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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)

2024/25 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Allied Sustainability and Environmental Consultants Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited interim results of the Group for the six months ended 30 September 2024. This announcement, containing the full text of the 2024/25 interim report of the Company (the “**2024/25 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany the preliminary announcement of interim results. Printed version of the 2024/25 Interim Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 28 November 2024

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.asecg.com.

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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 2024 amounted to approximately HK\$20.7 million while gross profit of the Group for the same period amounted to approximately HK\$7.6 million.

The net loss after tax of the Group for the six months ended 30 September 2024 amounted to approximately HK\$5.9 million, as compared with the net profit after tax of approximately HK\$33,000 for the six months ended 30 September 2023, mainly due to (i) the decrease in revenue and gross profit margin; (ii) the increase in staff cost for retaining talent; and (iii) the increase in expenses incurred for overseas expansion.

The board of Directors (the “Board”) has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

Interim Results

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 September 2024, 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 2024

	Note	Unaudited Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Revenue	5	20,713	25,204
Cost of services provided		(13,092)	(14,215)
Gross profit		7,621	10,989
Other income, gains and losses, net	6	1,133	657
Administrative expenses		(14,157)	(11,067)
Finance costs	7	(425)	(247)
Share of results of joint ventures		(2)	(6)
Net provision for impairment on trade receivables and contract assets		(114)	(183)
(Loss)/profit before income tax	8	(5,944)	143
Income tax expense	9	(1)	(110)
(Loss)/profit for the period		(5,945)	33
(Loss)/profit for the period attributable to:			
Owners of the Company		(5,937)	48
Non-controlling interests		(8)	(15)
		(5,945)	33

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

For the six months ended 30 September 2024

	Note	Unaudited Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		129	(269)
Other comprehensive income for the period, net of income tax		129	(269)
Total comprehensive income for the period		(5,816)	(236)
Total comprehensive income for the period attributable to:			
Owners of the Company		(5,808)	(221)
Non-controlling interests		(8)	(15)
		(5,816)	(236)
(Loss)/earnings per share attributable to owners of the Company			
– Basic (loss)/earnings per share (HK cents)	10	(0.85)	0.01
– Diluted (loss)/earnings per share (HK cents)	10	(0.85)	0.01

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2024

	Note	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Non-current assets			
Property, plant and equipment	12	1,096	988
Intangible assets		165	186
Right-of-use assets		3,544	4,615
Interest in associates		114	114
Interest in joint ventures		10	12
Financial assets at fair value through other comprehensive income		52	52
Deposits and prepayment		1,546	1,545
Deferred tax assets		766	767
		7,293	8,279
Current assets			
Contract assets		51,547	54,282
Trade receivables	13	12,109	12,850
Prepayments, deposits and other receivables		10,965	8,484
Cash and cash equivalents		9,850	14,225
		84,471	89,841
Current liabilities			
Trade payables	14	2,290	3,205
Other payables and accruals		1,561	2,386
Bank loans		19,231	16,512
Contract liabilities		450	705
Lease liabilities		3,250	3,231
Tax payable		162	162
		26,944	26,201
Net current assets		57,527	63,640
Total assets less current liabilities		64,820	71,919
Non-current liability			
Lease liabilities		398	1,495
Net assets		64,422	70,424
Equity			
Share capital	15	14,030	14,030
Reserves		50,381	56,375
Total equity attributable to owners of the Company		64,411	70,405
Non-controlling interests		11	19
Total equity		64,422	70,424

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company										
	Share capital	Other reserve*	Revaluation reserve*	Translation reserve*	Shares held under share award scheme*	Shares award reserve*	Treasury share*	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	HK\$'000
At 1 April 2023	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)	-	-	-	-	-
At 30 September 2023	14,030	68,490	(398)	(391)	(3,399)	496	-	(9,096)	69,732	47	69,779
At 1 April 2024	14,030	68,525	(448)	(363)	(3,159)	403	-	(8,583)	70,405	19	70,424
Loss for the period	-	-	-	-	-	-	-	(5,937)	(5,937)	(8)	(5,945)
Exchange differences arising on translation of foreign operations	-	-	-	129	-	-	-	-	129	-	129
Total comprehensive income for the period	-	-	-	129	-	-	-	(5,937)	(5,808)	(8)	(5,816)
Issuance of shares to share award grantee	-	(848)	-	-	848	-	-	-	-	-	-
Release of reserve upon issuance of all share award to grantee	-	(2,421)	-	-	2,311	110	-	-	-	-	-
Equity-settled share-based payments	-	-	-	-	-	311	-	-	311	-	311
Share repurchase	-	-	-	-	-	-	(497)	-	(497)	-	(497)
Ordinary shares to be issued upon vesting of share award	-	824	-	-	-	(824)	-	-	-	-	-
At 30 September 2024	14,030	66,080	(448)	(234)	-	-	(497)	(14,520)	64,411	11	64,422

* At 30 September 2024, these accounts comprise the unaudited condensed consolidated reserves of approximately HK\$50,381,000 (31 March 2024: HK\$56,375,000) in the unaudited condensed consolidated statement of financial position.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Note	Unaudited Six months ended 30 September	
		2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
(Loss)/profit before income tax		(5,944)	143
Adjustments for:			
Finance costs	7	425	247
Interest income	6	(18)	(66)
Depreciation of property, plant and equipment	8	289	210
Depreciation of right-of-use assets	8	1,957	1,819
Amortisation of intangible assets	8	21	70
Equity-settled share-based payment expenses		311	362
Provision for impairment of trade receivables and contract assets, net		114	183
Share of results of joint ventures		2	6
Operating cash flow before movements in working capital		(2,843)	2,974
Decrease/(increase) in contract assets		2,769	(1,319)
Decrease/(increase) in trade receivables		593	(1,202)
Increase in prepayments, deposits and other receivables		(2,482)	(1,144)
Decrease in trade payables		(915)	(163)
Decrease in other payables and accruals		(825)	(1,459)
Decrease in contract liabilities		(255)	(6)
Cash used in operations		(3,958)	(2,319)
Interest received		18	19
Net cash used in operating activities		(3,940)	(2,300)
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment		(325)	(235)
Payments for acquisition of right-of-use assets		–	(2)
Capital injection in a joint venture		–	(15)
Net cash used in from investing activities		(325)	(252)

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Unaudited Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Cash flows from financing activities		
Proceeds from new bank loans	8,600	–
Repayment of bank loans	(5,881)	(155)
Interest paid	(347)	(150)
Repayment of lease liabilities – Principal	(1,870)	(1,795)
Repayment of lease liabilities – Interest	(78)	(97)
Share repurchase	(497)	–
Net cash used in financing activities	(73)	(2,197)
Net decrease in cash and cash equivalents	(4,338)	(4,749)
Cash and cash equivalents at beginning of the period	14,225	12,940
Effect of foreign exchange rate changes	(37)	(275)
Cash and cash equivalents at end of the period	9,850	7,916
Analysis of balances of cash and cash equivalents		
Cash and bank balances	9,850	7,916

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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 2023/24 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 2024. 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 2024

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 applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024, for the preparation of the Group's interim condensed consolidated financial statements:

(a) Adoption of revised HKFRSs

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

The Group has not applied any amendment that is not yet effective for the current accounting period. The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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

(b) New standards and amendments to standards that have been issued but are not yet effective

The Company has not early applied the following new and amendments to HKFRSs that are not mandatory for reporting period beginning 1 April 2024:

Amendments to HKAS 21	Lack of Exchangeability ⁽¹⁾
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ⁽²⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for the Group for annual period beginning on 1 March 2025.

⁽²⁾ Effective for the Group for annual period beginning on 1 March 2026.

⁽³⁾ Effective for the Group for annual period beginning on 1 March 2027.

⁽⁴⁾ Effective date to be determined.

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 2024 included in the annual report 2023/24.

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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 2024

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 loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that share of results of joint ventures, 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, 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 2024

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									
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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	12,652	15,888	3,986	4,927	1,477	2,059	2,222	2,080	20,337	24,954
The PRC	159	250	19	–	–	–	29	–	207	250
Macau	169	–	–	–	–	–	–	–	169	–
	12,980	16,138	4,005	4,927	1,477	2,059	2,251	2,080	20,713	25,204
Segment results	5,280	8,396	1,853	2,414	(443)	123	817	56	7,507	10,989
Reconciliation										
Unallocated income									1,133	657
Unallocated expenses									(14,157)	(11,250)
Share of results of joint ventures									(2)	(6)
Finance costs									(425)	(247)
(Loss)/profit before income tax									(5,944)	143
Unallocated:										
– Depreciation and amortisation									2,267	2,099
– Capital expenditure										
– Additions to property, plant and equipment									325	235
– Additions to intangible asset and right-of-use assets									–	1,808

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024	30 September 2024	31 March 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	44,315	46,949	8,090	8,720	9,553	9,874	2,061	2,131	64,019	67,674
Reconciliation										
Unallocated assets									27,745	30,446
Total assets									91,764	98,120
Segment liabilities	954	1,123	1,143	2,333	595	388	47	66	2,739	3,910
Reconciliation										
Unallocated liabilities									24,603	23,786
Total liabilities									27,342	27,696

(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 2024 and 31 March 2024, except for non-current assets of approximately HK\$1.5 million located in Malaysia, all the Group's remaining 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 2024 and 2023.

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

6. Other Income, Gains and Losses, Net

	Unaudited Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Interest income	18	66
Government subsidies (Note (i))	1,037	485
Sundry income	78	106
	1,133	657

Note:

- (i) The government subsidies recognised for the period ended 30 September 2024 was mainly the dedicated fund on Branding, Upgrading and Domestic Sale under Free Trade Agreement and Investment Promotion and Protection Agreements Programme (2023: Graduates Subsidy Programme as promulgated by the Environmental Protection Department of the Government of the Hong Kong Special Administrative Region).

7. Finance Costs

	Unaudited Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Interest on bank loans	347	150
Interest on lease liabilities	78	97
	425	247

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

8. (Loss)/Profit before Income Tax

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

	Unaudited Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Amortisation of intangible assets	21	70
Depreciation of property, plant and equipment	289	210
Depreciation of right-of-use assets	1,957	1,819
Employee benefits expense: (including directors' emoluments)		
– Salaries, allowances, discretionary bonuses and benefits in kind	17,478	16,328
– Retirement benefit scheme contributions (defined contribution scheme)	665	618
Provision for impairment on trade receivables, net	148	174
(Reversal of)/provision for impairment on contract assets, net	(34)	9

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

9. Income Tax Expense

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 2023: Nil).

There is no tax effect relating to other comprehensive income for the period (six months ended 30 September 2023: 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 2023: 25%) on the estimated assessable profits arising in the PRC for the six months ended 30 September 2024.

	Unaudited Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Current – Hong Kong Profits Tax	–	110
Deferred tax	1	–
Income tax expense	1	110

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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

(a) Basic (loss)/earnings per share

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

	Unaudited Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
(Loss)/profit for the period attributable to owners of the Company used in calculating basic (loss)/earnings per share	(5,937)	48

	Unaudited Six months ended 30 September	
	2024	2023
	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Issued ordinary shares at the beginning of period	692,193,333	694,196,667
Net effect of shares issued/(purchased in the open market)	4,991,868	364,699
Weighted average number of ordinary shares for the purpose of the basic (loss)/earnings per share	697,185,201	694,561,366

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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

(b) Diluted (loss)/earnings per share

The calculation of the diluted (loss)/earnings per share attributable to owners of the Company is based on (loss)/profit 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 Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
(Loss)/profit for the period attributable to owners of the Company used in calculating diluted (loss)/earnings per share	(5,937)	48

	Unaudited Six months ended 30 September	
	2024	2023
	Number of shares	Number of shares
Weighted average number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of the basic (loss)/earnings per share	697,185,201	694,561,366
Adjustments for calculation of diluted (loss)/earnings per share – share award scheme	NA	5,504,715
Adjusted weighted average number of ordinary shares for the purpose of the diluted (loss)/earnings per share	697,185,201	700,066,081

As at 30 September 2023, 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.

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

11. Dividends

The Board has resolved not to declare the payment of an interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

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 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 2024

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 2024				
At 1 April 2024:				
Cost	3,003	1,769	256	5,028
Accumulated depreciation	(2,335)	(1,449)	(256)	(4,040)
Net carrying amount	668	320	–	988
At 1 April 2024, net of accumulated depreciation	668	320	–	988
Additions	64	–	261	325
Depreciation provided during the period	(193)	(63)	(33)	(289)
Exchange alignment	34	38	–	72
At 30 September 2024, net of accumulated depreciation	573	295	228	1,096
At 30 September 2024:				
Cost	3,119	1,823	517	5,459
Accumulated depreciation	(2,546)	(1,528)	(289)	(4,363)
Net carrying amount	573	295	228	1,096

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

13. Trade Receivables

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Trade receivables	13,906	14,499
Less: Allowance for credit losses	(1,797)	(1,649)
	12,109	12,850

Trade receivables represent receivables for contract works. Trade receivables are due within 0 to 30 days (31 March 2024: 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, net of allowance for credit losses, based on invoice date is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Within 1 month	3,733	5,943
Over 1 month but less than 3 months	4,137	3,119
Over 3 months but less than 12 months	3,356	3,227
Over 12 months	883	561
	12,109	12,850

The ageing analysis of the trade receivables, net of allowance for credit losses, based on due date is as follows:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Current	2,265	1,861
Less than 1 month past due	3,296	4,847
1 to 3 months past due	2,456	2,534
4 to 6 months past due	1,916	1,893
Over 6 months past due	2,176	1,715
	12,109	12,850

Notes to Unaudited Condensed Consolidated Financial Information

For the six months ended 30 September 2024

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:

	Unaudited 30 September 2024 HK\$'000	Audited 31 March 2024 HK\$'000
Within 1 month	1,553	2,393
Over 1 month but within 6 months	390	246
Over 6 months	347	566
	2,290	3,205

The average credit period of trade payables is 30 days (31 March 2024: 30 days).

15. Share Capital

	Number of ordinary shares '000	Nominal value HK\$'000
Authorised: At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	2,500,000	50,000
Issued and fully paid: At 1 April 2023, 31 March 2024, 1 April 2024 and 30 September 2024	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 2024 were approved and authorised for issue by the Board on 28 November 2024.

Management Discussion and Analysis

Industry Review

Since the adoption of the Paris Agreement in 2015, nearly 200 countries have committed to working together to limit the global temperature increase to below 1.5°C. At COP28, nations reached the UAE Consensus, which calls for countries to submit new nationally determined contributions (NDCs) and develop ambitious climate policies by 2025. The agreement also sets critical targets, such as tripling global renewable energy capacity by 2030 and doubling the average annual global energy efficiency improvement rate – from 2% to 4%. The UAE Consensus emphasizes the need for these actions to be carried out in a “just”, “orderly”, and “equitable” manner, ensuring a fair transition towards the 2050 net-zero emissions goal. According to the International Energy Agency (IEA), global investment in clean energy technologies and infrastructure is projected to reach US\$2 trillion by 2024 which represents twice the amount invested in fossil fuels. This trend underscores the steady growth of clean energy investment worldwide.

As the Asia-Pacific region plays a key role in addressing the challenges of global climate change, Hong Kong, as Asia’s green finance hub, is committed to channeling international investment into different sustainable development projects in Asia to support the region’s green transformation. In April 2024, Hong Kong Exchanges and Clearing Limited (HKEX) put forward the “Proposal to Enhance Climate-Related Disclosure Requirements under IFRS S2” for enhancing climate-related disclosure under the ESG framework, making HKEX one of the first exchanges in the world to introduce the requirements, which will be implemented in phases from 1 January 2025 onwards. In addition, the Chief Executive’s 2024 Policy Address has re-emphasized that the overall direction of Hong Kong’s environmental protection policy is to “focus on building a beautiful Hong Kong and accelerate the green transformation of our society as well as green and low-carbon development, with a view to fostering a harmonious coexistence of mankind and nature”.

Against this background, the Group is seizing new market opportunities arising from environmental, social and governance (ESG) consultancy services, green and healthy building certification, and green finance to promote green transformation and achieve long-term stability and sustainable development.

Business Review

The Company’s subsidiaries are specialized in providing (i) green building certification consultancy; (ii) sustainability and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; (iv) ESG reporting and consultancy. The four business segments respectively contributed approximately 62.7%, 19.3%, 7.1% and 10.9% to the Group’s overall revenue for the six months ended 30 September 2024. For the six months ended 30 September 2024, the Group derives the majority of its revenue from green building certification consultancy and sustainability and environmental consultancy.

Management Discussion and Analysis

Business Review (Continued)

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 2024, the Group had 307 (as at 31 March 2024: 320) engagements with clients which mainly comprised property developers, contractors, architects, designers and government departments.

As of 30 September 2024, the Group's Green and Wellness Building Team continued to excel, securing several prestigious green building certifications and design awards that are internationally recognized. Key achievements include: (i) **Hongkong Land** became the first developer to attain "Triple-Platinum" certifications (BEAM Plus, LEED, WELL) for existing buildings across its entire Hong Kong commercial portfolio; (ii) **ONE SOHO** received the *Merit Award* in the Hong Kong Residential (Single Building) category at the Quality Building Awards 2024; (iii) **St. George's Mansions** and **CLP Pulse** jointly won the *Grand Award* in the Hong Kong Residential (Multiple Buildings) category at the Quality Building Awards 2024; (iv) **Kwu Tung North Multi-welfare Services Complex** earned the *Merit Award* in the Hong Kong Non-Residential (New Building – Government, Institution or Community) category at the Quality Building Awards 2024.

These accolades affirm the Group's leadership in sustainable and wellness-focused building design.

Sustainability and Environmental Consultancy

This segment primarily focuses on providing sustainable design solutions to architects for urban regeneration, sustainable development, and integrated planning. Our solutions include, but are not limited to, environmental impact assessments, noise impact assessments, air quality impact assessments, air ventilation assessments, carbon/energy audits, and built environment studies. As at 30 September 2024, the Group had 123 projects on hand (as at 31 March 2024: 122), with clients primarily consisting of property developers, contractors, architects, designers, and government departments.

Management Discussion and Analysis

Business Review (Continued)

Sustainability and Environmental Consultancy (Continued)

As of 30 September 2024, the Group has provided environmental consultancy services for the light public housing projects proposed in the Chief Executive's 2022 Policy Address. These services include, but are not limited to, air ventilation assessments, noise impact assessments, air quality impact assessments, water quality assessments, waste management, environmental reviews, and drainage & sewerage impact assessments. All services align with the United Nations Sustainable Development Goals and the HKSAR Government's objectives to address the short-term public housing supply gap and improve living conditions and quality of life for those in inadequate housing as swiftly as possible. Notably, the **Ma On Shan Light Public Housing** project was completed on 1 August 2024, followed by the completion of the **Tuen Mun 54 Light Public Housing** on 6 September 2024.

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

This segment offers services to assist architects and engineers in testing and evaluating the environmental performance of various building materials and products. Our offerings include architectural and building acoustics, mechanical services, airborne noise control, sound reinforcement and public address systems, architectural lighting, façade lighting, as well as theatre planning and stage equipment. As at 30 September 2024, the Group had 91 projects on hand (as at 31 March 2024: 85), primarily from property developers, architects, and designers.

ESG Reporting and Consultancy

This segment provides consultancy services for ESG reporting required by the Stock Exchange, encouraging listed companies to identify and disclose significant environmental and social issues and key performance indicators (KPIs). The Group offers a comprehensive solution, from identifying material ESG aspects and formulating implementation plans to preparing ESG reports.

As a leader in sustainability and environmental consulting, the Group has partnered with the Chamber of Hong Kong Listed Companies (CHKLC) to develop the ESG Certified Professional (ESGCP) examination and training courses through our ESG Academy. This initiative helps ESG practitioners to understand HKEX rules and regulations and improves the quality of ESG professionals for companies listed on the Stock Exchange.

Our self-developed online ESG management platform, Sustainature, aligns with Bursa Malaysia Securities Berhad ("Bursa Malaysia"), utilizing innovative technologies such as AI and big data to address the growing disclosure requirements of companies listed on Bursa Malaysia, expanding our reach in the Asia-Pacific region.

Management Discussion and Analysis

Business Review (Continued)

ESG Reporting and Consultancy (Continued)

To deepen cross-border cooperation for sustainable development, the Group has entered into non-legally binding cooperation agreements with a number of business entities from the UAE, Malaysia, Vietnam, Indonesia, Singapore, Korea and Hong Kong. These agreements aim to enhance awareness on ESG issues, foster professionalism through knowledge sharing, and collaborate on low-carbon buildings, green technology, climate resilience, green energy, and carbon neutrality, focusing on the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative. As at 30 September 2024, the Group had 65 projects on hand across various industries (as at 31 March 2024: 54).

Prospects

The COP29 took place in Baku, Azerbaijan, in November 2024, with “financing” as a key topic due to rising global financial losses resulting from climate change and extreme weather. Hong Kong is positioned as an “international green technology and financial center” and a “super-connector” of the Belt and Road Initiative, benefiting from its connection to the Greater Bay Area and overseas markets. With a diverse financial services system, Hong Kong attracts green capital, green products and professionals, creating significant market opportunities. The establishment of the Glasgow Financial Alliance for Net Zero Hong Kong Chapter will further promote climate finance in the region, supporting the transition to a low-carbon economy.

Additionally, the Hong Kong Green Building Council (HKGBC) launched the “HKGBC Climate Change Framework For Built Environment” in June 2023 to help the building industry to set net zero carbon goals, report ESG achievements, and justify green finance requirements. The new “Zero-Carbon-Ready Building Certification Scheme” benchmarks energy performance and sets carbon neutrality targets, are likely to increase demand for the Group’s green building certification and sustainability consultancy services.

As the first sustainability and environmental consultancy firm listed on the Stock Exchange, the Group is dedicated to delivering environmental solutions across Hong Kong, Mainland China and the Asia-Pacific region. As the Group enters into its 30th anniversary, it has set an ambitious sustainable development goal: “Our Green Vision to Global Mission.” The Group aims to promote sustainable initiatives, raise public awareness of environmental issues and collaborate across sectors to advance low-carbon buildings. Moving forward, driven by policy and the low-carbon economy, the Group will continue to strengthen its core business, enhance innovation in green technology, expand its presence in Asia and the Middle East, and foster cooperation in sustainable finance, climate risk management, green building, and ESG to maintain its industry leadership.

Management Discussion and Analysis

Prospects (Continued)

Recently, the Hong Kong Institute of Qualified Environmental Professionals Ordinance (Cap. 1183 of the Laws of Hong Kong) (the "QEP Ordinance") has been passed by the Legislative Council. The ordinance was subsequently gazetted to become effective on 8 November 2024. The legal status conferred by the QEP Ordinance has raised the professional recognition of the environmental practitioners and the Group, as a leading environmental consulting firm with qualified professionals, could differentiate ourselves in the competitive market with enhanced credibility and professional standards. It is expected that, for certain environmental consultancy matters, including but not limited to, environmental impact assessments, will be required to be conducted and endorsed by qualified environmental professionals in the near future. The Group's related business will be benefited from the implementation of the QEP Ordinance.

Financial Review

Revenue

The total revenue of the Group decreased from approximately HK\$25.2 million for the six months ended 30 September 2023 to approximately HK\$20.7 million for the six months ended 30 September 2024, representing a decrease of 17.8%. As at 30 September 2024, the Group had 586 projects on hand, the aggregate contract sum of which amounted to approximately HK\$246.3 million.

The revenue of green building certification consultancy decreased by 19.6% from approximately HK\$16.1 million for the six months ended 30 September 2023 to approximately HK\$13.0 million for the six months ended 30 September 2024, which was resulted from slowdown in the progress in the contracted service work of our ongoing projects attained in this segment.

The revenue of sustainability and environmental consultancy decreased by 18.7% from approximately HK\$4.9 million for the six months ended 30 September 2023 to approximately HK\$4.0 million for the six months ended 30 September 2024, which was mainly due to slowdown in the progress in the contracted service work of our ongoing project attained in this segment.

The revenue of acoustics, noise and vibration control and audio-visual design consultancy decreased by approximately 28.3% from approximately HK\$2.1 million for the six months ended 30 September 2023 to approximately HK\$1.5 million for the six months ended 30 September 2024, which was mainly due to slowdown in the progress in the contracted service work of our ongoing project attained in this segment.

Management Discussion and Analysis

Financial Review (Continued)

Revenue (Continued)

The revenue of ESG reporting and consultancy increased by 8.2% from approximately HK\$2.1 million for the six months ended 30 September 2023 to approximately HK\$2.3 million for the six months ended 30 September 2024, which was due to the increase in new projects awarded to the Group.

	2024		2023		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Green building certification consultancy	12,980	62.7	16,138	64.0	(3,158)	(19.6)
Sustainability and environmental consultancy	4,005	19.3	4,927	19.5	(922)	(18.7)
Acoustics, noise and vibration control and audio-visual design consultancy	1,477	7.1	2,059	8.2	(582)	(28.3)
ESG reporting and consultancy	2,251	10.9	2,080	8.3	171	8.2
Total	20,713	100.0	25,204	100.0	(4,491)	(17.8)

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 decreased by approximately 7.9% from approximately HK\$14.2 million for the six months ended 30 September 2023 to approximately HK\$13.1 million for the six months ended 30 September 2024.

The Group's gross profit decreased by approximately 30.6% from approximately HK\$11.0 million for the six months ended 30 September 2023 to approximately HK\$7.6 million for the six months ended 30 September 2024, which was primarily due to decrease in revenue and decrease in gross profit margin for the six months ended 30 September 2024.

Administrative Expenses

The Group's administrative expenses increased by approximately 27.9% from approximately HK\$11.1 million for the six months ended 30 September 2023 to approximately HK\$14.2 million for the six months ended 30 September 2024, mainly because there is an increase in costs incurred for overseas expansion and increase in administrative staff cost to reward their contribution and retain talents.

Management Discussion and Analysis

Financial Review (Continued)

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

The loss attributable to the owners of the Company was approximately HK\$5.9 million for the six months ended 30 September 2024 as compared to the profit of approximately HK\$48,000 for the corresponding period in 2023, mainly attributed to the decrease in revenue and gross profit margin for the six months ended 30 September 2024, the increase in staff costs for retaining talents for the six months ended 30 September 2024 and increase in costs incurred for overseas expansion.

Net Cash Used in Operating Activities

The Group's net cash used in operating activities for the six months ended 30 September 2024 was approximately HK\$3.9 million, as compared to the net cash used in operating activities of approximately HK\$2.3 million for the six months ended 30 September 2023. It was mainly due to increase in prepayments, deposits and other receivables and decrease in trade payables, other payables and accruals for the six months ended 30 September 2024.

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 2024, the Group had approximately HK\$9.9 million in cash and bank balances (as at 31 March 2024: approximately HK\$14.2 million), representing a decrease of approximately HK\$4.3 million as compared to those as at 31 March 2024.

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 2024, the Group had banking facilities in an aggregate amount of approximately HK\$21.0 million, of which approximately HK\$19.2 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 2024 (30 September 2023: Nil).

Management Discussion and Analysis

Financial Review (Continued)

Employees and Remuneration Policies

The Group recognizes the importance of good relationships with its employees. As at 30 September 2024, the Group had a total of 87 employees (31 March 2024: 86). 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 remuneration payable to its employees includes salaries and other allowances.

Use of Proceeds ("UOP") from the Listing

As at 30 September 2024, 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 2023/24 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 HK\$'000	Unused net proceeds up to 16 March 2022 HK\$'000	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 HK\$'000	Actual use of net proceeds up to 30 September 2024 HK\$'000	Unused net proceeds up to 30 September 2024 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 Invest in diversified portfolio of investments products proposed by responsible investment committee	3,300 2,800	3,300 1,770 (Note 2) (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)	-
Total	7,800	7,800		7,800	6,770	1,030

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 the deposit for the acquisition of approximately 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 the remaining consideration of HK\$0.99 million for the acquisition of approximately 5% equity interest in SMAC Computing Company Limited and related expenses. It is expected to be utilized on or before 31 December 2024.

Gearing Ratio

The gearing ratio of the Group, calculated as total borrowings divided by total share capital and reserves, was approximately 29.9% as at 30 September 2024 (31 March 2024: 23.4%).

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 enter into any derivatives agreement and did not have any financial instruments to hedge against its foreign exchange exposure for the six months ended 30 September 2024.

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 2024. 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 2024, 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 2024, there was no material acquisitions nor disposals of subsidiaries, associates or joint ventures.

Corporate Guarantee and Pledge of Assets

As at 30 September 2024 and 31 March 2024, 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.

Management Discussion and Analysis

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 September 2024 (31 March 2024: 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 2024, the outstanding capital commitment of the Group amounted to approximately HK\$500,000 (31 March 2024: 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 2024, the outstanding capital commitment of the Group amounted to approximately HK\$505,000 (31 March 2024: 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 2024, the outstanding capital commitment of the Group amounted to HK\$445,000 (31 March 2024: 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 acquisition of the said equity interest during the year ended 31 March 2024. As at 30 September 2024, the outstanding capital commitment of the Group amounted to approximately HK\$990,000 (31 March 2024: approximately HK\$990,000).

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 2023/24 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 2024 or subsisting as at 30 September 2024 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. No options had lapsed or had been granted, exercised or cancelled under the Share Option Scheme during the six months ended 30 September 2024. As at 30 September 2024, there was no outstanding option under the Share Option Scheme. As at 1 April 2024 and 30 September 2024, the number of options available for issue under the Share Option Scheme was 60,000,000 and 60,000,000 respectively.

The GEM Listing Rules on share schemes of listed issuers have been amended with effect from 1 January 2023 and the Share Option Scheme shall be subject to the amended GEM Listing Rules.

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.

The Board resolved to terminate the Restricted Share Award Scheme Trust with BOCI Trustee with effect from 28 June 2024. The remaining 9,316,667 shares have been vested in the relevant grantees in June 2024. As at 30 September 2024, no issued shares were held by the trustee.

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 2024, 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	384,370,800 (long position)	54.79%
Mr. Wu Dennis Pak Kit ("Mr. Wu") (Note)	Beneficial owner and interest of spouse	384,370,800 (long position)	54.79%

Note: Among these 384,370,800 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) 12,225,000 Shares are held by Ms. Kwok as beneficial owner; and (iii) 11,295,000 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 2024, 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 2024, 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 2024, 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 2024 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 2024, 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 2024, 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 2024, 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 C1 to the GEM Listing Rules.

During the six months ended 30 September 2024, 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 2024.

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

During the six months ended 30 September 2024, the Company repurchased a total of 4,320,000 Shares on the Stock Exchange at an aggregate consideration of HK\$497,000 pursuant to the general mandate to repurchase Shares granted to the Directors during the annual general meeting of the Company held on 9 August 2024.

Particulars of the Shares repurchased during the Reporting Period are as follows:

Trading Month	Aggregate number and Method of Shares repurchased	Price Per share		Aggregate Consideration Paid HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
September 2024	4,320,000 on the Stock Exchange	0.118	0.11	497,000

Corporate Governance and Other Information

Purchase, Sale or Redemption of the Company's Listed Securities (Continued)

As at 30 September 2024, the Company holds those 4,320,000 Shares repurchased as treasury shares.

Save for the above, during the six months ended 30 September 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

Disclosures under Rules 17.22 to 17.24 of the GEM Listing Rules

As at 30 September 2024, 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.

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.

Corporate Governance and Other Information

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, 28 November 2024

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.