ibotech 艾伯科技

IBO TECHNOLOGY COMPANY LIMITED
(In Liquidation)
艾伯科技股份有限公司
(清盤中)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2708)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

RESULTS HIGHLIGHTS

– Revenue for the year ended 31 March 2024 was approximately RMB199.02 million, representing a decrease of 78.1% as compared with approximately RMB907.27 million for the year ended 31 March 2023.

– Gross profit for the year ended 31 March 2024 was approximately RMB7.18 million, representing a decrease of 92.4% as compared with approximately RMB93.9 million for the year ended 31 March 2023. Gross profit margin for the year ended 31 March 2024 was 3.6%, representing a decrease of 6.7 percentage points as compared with 10.3% for the year ended 31 March 2023.

– Loss attributable to owners of the Company for the year ended 31 March 2024 was approximately RMB804.02 million, as compared to loss attributable to owners of the Company of approximately RMB243.56 million for the year ended 31 March 2023.

– Basic loss per Share for the year ended 31 March 2024 was approximately RMB114.90 cents, as compared to basic loss per Share of approximately RMB37.78 cents for the year ended 31 March 2023.

ANNUAL RESULTS

IBO Technology Company Limited (the "**Company**") and the joint and several liquidators of the Company (the "**Liquidators**") hereby announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2024 (the "**Year**"), together with the comparative figures for the year ended 31 March 2023 as below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	3	**199,016**	907,274
Cost of sales and services rendered		**(191,840)**	(813,371)
Gross profit		**7,176**	93,903
Other income		**866**	7,043
Other losses, net	4	**(7,211)**	(54,592)
Share of results of associates		**–**	(34)
Impairment losses under expected credit loss model, net of reversal		**(111,756)**	(150,998)
Gain on deconsolidation of subsidiaries	5(a)	**17,869**	–
Impairment of amounts due from deconsolidated subsidiaries	5(b)	**(667,119)**	–
Distribution and selling expenses		**(2,202)**	(6,890)
Administrative expenses		**(30,487)**	(59,311)
Research and development expenses		**(13,102)**	(39,646)
Equity-settled share-based payments		**(3,280)**	(54,912)
Finance costs		**(19,610)**	(19,748)
Loss before taxation		**(828,856)**	(285,185)
Income tax credit/(expense)	6	**10,242**	(8,095)
Loss and total comprehensive expense for the year	7	**(818,614)**	(293,280)
Loss and total comprehensive expense for the year attributable to			
– Owners of the Company		**(804,019)**	(243,564)
– Non-controlling interests		**(14,595)**	(49,716)
		(818,614)	(293,280)
Loss per share			
– Basic *(RMB cents)*	9	**(114.90)**	(37.78)
– Diluted *(RMB cents)*		**(114.90)**	(37.78)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**–**	6,754
Right-of-use assets		**–**	3,369
Investment properties		**–**	20,520
Goodwill	10	**–**	20,032
Intangible assets	11	**–**	31,524
Interests in associates		**–**	212,998
Rental deposits		**–**	272
		–	295,469
Current assets			
Inventories		**–**	44,731
Trade and other receivables	12	**–**	1,497,208
Amounts due from non-controlling interests		**–**	35
Financial assets at fair value through profit or loss		**–**	71,181
Pledged bank deposits		**–**	14,000
Bank balances and cash		**39**	206,719
		39	1,833,874
Current liabilities			
Trade and other payables	13	**73,152**	1,253,954
Lease liabilities		**–**	723
Amounts due to non-controlling interests		**–**	9,203
Bank and other borrowings		**32,281**	97,213
Bonds payables		**123,506**	95,134
Convertible bonds		**3,211**	–
Tax payables		**–**	53,859
		232,150	1,510,086
Net current (liabilities)/assets		**(232,111)**	323,788
Total assets less current liabilities		**(232,111)**	619,257

	Notes	**2024**	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Lease liabilities		**–**	2,614
Bank and other borrowings		**–**	20,108
Bonds payables		**–**	11,505
Deferred tax liabilities		**–**	17,794
		–	52,021
Net (liabilities)/assets		**(232,111)**	567,236
Capital and reserves			
Share capital	14	**5,991**	5,616
Reserves		**(238,102)**	508,241
Equity attributable to owners of the Company		**(232,111)**	513,857
Non-controlling interests		**–**	53,379
(Capital deficiency)/Total equity		**(232,111)**	567,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL INFORMATION

IBO Technology Company Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the Company's registered office and the principal place of business are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 35/F, One Pacific Place, 88 Queensway, Hong Kong respectively. The trading of shares of the Company has been suspended since 29 April 2024.

The Company is an investment holding company and the principal activities of its subsidiaries (collectively referred to as the "**Group**") are engaged in sale of Radio Frequency Identification ("**RFID**") equipment and electronic products (collectively the "**intelligent terminal products**"), provision of system maintenance services, development of customised software and provision of coordination, management and installation services of smart cities.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the same as the functional currency of the Company and its subsidiaries.

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The Group reported a net loss of approximately RMB818,614,000 for the year ended 31 March 2024 and as at 31 March 2024, the Group had net current liabilities and net liabilities of approximately RMB232,111,000.

The Group has defaulted in repayment of bond payables and other borrowings with outstanding amounts of approximately RMB103,511,000 and RMB17,085,000 respectively, which were included as part of current liabilities as at 31 March 2024. Furthermore, on 29 April 2024, the Company was ordered to be wound up by the High Court of Hong Kong (HCCW 324/2023).

On 4 December 2024, upon an application by the Provisional Liquidator, the high court of Hong Kong ordered the appointment of Messrs. Lai Kar Yan (Derek) and Chan Man Hoi (Ivan) as Joint and Several Liquidators of the Company (the "**Liquidators**") (see Note 15(i)). These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

The Company has taken the following measures to mitigate the liquidity pressure and to improve the financial position of the Group:

– Entered into a legally binding principal Term Sheet regarding the proposed restructuring of the Group (the "**Principal Term Sheet**") with the potential investor

– Implemented stringent cost control

The Company has received the principal restructuring terms from a potential investor regarding the proposed restructuring of the Group (the "**Proposed Restructuring**"), and the key restructuring terms include:

The total principal amount from the potential investor ("**Potential Investor A**") will be not less than HK$90 million, comprising HK$40 million in loan financing (the "**Loan**") and HK$50 million for subscription of the new shares (the "**Subscription Consideration**") of the Company (the "**Proposed Subscription**") to acquire equity interests in the Company as agreed by Potential Investor A.

Under the Proposed Restructuring, the Loan shall be utilised for settling the professional fees and expenses (the "**Professional Fees**") incurred or to be incurred by the Company in connection with the Proposed Restructuring and to supplement the business operation of its subsidiaries, etc. HK$20 million of the Subscription Consideration shall be utilised for settling existing creditors' claims in cash, while HK$30 million of the Subscription Consideration shall be utilized for supplementing the operating costs of the Group. In addition, subject to the specific circumstances, 5% of the enlarged share capital of the Company shall be utilised for settling existing creditors' claims.

If the Proposed Restructuring is successfully implemented and becomes effective, all the admitted claims against and liabilities of the Company will be compromised and discharged.

For details, please refer to the Company's announcement dated 29 July 2025 and 6 August 2025.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to re-classify non-current assets as current assets. The effects of these adjustments have not been reflected in the consolidated financial statements.

The Company has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis for accounting in preparing the consolidated financial statements.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

The Group has applied the new standard and the relevant amendments for the first time in the current year.

Except for the amendments to HKFRSs mentioned below, the Company anticipates that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

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

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

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

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies to the consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "**2020 Amendments**")[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "**2022 Amendments**")[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[4]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[4]
HKFRS 18	Presentation and Disclosure in Financial Statements[5]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.
4 Effective for annual periods beginning on or after 1 January 2026.
5 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS mentioned below, the Company anticipates that the application of the above amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosure". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

Types of goods or services

	2024 *RMB'000*	2023 *RMB'000*
Intelligent terminal products sales	**193,503**	842,607
Provision of coordination, management and installation services of smart cities	**–**	434
Software development	**625**	52,463
System maintenance services	**4,888**	11,770
Total revenue from contracts with customers	**199,016**	907,274

Timing of revenue recognition

	2024				
	Intelligent terminal products sales *RMB'000*	**Provision of coordination, management and installation services of smart cities** *RMB'000*	**Software development** *RMB'000*	**System maintenance services** *RMB'000*	**Total** *RMB'000*
A point in time	**193,503**	**–**	**–**	**–**	**193,503**
Over time	**–**	**–**	**625**	**4,888**	**5,513**
	193,503	**–**	**625**	**4,888**	**199,016**

	2023				
	Intelligent terminal products sales *RMB'000*	Provision of coordination, management and installation services of smart cities *RMB'000*	Software development *RMB'000*	System maintenance services *RMB'000*	Total *RMB'000*
A point in time	842,607	–	–	–	842,607
Over time	–	434	52,463	11,770	64,667
	842,607	434	52,463	11,770	907,274

Set out below is the reconciliation of the revenue from types of goods or services with the amounts disclosed in the segment information.

For the year ended 31 March 2024

	Types of goods or services				
	Intelligent terminal products sales *RMB'000*	**Provision of coordination, management and installation services of smart cities** *RMB'000*	**Software development** *RMB'000*	**System maintenance services** *RMB'000*	**Total** *RMB'000*
Operating segments					
Intelligent terminal products sales	**193,503**	**–**	**–**	**–**	**193,503**
Software development	**–**	**–**	**625**	**–**	**625**
System maintenance services	**–**	**–**	**–**	**4,888**	**4,888**
	193,503	**–**	**625**	**4,888**	**199,016**

For the year ended 31 March 2023

	Types of goods or services				
	Intelligent terminal products sales *RMB'000*	Provision of coordination, management and installation services of smart cities *RMB'000*	Software development *RMB'000*	System maintenance services *RMB'000*	Total *RMB'000*
Operating segments					
Intelligent terminal products sales	842,607	–	–	–	842,607
System integration	–	434	–	–	434
Software development	–	–	52,463	–	52,463
System maintenance services	–	–	–	11,770	11,770
	842,607	434	52,463	11,770	907,274

(ii) Performance obligations for contracts with customers

Intelligent terminal products sales (revenue recognised at a point in time)

The Group sells the intelligent terminal products, such as RFID equipment and electronic products, directly to its customers. The revenue from intelligent terminal products sales is recognised at a point of time when the products are accepted by the customer, at which point in time control is transferred to the customer. The normal credit term is 180 days upon acceptance by customers, subject to assurance type warranty. In general, the Group provides a standard 1 year warranty to its customers and no significant sale return was noted based on historical records for the current and previous financial years. Therefore the Group estimated there are no significant provision regarding warranty and sale return.

Provision of coordination, management and installation services (revenue recognised over time)

The Group provides total solutions services including procurement of materials, design, system development and integration process to its customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these services based on the stage of completion of the contract with reference to the proportion that the value of work carried out during the year. The normal credit term is 0–270 days upon rendering of bills. In general, the Group provides not more than 1 year assurance type warranty to its customers.

Software development (revenue recognised over time)

The Group develops customised software to its customers according to customer's specific needs and requirements. Therefore, it does not have an alternative use to the Group. As stipulated in the contracts, the Group has the rights to require its customer to pay the performance completed to date if the projects are suspended or cancelled. The revenue from software development is recognised over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. The normal credit term is within 270 days upon the completion of software development and the services and products are accepted by customers. In general, the Group provides not more than 1 year assurance type warranty to its customers.

System maintenance services (revenue recognised over time)

The Group provides on site system maintenance services. The scope for maintenance contract solely includes maintenance work for a fixed period. The revenue from provision of system maintenance services is recognised over time as the customer simultaneously receives and consumes the maintenance services as time elapsed within the service period as the Group performs. Accordingly, revenue is recognised on a straight-line basis during the service period. The customers should settle the trade receivable within 180 days upon the issue of value added tax invoice.

Segment revenue and results

The Group's operating segments are determined based on information reported to the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments currently are as follows:

(i) Intelligent terminal products sales segment – sales of intelligent terminal products;

(ii) System integration segment – provision of tailor-made system solutions applying internet of things ("**IoT**") technologies of smart cities by provision of coordination, management and installation services, sale of intelligent terminal products as well as development of customised software;

(iii) Software development segment – development of customised software; and

(iv) System maintenance services segment – provision of system maintenance services.

The CODM considers the Group has four operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 March 2024

	Intelligent terminal products sales *RMB'000*	System integration *RMB'000*	Software development *RMB'000*	System maintenance services *RMB'000*	Total *RMB'000*
REVENUE					
External sales	**193,503**	**–**	**625**	**4,888**	**199,016**
SEGMENT (LOSS)/PROFIT	**(71,567)**	**(16,610)**	**(18,478)**	**1,654**	**(105,001)**
Other income					**866**
Other unallocated gains/(expenses):					
– Gain on deconsolidation of subsidiaries					**17,869**
– Impairment of amounts due from deconsolidated subsidiaries					**(667,119)**
– Others					**421**
Distribution and selling expenses					**(2,202)**
Administrative expenses					**(30,487)**
Research and development expenses					**(13,102)**
Finance costs					**(19,610)**
Other losses, net					**(7,211)**
Equity-settled share-based payments					**(3,280)**
Loss before taxation					**(828,856)**

For the year ended 31 March 2023

	Intelligent terminal products sales *RMB'000*	System integration *RMB'000*	Software development *RMB'000*	System maintenance services *RMB'000*	Total *RMB'000*
REVENUE					
External sales	842,607	434	52,463	11,770	907,274
SEGMENT (LOSS)/PROFIT	(10,465)	(38,121)	(11,065)	4,884	(54,767)
Other income					7,043
Other unallocated gains:					(48,864)
– Others					46,536
Distribution and selling expenses					(6,890)
Administrative expenses					(59,311)
Research and development expenses					(39,646)
Finance costs					(19,748)
Other losses, net					(54,592)
Equity-settled share-based payments					(54,912)
Share of results of associates					(34)
Loss before taxation					(285,185)

Segment profit represents the operating profit before taxation earned by each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, finance costs, research and development expenses, equity-settled share-based payments and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. Therefore, only segment revenue and segment results are presented.

Segment assets and liabilities

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group on making decision for resources allocation and performance assessment.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-financial non-current assets (the "**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenue		**Specified non-current assets**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**199,016**	907,274	**–**	294,303
Hong Kong	**–**	–	**–**	894
	199,016	907,274	**–**	295,197

Information about major customers

Revenue from customers during the year individually contributing over 10% of the Group's revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A[1]	**53,235**	134,004
Customer B[1]	**39,049**	N/A[2]
Customer C[1]	**31,979**	233,263
Customer D[1]	**26,103**	N/A[2]
Customer E[1]	**N/A**[2]	124,345

1 Revenue from intelligent terminal products sales segment.

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. OTHER LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
Gain on disposal of property, plant and equipment	**–**	64
Written off of property, plant and equipment	**–**	(4)
Loss on change in fair value of investment properties	**–**	(480)
Gain/(loss) on change in fair value of financial assets at FVTPL	**2,232**	(8,602)
Net exchange loss	**(9,347)**	(5,668)
Recognition of deferred loss from initial recognition of convertible bonds	**–**	(287)
Gain on early termination of leases, net	**–**	358
Written off of amount due from an associate	**(75)**	(75)
Impairment loss on goodwill	**–**	(3,600)
Written off of intangible assets – software	**–**	(36,203)
Others	**(21)**	(95)
	(7,211)	(54,592)

5. GAIN ON DECONSOLIDATION OF SUBSIDIARIES/IMPAIRMENT OF AMOUNTS DUE FROM DECONSOLIDATED SUBSIDIARIES

The Company was unable to obtain access to the complete accounting books, records, and supporting documentation for certain subsidiaries, including IBO Information (Shenzhen) Limited, Action First Investments Limited and Upright Joy Limited and certain other subsidiaries (the "**Deconsolidated Subsidiaries**"), and hence the Company is of the opinion that the Company lost its ability to govern the financial and operating policies of the Deconsolidated Subsidiaries as at 1 October 2023 (the "**Deconsolidation Date**").

		2024 ***RMB'000***
(a)	The carrying amounts of the assets and liabilities of the Deconsolidated Subsidiaries as at 1 October 2023 are as follows:	
	Property, plant and equipment	**5,927**
	Right of use assets	**5,933**
	Investment properties	**20,520**
	Goodwill	**20,032**
	Intangible assets	**28,733**
	Investment in an associate	**212,997**
	Rental deposit	**247**
	Inventories	**26,807**
	Trade and other receivables	**1,289,855**
	Amounts due from non-controlling interests	**635**
	Financial assets at fair value through profit or loss	**33,132**
	Bank balances and cash	**7,339**
	Trade and other payables	**(779,360)**
	Lease liabilities	**(5,987)**
	Amounts due to inter-group companies	**(667,119)**
	Amounts due to non-controlling interests	**(14,431)**
	Bank and other borrowings	**(103,206)**
	Tax payables	**(53,587)**
	Deferred tax liabilities	**(7,552)**
	Net assets of Deconsolidated Subsidiaries	**20,915**
	Non-controlling interests	**(38,784)**
	Gain on deconsolidation of subsidiaries	**(17,869)**
(b)	Impairment of amounts due from deconsolidated subsidiaries as at 1 October 2023	**667,119**

The performance of the De-consolidated Subsidiaries included in the consolidated statement of profit or loss and other comprehensive income of the Group up to the date of deconsolidation, 1 October 2023 and for the year ended 31 March 2023 are as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue	**199,016**	907,274
Cost of sales and services rendered	**(191,840)**	(813,371)
Gorss profit	**7,176**	93,903
Other income	**866**	7,043
Other losses, net	**(17,142)**	(73,691)
Share of results of associates	**–**	(34)
Impairment losses under expected credit loss model, net of reversal	**(111,756)**	(150,998)
Distribution and selling expenses	**(2,202)**	(6,890)
Administrative expenses	**(15,142)**	(88,395)
Finance costs	**(3,533)**	(5,417)
Research and development expenses	**(13,102)**	(39,646)
Loss before taxation	**(154,835)**	(264,125)
Income tax credit/(expense)	**10,242**	(8,095)
Loss and total comprehensive expense for the year	**(144,593)**	(272,220)

6. INCOME TAX (CREDIT) EXPENSE

	2024	2023
	RMB'000	*RMB'000*
PRC Enterprise Income Tax ("**EIT**")		
– Current tax:	**–**	8,391
– Underprovision in prior year	**–**	35
	–	8,426
Deferred tax	**(10,242)**	(331)
	(10,242)	8,095

Hong Kong

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%.

During the current year, no provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the year (2023: Nil).

PRC

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC (the "**PRC EIT Law**"), the statutory tax rate of PRC subsidiaries is 25% during the year.

No provision for EIT has been made as no assessable profit for both the year.

7. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

Loss and total comprehensive expense for the year has been arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Directors' remuneration (included in administrative expenses):		
– Fees	**2,214**	3,892
– Salaries and other allowances	**2,230**	4,702
– Retirement benefit scheme contributions	**69**	139
– Equity-settled share-based payments	**657**	3,490
Other staff costs (included in cost of sales and services rendered, administrative expenses and research and development expenses):		
– Salaries and other allowances	**4,612**	30,196
– Retirement benefit scheme contributions	**108**	1,681
– Equity-settled share-based payments	**2,623**	51,422
Total staff costs	**12,513**	95,522
Amortisation of intangible assets (included in administrative expenses)	**795**	7,716
Auditor's remuneration		
– Current year	**935**	2,499
– Underprovision in prior year	**415**	108
Cost of inventories recognised as an expense (included in cost of sales and services rendered)	**184,355**	765,967
Cost of services recognised as an expense (included in cost of sales and services rendered)	**3,604**	47,404
Depreciation of property, plant and equipment (included in administrative expenses)	**1,909**	2,766
Depreciation of right-of-use assets (included in administrative expenses)	**745**	4,192
Written off of intangible assets – development costs (included in cost of sales)	**3,881**	–

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Loss:		
Loss for the purpose of calculating basic loss per share	**(804,019)**	(243,564)

	2024	2023
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share *(note)*	**699,753**	644,706

For the year ended 31 March 2024, diluted loss per share attributable to owners of the Company were the same as the basic loss per share because the computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of those share options were higher than the average market price of the Company's shares for the year ended 31 March 2024. The computation of diluted loss per share does not assume the conversion of the convertible bonds since their exercise would result in a decrease in loss per share.

The computation of diluted loss per share for the year ended 31 March 2023 does not assume the exercise of the Company's share options since their assumed exercise would result in a decrease in loss per share.

10. GOODWILL

	RMB'000
COST	
At 1 April 2022, 31 March 2023	44,157
Derecognised upon deconsolidation	(44,157)
	–
IMPAIRMENT	
At 1 April 2022 and 31 March 2023	24,125
Derecognised upon deconsolidation	(24,125)
As at 31 March 2024	**–**
CARRYING VALUES	
At 31 March 2024	**–**
At 31 March 2023	20,032

11. INTANGIBLE ASSETS

	Development costs *RMB'000*	Patents *RMB'000*	Brand name *RMB'000*	Club membership *RMB'000*	Software *RMB'000*	Total *RMB'000*
COST						
At 1 April 2022	41,365	–	21,300	818	32,333	95,816
Additions	3,881	88	–	–	–	3,969
Transfer	(41,365)	202	–	–	41,163	–
Written off	–	–	–	–	(42,586)	(42,586)
At 31 March 2023	3,881	290	21,300	818	30,910	57,199
Additions	–	–	–	–	1,885	1,885
Written off	(3,881)	–	–	–	–	(3,881)
Deconsolidation of subsidiaries	–	(290)	(21,300)	(818)	(32,795)	(55,203)
At 31 March 2024	–	–	–	–	–	–
AMORTISATION						
At 1 April 2022	23,208	–	–	161	973	24,342
Charge for the year	–	31	–	41	7,644	7,716
Transfer	(23,208)	12	–	–	23,196	–
Written off	–	–	–	–	(6,383)	(6,383)
At 31 March 2023	–	43	–	202	25,430	25,675
Charge for the year	–	15	–	20	760	795
Deconsolidation of subsidiaries	–	(58)	–	(222)	(26,190)	(26,470)
At 31 March 2024	–	–	–	–	–	–
CARRYING VALUES						
At 31 March 2024	–	–	–	–	–	–
At 31 March 2023	3,881	247	21,300	616	5,480	31,524

12. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	–	1,429,048
Less: allowance for ECL	–	(183,832)
	–	1,245,216
Other receivables, net of ECL	–	16,842
Value-added tax recoverable	–	240
Prepayments for purchase of inventories	–	233,633
Rental deposit, net of ECL	–	1,277
Total trade and other receivables	–	1,497,208

The Group allows credit period ranging from 0 day to 270 days which are agreed with each of its trade customers.

The following is an aged analysis of trade receivables presented based on date of delivery of goods/payment certificates/invoice dates at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
0–30 days	–	299,785
31–90 days	–	283,111
91–180 days	–	97,744
181–365 days	–	299,943
Over 365 days	–	264,633
	–	1,245,216

13. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	–	862,434
Bills payables	–	14,000
Contract liabilities	–	37,423
Other payables	**61,427**	46,413
Other tax payables	–	174,123
Accrued expenses	**935**	14,875
Accrued payroll expenses	**9,387**	25,359
Investment cost payable	–	34,780
Deposits received for issue of convertible bonds	–	44,547
Interest payables	**1,403**	–
Total trade and other payables	**73,152**	1,253,954

The credit period on trade payables ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on the receipts of goods or services/payment certificates/invoice dates at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	–	373,431
91–180 days	–	110,013
181–365 days	–	33,524
1–2 years	–	307,158
Over 2 years	–	38,308
	–	862,434

14. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2022, 31 March 2023 and 31 March 2024	1,000,000,000	10,000

	Number of shares	**Share capital**	**Shown in the consolidated statement of financial position**
		HK$'000	*RMB'000*
Issued:			
At 1 April 2022	580,523,141	5,805	4,865
Issue of shares upon exercise of share options	27,000,000	270	247
Issue of shares arising from conversion of convertible bonds	11,600,000	116	97
Issue of shares under Specific Mandate *(note 1)*	40,000,000	400	337
Issue of consideration shares *(note 2)*	8,195,632	82	70
At 31 March 2023 and 1 April 2023	667,318,773	6,673	5,616
Issue of shares arising from conversion of convertible bonds *(note 3)*	33,000,000	330	300
Placing of new shares *(note 4)*	8,148,000	82	75
At 31 March 2024	**708,466,773**	**7,085**	**5,991**

Notes:

1. As disclosed in the circular of the Company dated 25 April 2019, one of the conditions precedents to the First Stage Subscription of the Subscription Agreement is that, the respective total revenue of the Group as shown in the relevant audited accounts for each of the financial years ended 31 March 2019 and 31 March 2020 are not lower than RMB265,875,000 and RMB358,931,250 (the "**First Revenue Targets**"). The audited reports of the Group for each of the financial years ended 31 March 2019 and 31 March 2020 indicated that the First Revenue Targets had exceeded RMB265,875,000 and RMB358,931,250 respectively.

   Since all the conditions precedents of the First Stage Subscription have been fulfilled and the Subscriber, Shine Well, the ultimate holding company, has completed the financial arrangement in relation to the First Stage Subscription. Accordingly, 50,000,000 Subscription Shares at HK$1.5 per subscription price were allotted and issued to the Subscriber under the Specific Mandate and the First Stage Subscription was completed on 3 February 2021. For details please refer to the Company's announcement dated 3 February 2021.

   As disclosed in the Circular, pursuant to one of the conditions precedents to the Second Stage Subscription, the respective total revenue of the Group as shown in the relevant audit report to be prepared by the auditor of the Company for each of the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 being not lower than RMB265,875,000, RMB358,931,250 and RMB484,557,190 (the "**Second Revenue Targets**").

   The audited report of the Group for each of the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 indicated that the Second Revenue Targets had exceeded RMB265,875,000, RMB358,931,250 and RMB484,557,190 respectively. In addition, all conditions precedents of the Second Stage Subscription have been fulfilled. The Company has allotted and issued 10,000,000 subscription shares to Shine Well on 18 February 2022. As disclosed in the announcement of the Company dated 31 March 2022, pursuant to the seventh supplemental subscription agreement, as additional time was required by Shine Well to complete the financial arrangement in relation to the Second Stage Subscription, the Company and Shine Well mutually agreed to extend the completion of the Second Stage Subscription to 30 April 2022. The remaining 40,000,000 subscription shares have been allotted and issued to Shine Well on 29 April 2022. Details are set out in the announcements of the Company dated 17 February 2019, 17 May 2019, 29 September 2020, 30 October 2020, 31 December 2020, 3 February 2021, 29 September 2021, 30 December 2021, 31 January 2022, 21 February 2022, 31 March 2022 and 29 April 2022, and the Circular.

2. On 25 May 2022, 8,195,632 Consideration Shares in respect of the Third Year Guaranteed Profit were allotted and issued by the Company to Vendor I under the General Mandate. Details are set out in announcement of the Company date 25 May 2022.

3. On 13 and 15 June 2023, the Company received conversion notices from the holders of the convertible bonds under the General Mandate pursuant to the exercise of the Conversion Rights attached to the Convertible Bonds for the conversion of their convertible bonds into the ordinary shares. 30,000,000 and 3,000,000 new shares of HK$0.01 each in share capital of the Company were issued upon conversion.

4. Pursuant to a placing agreement dated 19 June 2023 (as supplemented by a supplemental placing agreement dated 3 July 2023) between the Company and a placing agent, the placing agent agreed to place a maximum of 8,148,000 new ordinary shares of HK$0.01 each at a price of HK$1.14 per share to independent parties. The proceeds would be used for subscription, supplement cash flow of the Group and, as well as its working capital and other general corporate purposes.

On 5 July 2023, the placing was completed and 8,148,000 new ordinary shares were issued by the Company to not less than six placees at the placing price of HK$1.14 per placing share pursuant to the terms and conditions of the placing agreement (as supplemented by a supplemental placing agreement dated 3 July 2023). Details of the share placement were contained in the Company's announcements dated 19 June 2023, 3 July 2023 and 5 July 2023.

15. EVENTS AFTER THE REPORTING PERIOD

(i) Winding-Up Order

On 24 July 2023, a winding-up petition (the "**Petition**") was filed by Ms. WEI Qianqian (魏倩倩) (the "**Petitioner**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**High Court of Hong Kong**") for the winding up of the Company under the provision of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**C(WUMP)O**") under Companies Winding-up Proceedings No. 324 of 2023, in relation to the Petitioner's claim for outstanding debts in relation to bonds (the "**Bonds**") in the principal amount of HK$1,500,000 and as at 24 July 2023, the Company is allegedly indebted to the Petitioner in the aggregate sum of HK$1,697,547, with HK$1,500,000 being the outstanding principal under the Bonds and HK$197,547 being the unpaid accrued interest thereunder.

On 29 April 2024, the Company was ordered to be wound up by the High Court of Hong Kong in HCCW 324/2023 and the Official Receiver was appointed as the Provisional Liquidator of the Company.

On 4 December 2024, upon an application by the Provisional Liquidator, the High Court ordered that Messrs. Lai Kar Yan (Derek) and Chan Man Hoi (Ivan) were appointed as Joint and Several Liquidators of the Company.

For details please refer to the announcements of the Company dated 27 July 2023, 31 August 2023, 19 September 2023, 27 September 2023, 18 October 2023, 1 November 2023, 3 November 2023, 29 November 2023, 4 December 2023, 29 January 2024, 29 April 2024 and 15 January 2025.

(ii) Bankruptcy Liquidation Proceedings of a Subsidiary

The Shenzhen Intermediate People's Court of Guangdong Province ruled to accept a subsidiary of the Company in the PRC, namely IBO Information (Shenzhen) Limited ("**IBO Information**") filed for bankruptcy liquidation proceedings on 24 December 2024, and Sincere Partners & Attorneys was designated as the administrator of IBO Information on 5 March 2025.

IBO Information is one of the subsidiaries of the Group and is mainly engaged in the sales of intelligent terminal products, provision of smart city coordination, management and installation services, provision of system maintenance services and development of customised software.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company and the principal activities of its subsidiaries (collectively referred to as the "**Group**") are engaged in sale of Radio Frequency Identification ("**RFID**") equipment and electronic products (collectively the "**intelligent terminal products**"), provision of system maintenance services, development of customised software and provision of coordination, management and installation services of smart cities. In recent years, the Group has accurately grasped the pulse of the times in 5G communications, industrial internet and digital transformation. The Group has vertically deepened its industrial chain layout of "IoT + 5G + indigenous innovation" to continuously drive product research and development and service capability upgrades. By providing customers with innovative industrial digitalization solutions, the Group has gradually developed into a comprehensive high-tech company spanning multiple fields including smart cities, intelligent fire protection, and intelligent transportation.

FINANCIAL REVIEW

During the Year, the Group recorded revenue of approximately RMB199.02 million, representing a decrease of 78.1% compared to approximately RMB907.27 million for the year ended 31 March 2023, primarily attributable to the substantial decline in sales revenue from intelligent terminal products, coupled with the winding up petition against the Company, triggered a series of negative chain reactions, resulting in the severely affection to the normal business development.

The loss attributable to owners of the Company for the Year amounted to approximately RMB804.02 million, compared to a loss attributable to owners of the Company of approximately RMB243.56 million for the year ended 31 March 2023. The loss was mainly attributable to:

(i) impairment losses on amounts due from deconsolidated subsidiaries of approximately RMB667.12 million (2023: Nil);

(ii) cost of sales and services rendered of approximately RMB191.84 million (2023: approximately RMB813.37 million);

(iii) net impairment losses under the expected credit loss model of approximately RMB111.76 million (2023: approximately RMB151.00 million);

(iv) finance costs of approximately RMB19.61 million (2023: approximately RMB19.75 million);

(v) research and development and administrative expenses totaling approximately RMB43.59 million (2023: approximately RMB98.96 million); and

(vi) net other losses of approximately RMB7.21 million (2023: approximately RMB54.59 million).

As at 31 March 2024, the Group's net current liabilities amounted to approximately RMB232.11 million (2023: net current assets of approximately RMB323.79 million), and net liabilities amounted to approximately RMB232.11 million (2023: approximately RMB567.24 million).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group's bank balances and cash amounted to approximately RMB39,000 (2023: approximately RMB206,720,000). The current ratio decreased from 121.44% as at 31 March 2023 to 0.02%. As at 31 March 2024, the Group's total bank and other borrowings amounted to approximately RMB32.28 million (31 March 2023: approximately RMB117.32 million), of which the portion included in current liabilities was RMB32.28 million (2023: approximately RMB97.21 million), and there were no non-current liabilities (2023: approximately RMB20.11 million).

As at 31 March 2024, the Group's total trade and other payables amounted to approximately RMB73.15 million (2023: approximately RMB1,253.95 million). The Group's total bonds payable amounted to approximately RMB123.51 million (2023: approximately RMB106.64 million), of which the portion included in current liabilities was RMB123.51 million (2023: RMB95.13 million).

On 2 May 2023, the Company issued convertible bonds amounted to HK$53.59 million (equivalent to approximately RMB48.23 million) to the Placees. Details of the convertible bonds were set out in the Company's announcements dated 28 March 2023, 3 April 2023 and 2 May 2023. During the Year, conversion rights attached to convertible bonds with a principal amount of HK$50.82 million (equivalent to approximately RMB45.74 million) were exercised at the initial conversion price, and 33,000,000 conversion shares with an aggregate par value of HK$330,000 were allotted and issued to the holders of the convertible bonds. As at 31 March 2024, the balance of proportion of liability of the convertible bond of the Company amounted to approximately RMB3.21 million (31 March 2023: Nil), and was fully included in current liabilities.

The Company completed the placing of 8,148,000 new shares on 5 July 2023. Details of the share placing were set out in the Company's announcements dated 19 June 2023, 3 July 2023 and 5 July 2023.

As at 31 March 2024, the Company's authorized share capital amounted to HK$10 million, divided into 1,000,000,000 shares with a par value of HK$0.01 each. The Company's issued share capital amounted to approximately HK$7.0847 million, divided into 708,466,773 shares with a par value of HK$0.01 each.

WINDING UP OF THE COMPANY AND APPOINTMENT OF LIQUIDATORS

Details of the winding up of the Company and appointment of liquidators are set out in Note 15(i) to the consolidated financial statements.

SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY AND RESUMPTION STATUS

The shares of the Company are listed on the Main Board of the Stock Exchange with stock code 2708. The shares of the Company have been listed on the Main Board of the Stock Exchange since 28 December 2017. The trading of shares of the Company has been suspended on the Stock Exchange since 29 April 2024 and remains suspended as at the date of this announcement.

PROPOSED RESTRUCTURING

Details of the Proposed Restructuring of the Company are set out in Note 1 to the consolidated financial statements.

PROSPECTS

The Company has taken measures to enter into a Principal Term Sheet with potential investors to seek relief from liquidity pressure and improve the Group's financial position. The Group is currently proceeding with the Proposed Restructuring. Upon completion of the Proposed Restructuring, the Group will comprehensively review and optimise its business model, formulate a clear and feasible development plan, gradually rebuild investor confidence, and continuously enhance corporate fundamentals and profitability.

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND JOINT VENTURES

During the relevant period, the Group deconsolidated series of subsidiaries and derecognised its interests in associates held by subsidiaries. Details regarding the above are set out in Note 5 to the consolidated financial statements.

COSTS OF EMPLOYEE AND STAFF

During the Year, the total staff costs, including management and employee, amounted to approximately RMB12.51 million (2023: approximately RMB95.52 million).

GOING CONCERN AND MITIGATING MEASURES

The Group is seeking to mitigate liquidity pressures and improve its financial position by advancing plans and measures such as the Proposed Restructuring.

After considering the aforementioned plans and measures, the Group believes that it will have sufficient working capital to fund its operations. Therefore, the Group considers it appropriate to prepare its consolidated financial statements on a going concern basis. Notwithstanding the foregoing, there are significant uncertainties as to whether the Group will be able to achieve its aforementioned plans and measures. The Group's ability to continue as a going concern will depend on its capacity to secure adequate financing and generate sufficient operating cash flow through the following channels: (i) successfully obtaining new sources of financing when required; (ii) controlling costs and capital expenditures to generate sufficient net cash inflows; and (iii) successfully completing the Proposed Restructuring, including the creditors' scheme of arrangement.

CURRENCY AND FINANCIAL RISK MANAGEMENT

Given that the majority of the Group's business is transacted in Renminbi and Hong Kong dollars, these currencies are defined as the functional currencies of the Group and certain of its subsidiaries, respectively. Except for certain bank balances and cash denominated in foreign currencies, the Group is not exposed to any significant exchange rate fluctuation risk. During the reporting period, the Group did not enter into any currency hedging arrangements. The Group will closely monitor and manage its exposure to exchange rate fluctuation risk.

CONTINGENT LIABILITIES

Save as disclosed in other sections of this announcement, the Company was not aware of any other material contingent liabilities as of 31 March 2024.

LEGAL DISPUTE

The primary legal disputes involving the Group are the winding-up petition (HCCW 324/2023) that led to the Company's winding-up, and the bankruptcy liquidation procedure of its principal subsidiary, IBO Information (Shenzhen) Limited ("**IBO Information**"). Additionally, the Group may face other potential claims arising from its failure to repay debts.

EVENTS AFTER THE REPORTING PERIOD

Winding Up of the Company and Appointment of Liquidators

On 29 April 2024, the Company was ordered to be wound up by the High Court of Hong Kong (HCCW 324/2023), and the Official Receiver was appointed as the Provisional Liquidator of the Company.

Pursuant to the order made by the High Court on 4 December 2024, Messrs. Lai Kar Yan (Derek) and Chan Man Hoi (Ivan) were appointed as Joint and Several Liquidators of the Company.

Suspension of Trading in the Shares of the Company and Resumption Status

The trading of shares of the Company has been suspended on the Stock Exchange since 29 April 2024 and remains suspended as at the date of the announcement.

Subsidiary Ordered into Bankruptcy Liquidation

On 24 December 2024, the Shenzhen Intermediate People's Court of Guangdong Province ruled to accept the bankruptcy liquidation petition for IBO Information (Shenzhen) Limited ("**IBO Information**"), a subsidiary of the Company in the PRC. Subsequently, on 5 March 2025, the court designated Sincere Partners & Attorneys as the bankruptcy administrator.

IBO Information is a major subsidiary of the Group whose principal activities include the sales of intelligent terminal products, the provision of smart city coordination, management and installation services, system maintenance services, and the development of customized software.

Proposed Restructuring

The Company entered into a legally binding principal term sheet with Potential Investor A on 6 August 2025. The principal terms of restructuring include: the aggregate principal amount of investment of Potential Investor A shall not be less than HK$90 million, comprising a loan of HK$40 million and HK$50 million for subscription of the new shares, to acquire an equity interest of the Company agreed by Potential Investor A.

Pursuant to the Proposed Restructuring, the loan will be used to cover the professional fees incurred or to be incurred by the Company in connection with the Proposed Restructuring, as well as to supplement the business operations of its subsidiaries. HK$20 million of the subscription proceeds will be used to settle existing creditor claims in cash, while HK$30 million of the subscription proceeds will be used to supplement the Group's operating costs. Additionally, subject to specific circumstances, 5% of the Company's enlarged share capital will be used to settle claims of existing creditors. For details, please refer to the Company's announcements dated 29 July 2025 and 6 August 2025. The Company has applied to the High Court of Hong Kong for the convening of a hearing to consider the Company's application to convene a creditors' meeting (the "**Scheme Hearing**") for the purpose of considering and, if appropriate, approving (with or without amendments) the Scheme. The Scheme Hearing is scheduled to take place at 10:00 a.m. (Hong Kong time) on 21 October 2025.

If the Proposed Restructuring is successfully implemented and becomes effective, all accepted claims and liabilities of the Company shall be settled and discharged. Please note that the Proposed Restructuring is subject to the approval of the High Court of Hong Kong and/or the creditors at the creditors' meeting of the Company, which may or may not ultimately result in the execution of a formal restructuring agreement, and the Proposed Restructuring of the Company may or may not proceed.

DIVIDEND

The Company did not distribute a final dividend for the year ended 31 March 2024 (2023: nil).

CORPORATE GOVERNANCE CODE

As all powers of the Directors of the Company have been suspended since 29 April 2024, the Company's current directors are unable to comply with the Corporate Governance Code (the "**CG Code**"). The Company is not aware of any non-compliance with the CG Code during the year ended 31 March 2024. However, upon resumption of trading in the Company's shares, the Company will ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding directors' securities transactions. For details of the forced sale of the shares of the Company by Directors in the lock-up period during the Year, please refer to the 17 announcements published by the Company from 1 November 2023 to 1 December 2023. Save for the matters mentioned in the aforementioned announcement, the Company is not aware of any non-compliance with the prescribed standards set forth in the Model Code for the year ended 31 March 2024.

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

For the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW BY THE AUDIT COMMITTEE

As all powers of Directors were terminated following the winding up order made by the High Court against the Company on 29 April 2024, the powers of the Audit Committee were also correspondingly suspended, and the Audit Committee did not review the annual results.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, KTC Partners CPA Limited, to the amounts set out in the Group's audited Consolidated Financial Statements for the year. The work performed by KTC Partners CPA Limited in respect of this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KTC Partners CPA Limited on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditors' report on the Group's consolidated financial statements for the year ended 31 March 2024 which included a disclaimer of opinion.

Basis for Disclaimer of Opinion

LIMITATION OF SCOPE – DE-CONSOLIDATION OF SUBSIDIARIES AND DERECOGNITION OF INTERESTS IN ASSOCIATES AND LACK OF ACCESS TO BOOKS AND RECORDS

As disclosed in Note 5 to the consolidated financial statements, the Company was unable to have access to any books and records, and accounting, management and other personnel of certain subsidiaries of the Group, including IBO Information (Shenzhen) Limited ("**IBO Information**"), Action First Investments Limited ("**Action First**") and Upright Joy Limited ("**Upright Joy**") and certain other subsidiaries (the "**Deconsolidated Subsidiaries**") and the associates held by the Deconsolidated Subsidiaries (the "**Derecognized Associates**"). The facts and circumstances that led to the loss of access to books and records and relevant personnel are described below.

On 24 December 2024, the Shenzhen Intermediate People's Court of Guangdong Province ruled to accept the bankruptcy liquidation petition for IBO Information, a subsidiary of the Company in the PRC. Subsequently, on 5 March 2025, the court designated Sincere Partners & Attorneys as the bankruptcy administrator.

IBO Information is a major subsidiary of the Group whose principal activities include the sales of intelligent terminal products, the provision of smart city coordination, management and installation services, system maintenance services, and the development of customized software.

On 20 October 2023, the Company entered into a loan agreement with a lender for borrowing amounting to HK$5,000,000 (approximately RMB4,636,000) (the "**Lender**"). Pursuant to the loan agreement, the Company entered into a deed in favour of the Lender and pledged its shares in Action First and Upright Joy as collateral. On 18 June 2024, the Group was informed that the Lender had appointed receivers for Action First and had resigned on 30 March 2025. Furthermore, a receiver had been appointed on 31 March 2025 and had resigned on 31 August 2025.

Furthermore, the Company has been unable to have access to the books and records of certain other subsidiaries of the Group due to the departure of the Group's management and accounting staff. In the opinion of the Liquidators, these subsidiaries are immaterial to the Group's overall financial position and operations.

According to the Company, key management of the Group and staff of the Accounting and Finance Department had departed the Group beginning in September 2023. Consequently, the Company was unable to have access to the accounting books and records of the Deconsolidated Subsidiaries and Derecognized Associates when preparing the consolidated financial statements for the year ended 31 March 2024.

Under the circumstances as described above, the Company has determined to deconsolidate the Deconsolidated Subsidiaries from the Group's consolidated financial statements, and to derecognise the Group's interests in the Derecognised Associates, with effect from 1 October 2023. This determination was made based on the availability of the unaudited management accounts of the Deconsolidated Subsidiaries for the six month period ended 30 September 2023 which were consolidated in the Group's condensed consolidated financial statements for the six months ended 30 September 2023.

As a result of the deconsolidation of the Deconsolidated Subsidiaries and derecognition of the Derecognized Associates with effect from 1 October 2023, (i) the financial performance and cash flows of the Deconsolidated Subsidiaries for the period from 1 October 2023 to 31 March 2024 were not consolidated in the Group's consolidated profit or loss, consolidated other comprehensive income or loss, consolidated statement of changes in equity and consolidated cash flows for the year ended 31 March 2024 on a line-by-line consolidation basis; (ii) the Group's share of profit or loss and other comprehensive income or loss of the Derecognised Associates for the period from 1 October 2023 to 31 March 2024 was not included in the calculation of the Group's share of these results of associates recognised in the Group's consolidated profit or loss, consolidated other comprehensive income or loss and consolidated statement of changes in equity for the year ended 31 March 2024; (iii) the assets and liabilities of the Deconsolidated Subsidiaries as at 31 March 2024 were not consolidated in the Group's consolidated financial position as at 31 March 2024 on a line-by-line consolidation basis; and (iv) the Group's share of the net assets of the Derecognised Associates as at 31 March 2024 was not recognised as part of the Group's interests in associates in the Group's consolidated financial position as at 31 March 2024.

The deconsolidation of the Deconsolidated Subsidiaries and derecognition of the Group's interests in the Derecognised Associates with effect from 1 October 2023 also resulted in the recognition of a net gain on deconsolidation of the Deconsolidated Subsidiaries and derecognition of the Derecognised Associates in consolidated profit or loss of the Group for the year ended 31 March 2024 of approximately RMB17,869,000. In addition, impairment loss of approximately RMB667,119,000 was recognised in consolidated profit or loss of the Group for the year ended 31 March 2024 as a result of the full impairment of the amounts due from the Deconsolidated Subsidiaries as at 31 March 2024.

HKFRS 10 "**Consolidated Financial Statements**" requires all subsidiaries controlled, directly or indirectly, by the Company to be consolidated in the consolidated financial statements of the Group and that such consolidation shall cease when the Group loses control of the subsidiary. The facts and circumstances described above do not show that the Group had lost control over the Deconsolidated Subsidiaries with effect from 1 October 2023. Under HKFRS 10, the Group should consolidate the Deconsolidated Subsidiaries in its consolidated financial statements up until the date control over these subsidiaries was lost. Had the Deconsolidated Subsidiaries been consolidated in the consolidated financial statements of the Group for the year ended 31 March 2024 based on these requirements of HKFRS 10, many elements in the consolidated financial statements for the year ended 31 March 2024 might have been materially affected.

HKAS 28 "**Investments in Associates and Joint Ventures**" requires the Group to account for its investment in all its associates over which it has significant influence using the equity method of accounting and to discontinue the use of the equity method from the date when its investment ceases to be an associate. The facts and circumstances described above do not show that the Group had lost significant influence over the Derecognised Associates with effect from 1 October 2023. Under HKAS 28, the Group should have continued to apply the equity method of accounting on its interests in the Derecognised Associates in its consolidated financial statements up until the date significant influence over these associates was lost. Had the Derecognised Associates been accounted for using the equity method of accounting in the consolidated financial statements of the Group for the year ended 31 March 2024, the Group's share of results of associates and interests in associates for the year ended and as at 31 March 2024 might have been materially affected.

Due to the lack of access to the books and records and accounting, management and other personnel of the Deconsolidated Subsidiaries and Derecognised Associates, we were unable to satisfy ourselves as to whether the Group had lost control and significant influence over the Deconsolidated Subsidiaries and Derecognised Associates, respectively, as at 1 October 2023. The accounting outcomes from de-consolidation of the Deconsolidated Subsidiaries and derecognition of the Group's interests in the Derecognised Associates with effect from 1 October 2023 described above are departures from the requirements of HKFRS 10 and HKAS 28 if the Group had not lost control and significant influence over the Deconsolidated Subsidiaries and Derecognised Associates as at 1 October 2023. Consequently, we have also been unable to satisfy ourselves concerning the recognition in the consolidated profit or loss of the Group for the year ended 31 March 2024 of the gain on the deconsolidation and derecognition of the Deconsolidated Subsidiaries and Derecognised Associates amounting to RMB17,869,000, and the measurement thereof.

Furthermore, due to the lack of access to the books and records and accounting, management and other personnel of the Deconsolidated Subsidiaries and Derecognised Associates, we were unable to perform audit procedures to satisfy ourselves that (i) the revenue, other income, expenses, other losses and cash flows of the Deconsolidated Subsidiaries and Derecognized Associates for the period from 1 April 2023 to 30 September 2023 that were consolidated, or equity accounted for, in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 March 2024 and (ii) the carrying amounts of the assets and liabilities of the Deconsolidated Subsidiaries and Derecognised Associates as at 1 October 2023 that entered into the calculation of the net gain on deconsolidation of the Deconsolidated Subsidiaries and derecognition of the Derecognised Associates recognised in consolidated profit or loss of the Group for the year ended 31 March 2024 of approximately RMB17,869,000 were free from material misstatements.

As at 31 March 2024, the gross carrying amounts of balances due from the Deconsolidated Subsidiaries were RMB667,119,000. For the same reasons as described above, we were unable to satisfy ourselves as to whether the gross carrying amounts of these balances, and the impairment loss on balance due from the Deconsolidated Subsidiaries recognised in consolidated profit or loss for the year ended 31 March 2024 of RMB667,119,000, were free from material misstatements.

Furthermore, according to the Company, the accounting books and records of the Group made available to them are incomplete as the staff of the Accounting and Finance Department had departed from the Company after the interim period ended 30 September 2023. Due to the lack of access to the complete books and records of the Group, we were unable to carry out satisfactory audit procedures to satisfy ourselves as to the completeness of the liabilities, contingent liabilities and commitments of the Group and hence also of the Group as at 31 March 2024. We were also unable to perform audit procedures to satisfy ourselves that the other income, expenses, other losses and cash flows of the Group that are consolidated in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 March 2024 are free from material misstatements.

Any adjustments found to be necessary in respect thereof had we obtained sufficient appropriate audit evidence in respect of the matters set out above would have had a consequential effect on the net liabilities of the Group as at 31 March 2024, and on its loss, the elements making up the statement of changes in equity and cash flows for the year ended 31 March 2024, and the related disclosures thereof in the consolidated financial statements.

CONTINGENT LIABILITIES AND COMMITMENT

Due to the lack of access to the books and records of the Deconsolidated Subsidiaries and the incomplete books and records of the Group and the other remaining entities of the Group, we were unable to obtain sufficient appropriate audit evidence and explanations as to whether the contingent liabilities and commitments committed by the Group were properly recorded and accounted for and disclosed in compliance with the requirements of applicable accounting standards, including HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and HKFRS 9 "Financial Instruments". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the contingent liabilities and commitments of the Group were free from material misstatements. Any adjustments that might have been found necessary may have a consequential effect on the Group's net liabilities as at 31 March 2024 and consequently the financial performance and cash flows of the Group for the year ended 31 March 2024, and the related disclosures thereof in the consolidated financial statements.

LIMITATION OF SCOPE – APPROPRIATENESS OF THE GOING CONCERN BASIS OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

As disclosed in note 1 to the consolidated financial statements, the Group reported a net loss of approximately RMB818,614,000 for the year ended 31 March 2024 and as at 31 March 2024, the Group's reported net current liabilities and net liabilities were approximately RMB232,111,000.

As at 31 March 2024, the Group has defaulted in repayment of its bonds payables and other borrowings with outstanding amounts of approximately RMB103,511,000 and RMB17,085,000 respectively, which were included as part of current liabilities of the Group as at 31 March 2024. Furthermore, on 29 April 2024, the Company was ordered to be wound up by the High Court of Hong Kong (HCCW 324/2023).

The events and conditions set out above indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as going concern.

Notwithstanding the abovementioned, the consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Group (the "**Proposed Restructuring**") will be successfully completed, as disclosed in note 1 to the consolidated financial statements, and that, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements for the year ended 31 March 2024 do not include any adjustments arising from the winding-up of the Company in Hong Kong.

We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of sufficient appropriate audit evidence provided to us in relation to the measures for future actions being undertaken under the Proposed Restructuring and the assumptions adopted by management in its going concern assessment which take into account the significant uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Because of the significance of the matters above, we are unable to form an opinion as to whether the use of going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of assets to their recoverable amounts and to provide for further liabilities which might arise. The effects of these adjustments have not been reflected in these consolidated financial statements and we were unable to determine whether such adjustments might have been found necessary.

PUBLISHMENT OF INFORMATION ON THE WEBSITE OF STOCK EXCHANGE

This announcement is published on the website of Stock Exchange (www.hkexnews.hk). The Company's annual report for the Year, containing all data required under the Listing Rules, will be dispatched to shareholders and published on the website of Stock Exchange in due course.

CONTINUED SUSPENSION OF TRADING

The trading in the shares of the Company (stock code: 2708) has been suspended on the Stock Exchange since 10:19 a.m. on 29 April 2024, and will remain suspended until further notice.

The Company will further announce as and when appropriate.

Shareholders and potential investors who have any queries about the implication of the appointment of the Liquidators of the Company and the continued suspension of trading of the Company's shares should obtain appropriate professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Due to the limited information available to the Liquidators regarding the Company, the Liquidators are unable to confirm whether the Company's historical results are complete, exist and accurate. The Liquidators do not accept or assume responsibility for any use of these annual results or any presentation of these annual results to any party or any person who may obtain these annual results.

On behalf of
IBO Technology Company Limited
(In Liquidation)
Chan Man Hoi (Ivan)
Joint and Several Liquidator
Acting as an agent without personal liability

Hong Kong, 13 October 2025

The board of the Company, as at the date of this announcement, comprises Mr. Liang Jun, Mr. Li Yang and Mr. Zhang Yaoliang as executive directors, and Mr. Hung Muk Ming and Mr. Jin Zi as independent non-executive directors.

The affairs, business and property of the Company are being managed by the Liquidators who act as the agents of the Company only and without personal liability.