mr. Wu as beneficial owner. Accordingly, Ms. Kwok is deemed to be interested in those Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in those Shares held by Ms. Kwok under the SFO.

## Corporate Governance and Other Information

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

#### Interests in the Associated Corporation

Name of associated corporation	Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding
Gold Investments	Ms. Kwok (Note)	Beneficial owner	70 shares of HK\$1.00 each (long position)	70%
		Interest of spouse	30 shares of HK\$1.00 each (long position)	30%
	Mr. Wu (Note)	Beneficial owner	30 shares of HK\$1.00 each (long position)	30%
		Interest of spouse	70 shares of HK\$1.00 each (long position)	70%

Note: Gold Investments is a company incorporated in the BVI and the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu. Accordingly, Ms. Kwok is deemed to be interested in the shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in the shares held by Ms. Kwok under the SFO.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standard of dealings by Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

## Corporate Governance and Other Information

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As far as the Directors are aware, as at 30 September 2023, the following persons (other than a Director or chief executive of the Company) have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding
Gold Investments (Note 1)	Beneficial owner	360,850,800 (long position)	51.44%
Ms. Choy Wei Ling	Beneficial owner	54,965,800 (long position)	7.84%
City Beat Limited ("City Beat") (Note 2)	Beneficial owner	42,776,200 (long position)	6.10%

Notes:

1. Gold Investments is a company incorporated in the BVI and the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu, both being the directors of Gold Investments.
2. City Beat is a company incorporated in the BVI and is wholly-owned by Ocean Equity Partners Fund II L.P. which is an exempted limited partnership registered in the Cayman Islands. The general partner of Ocean Equity Partners Fund II L.P. is Ocean Equity Partners Fund II GP Limited. Accordingly, each of Ocean Equity Partners Fund II L.P. and Ocean Equity Partners Fund II GP Limited is deemed to be interested in the Shares held by City Beat.

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who have interests or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Corporate Governance and Other Information

### Rights to Acquire Shares or Debentures

Other than the Share Option Scheme, Share Award Scheme and as disclosed under the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, at no time during the six months ended 30 September 2023 and up to the date of this report, has the Company or any of its subsidiaries, or any of its fellow subsidiaries, been a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

### Non-competition Undertaking by Controlling Shareholders

Each of the controlling shareholders (as defined under the GEM Listing Rules) of the Company i.e. Gold Investments, Ms. Kwok and Mr. Wu (the “Controlling Shareholders”) entered into a deed of non-competition dated 23 September 2016 (the “Deed of Non-Competition”) in favour of the Company, pursuant to which, inter alia, at any time the Controlling Shareholders are interested, directly or indirectly, in 30% or more of the Shares, they will not, and will procure their associates (other than members of the Group) (1) not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business (as defined below), or acquire or hold shares or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any companies or business that compete directly or indirectly with the Restricted Business (as defined below); and (2) not to engage, invest, participate or be interested (economically or otherwise) in any business involving the provision of consultancy services in respect of (i) green building certification consultancy; (ii) sustainability consultancy and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy (the “Restricted Business”), except where the Controlling Shareholders 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. For further details, please refer to the prospectus of the Company dated 30 September 2016.

During the six months ended 30 September 2023, none of the Controlling Shareholders or their respective associates had any business or interest in a business which competes or may compete with the business of the Group and any other conflict of interest with the Group.

The Controlling Shareholders have confirmed to the Company that during the six months ended 30 September 2023, they and their respective associates have complied with the undertakings contained in the Deed of Non-Competition.

## Corporate Governance and Other Information

### Directors' Interest in Competing Business

During the six months ended 30 September 2023, none of the Directors had any interest in a business which competed or was likely to compete, directly or indirectly, with the Group's business.

### Corporate Governance Code

The Company is committed to maintaining good corporate governance standard and procedures. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules.

During the six months ended 30 September 2023, the Company has complied with all the code provisions of the CG Code.

### Compliance with Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "Securities Code") on terms no less exacting than the Required Standard of Dealings. Following the specific enquiries made by the Company on the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and the Securities Code during the six months ended 30 September 2023.

### Purchase, Sale or Redemption of the Company's Listed Securities

None of the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023 and thereafter up to the date of this report.

### Disclosures under Rules 17.22 to 17.24 of the GEM Listing Rules

As at 30 September 2023, there is no circumstance which would give rise to a disclosure obligation on the part of the Group under Rules 17.22 to 17.24 of the GEM Listing Rules.

### Changes in Information of Directors

Pursuant to Rule 17.50B of the GEM Listing Rules, the changes of information of the Directors subsequent to the date of the annual report of the Company for the year ended 31 March 2023 are set out below:

Professor Lam Kin Che, an independent non-executive Director, has been re-appointed as a member of the Advisory Committee on Countryside Conservation and the Chairman of the Vetting Subcommittee for two-year term from 1 July 2023 to 30 June 2025.

## Corporate Governance and Other Information

### Audit Committee

The Company established the Audit Committee on 23 September 2016 with written terms of reference in compliance with the GEM Listing Rules. As at the date of this report, the Audit Committee consists of three independent non-executive Directors (“INEDs”), namely Mr. Li Wing Sum Steven (who is the chairman of the committee), Professor Lam Kin Che and Ms. Wong Yee Lin Elaine. The primary duties of the Audit Committee are to, inter alia, assist the Board by providing an independent view of the effectiveness of the financial reporting process, making recommendation to the Board on the appointment and removal of external auditors and reviewing the financial information and disclosures, overseeing the audit process, developing and reviewing the Company’s financial and accounting policies and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing, internal control and financial reporting matters. The Audit Committee has also discussed and reviewed the unaudited Financial Information and this report.

### English Version Prevails

This report is written in both English and Chinese. If there is any inconsistency between the English version and the Chinese version of this report, the English version will prevail.

By order of the Board  
**Allied Sustainability and Environmental  
Consultants Group Limited**  
**Kwok May Han Grace**  
*Chairman and Executive Director*

Hong Kong, 9 November 2023

*As at the date of this report, the Executive Directors are Ms. Kwok May Han Grace (Chairman) and Mr. Wu Dennis Pak Kit (Chief Executive Officer); and the Independent Non-Executive Directors are Professor Lam Kin Che, Ms. Wong Yee Lin Elaine, Mr. Li Wing Sum Steven and Mr. Szeto Chi Hang Clive.*