2024/25

ANNUAL REPORT

亮晴控股有限公司

FAMEGLOW HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code：8603

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This report, for which the directors (the "Director(s)") of Fameglow Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "We") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Chun Kwok Danny, MH *(Chairman)*
Ms. Fu Chi Ching *(Chief Executive Officer)*

Independent Non-executive Directors

Mr. Tan Pui Kwan
Mr. Yu Chi Wing
Mr. Kwok David

Audit Committee

Mr. Yu Chi Wing *(Chairman)*
Mr. Tan Pui Kwan
Mr. Kwok David

Remuneration Committee

Mr. Kwok David *(Chairman)*
Mr. Tan Pui Kwan
Ms. Fu Chi Ching

Nomination Committee

Mr. Yip Chun Kwok Danny, MH *(Chairman)*
Mr. Yu Chi Wing
Mr. Kwok David

AUTHORISED REPRESENTATIVES

Mr. Yip Chun Kwok Danny, MH
Ms. Fu Chi Ching

COMPANY SECRETARY

Ms. Tam Tsz Yan

COMPLIANCE OFFICER

Ms. Fu Chi Ching

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

24/F., Siu On Centre,
188 Lockhart Road,
Wan Chai,
Hong Kong

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2801, 28/F., Tower A
No. 83 King Lam Street
Lai Chi Kok
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Bank of Communications Co., Ltd.
Hong Kong Branch
20 Pedder Street
Central, Hong Kong

COMPANY'S WEBSITE

www.fameglow.com

STOCK CODE

8603

FINANCIAL HIGHLIGHTS

Revenue of the Group for the year ended 31 March 2025 amounted to approximately HK$435.3 million, representing an increase of approximately HK$135.9 million or 45.4% as compared with approximately HK$299.4 million for the year ended 31 March 2024.

The net profit of the Group for the year ended 31 March 2025 amounted to approximately HK45.7 million (2024: net profit approximately HK$40.8 million).

The board of directors of the Company (the "Board") did not recommend a payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of the Company and its subsidiaries (collectively the "Group"), I am delighted to present the annual report of the Company for the year ended 31 March 2025.

The Group is a medical aesthetic service provider in Hong Kong and operates medical aesthetic centres under our brand "per Face" providing non-surgical medical aesthetic services. We started using the brand "per Face" in September 2010. We strive to provide holistic treatment solutions to our clients through our non-surgical medical aesthetic services, traditional beauty services and sale of skincare products to help our clients maintain and enhance their skin conditions and physical appearance. On 15 October 2018, the ordinary shares of the Company (the "Shares") were successfully listed on the GEM of The Hong Kong Stock Exchange (the "Listing").

The Group has recorded a revenue of HK$435.3 million, up by HK$135.9 million, or 45.4%, when compared with the year ended 31 March 2024. The notable increase was mainly due to the improved consumer sentiments and contributed by the continuous marketing efforts of the Group, the new prime centres launched and the success of the new brands launched throughout the year.

The Group is optimistic about the prospects of the industry and maintains its commitment to continuous growth through leveraging on our brand image, strategic expansion in its operations and effective marketing campaigns. The Group will continue to evaluate development opportunities to strengthen its competitive advantage and industry-leading position. By acquiring new treatment devices and treatment consumables, the Group will be able to extend the spectrum of our treatment services offered.

On behalf of the Board, I would like to express my sincerest gratitude to our shareholders, business partners, and to our valued customers for their continuous support, while also expressing my appreciation to the management team and staff for their devoted commitment and contributions throughout the year.

Yip Chun Kwok Danny, MH
Chairman and Executive Director

Hong Kong, 30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a medical aesthetic service provider in Hong Kong and operates medical aesthetic centres in prime locations of Causeway Bay, Tsim Sha Tsui, Mong Kok and Central providing non-surgical medical aesthetic services. We strive to provide holistic treatment solutions to our clients through our non-surgical medical aesthetic services, traditional beauty services and sale of skincare products to help our clients maintain and enhance their skin conditions and physical appearance.

The outlook of the medical aesthetic services industry remains optimistic with market demand growing fast in recent years, owed mainly to the increasing affordability and public acceptance of related services.

In order to seize the opportunity created by increasing customer demands, we expanded our operation scale by opening several new centres. In June 2022 and April 2023, we have launched a prime new centre in Tsim Sha Tsui, and a prime new centre in Central respectively. Moreover, we have launched a new flagship center in Causeway Bay, two new centers in Tsim Sha Tsui, a new center in Sha Tin, and a new center in Kowloon Bay during the year ended 31 March 2025 to facilitate the continuous growth of our business. The Group believes that the expansion will enable us to deepen our market penetration in Hong Kong and improve our Group's profitability. The Group will also take advantage of its enlarging geographical presence to attract new and more diverse customers. Along with the strategic expansion of its medical aesthetic centre network, the Group will sharpen its competitive advantage by extending the spectrum of our treatment services offered. As such, the Group has launched some new brands to penetrate the market and diverse our customers, including but not limited to "Angus' Beauty Concept" which offer high-ended services to our valuable customers, "LASERKOOL" which specializes in hair treatment for men, and "Face It" which provides trendy and quality services to teenagers. In view of the increasing brand awareness of the Group, we have also launched a center in Macau, to further penetrate the market outside Hong Kong.

For the year ended 31 March 2025, the business environment in Hong Kong was recovering as compared to the year ended 31 March 2024, and with the reasons as mentioned above, the Group's revenue amounted to approximately HK$435.3 million, representing an increase of approximately HK$135.9 million or 45.4% as compared with the corresponding period of 2024. Profit for the year amounted to approximately HK$45.7 million, while the corresponding period amounted to approximately HK$40.8 million. The increase in net profit was primarily attributable to the increased revenue for the year ended 31 March 2025 as compared to 2024.

PROSPECTS

The outlook of medical aesthetic services remains positive and the Group will closely monitor the market conditions and will intensify its response and elaborate sustainable development strategies to capture opportunities under the current environment.

Nevertheless, the Group is confident of its capability to deliver quality service to our clients. Moving forward, the Group will apply its strengths, build on its solid customer base and established reputation to deliver stable business development and maximise the shareholders' value.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately HK$435.3 million for the year ended 31 March 2025 and approximately HK$299.4 million for the year ended 31 March 2024 which represented an increase of approximately HK$135.9 million or 45.4% as compared with the corresponding period of 2024. The increase was primarily attributable to the success of the new brands, the new prime centers launched in Tsim Sha Tsui, Sha Tin and Kowloon Bay, and the flagship center launched in Causeway Bay during the year ended 31 March 2025.

Cost of inventories and consumables

Cost of inventories and consumables amounted to approximately HK$46.5 million and HK$38.5 million for the years ended 31 March 2025 and 2024 respectively. The increase was mainly attributable to the increased revenue.

Other income and gains

Other income and gains amounted to approximately HK$5.1 million and HK$2.2 million for the years ended 31 March 2025 and 2024 respectively. The increase in other income and gains was attributable to the gain on early termination of leases and written back of accruals for the year ended 31 March 2025, while there was no such impact for the year ended 31 March 2024.

Staff costs

Staff costs amounted to approximately HK$170.4 million and HK$100.3 million for the years ended 31 March 2025 and 2024 respectively. The increase in staff costs was mainly due to the increased in the number of aesthetic centres of the Group as compared to 2024.

Rental and related expenses

Rental and related expenses amounted to approximately HK$11.0 million and HK$7.0 million for the years ended 31 March 2025 and 2024 respectively, which comprised of rental payments of short-term leases, management fees, rates and government rent and license fees for our medical aesthetic centres and retail/service outlets. The increase was mainly due to the increased in the number of leased medical aesthetic centres for the year ended 31 March 2025 as compared to 2024.

Depreciation of right-of-use assets

The Group recorded depreciation of right-of-use assets of approximately HK$31.2 million and HK$20.5 million for the years ended 31 March 2025 and 2024 respectively. The increase was mainly due to the increased in the number of leased medical aesthetic centres for the year ended 31 March 2025 as compared to 2024.

Depreciation of property, plant and equipment

Depreciation expenses amounted to approximately HK$28.5 million and HK$25.8 million for the years ended 31 March 2025 and 2024 respectively. The increase was mainly due to the additions in property, plant and equipment for the year ended 31 March 2025.

Other expenses

The breakdown of the other expenses is as follows:

	2025	2024
	HK$'000	HK$'000
Marketing and promotion expenses	**43,068**	29,597
Consultancy fee for doctors	**21,288**	14,873
Card commission	**9,899**	6,084
Professional fees	**2,520**	1,653
Repair and maintenance fees	**4,238**	2,818
Other	**12,703**	7,919
	93,716	62,944

Other expenses amounted to approximately HK$93.7 million and HK$62.9 million for the years ended 31 March 2025 and 2024 respectively, which mainly represented consultancy fee to doctors, card commission expenses, marketing and promotion expenses and other operating and administrative expenses. Other expenses increased by approximately HK$30.8 million mainly due to the increased in medical aesthetic centres as compared to 2024 has led the increased in consultancy fee for doctors, card commission, other expenses and marketing expenses.

Profit for the year

The Group recorded a net profit of approximately HK$45.8 million for the year ended 31 March 2025 (2024: approximately HK$40.8 million). The increase in net profit mainly due to the increased in revenue as compared to the year ended 31 March 2024.

Dividends

The Board does not recommend a payment of any dividend for the year ended 31 March 2025 (2024: Nil).

Capital structure, liquidity and financial resources

On 15 October 2018 (the "Listing Date"), the Shares were listed on GEM by way of share offer (the "Share Offer"). Please refer to the Company's prospectus dated 28 September 2018 (the "Prospectus") for more details of the Share Offer. The net proceeds from the Share Offer were approximately HK$31.6 million, which was based on the share price of HK$0.28 per share and the actual expenses related to the Share Offer. The Company believed that the funding from the Share Offer on the GEM would allow the Group to access the capital market for raising funds in the future. There has been no change on the capital structure of the Group since the Listing Date up to the date of this report. The net proceeds are also fully utilised as intended. The capital of the Company only comprises of ordinary shares.

The total equity of the Group as at 31 March 2025 was approximately HK$106.1 million (2024: approximately HK$60.3 million). The Group generally finances its operation with internally generated cash flows. The Group had bank balances and cash of approximately HK$40.6 million as at 31 March 2025 (2024: approximately HK$19.3 million). The Group had total outstanding debts of approximately HK$92.4 million as at 31 March 2025 (2024: approximately HK$45.5 million), which comprised lease liabilities, amounting to approximately HK$79.4 million (2024: approximately HK$35.5 million) and bank borrowings, amounting to approximately HK$13.0 million (2024: approximately HK$10.0 million).

Capital expenditures

The Group purchased property, plant and equipment amounting to approximately HK$64.2 million for the year ended 31 March 2025 which comprised additions of treatment devices, furniture and fixtures, motor vehicles and leasehold improvements (2024: approximately HK$13.5 million). The increased mainly due to the increased in the number of aesthetic centres of the Group as compared to 2024.

Employees and remuneration policies

As at 31 March 2025, the Group had a total of 401 employees (2024: 206 employees). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of a good relationship with its employees. The remuneration payable to its employees includes basic salary, commission, discretionary bonus and retirement benefit scheme contributions.

Future plans for material investments and capital assets

Save as disclosed in this report, the Group does not have other plans for material investments and capital assets.

Significant investments, material acquisitions and disposal of subsidiaries and capital assets

Save as disclosed in this report, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the year.

Gearing ratio

The gearing ratio, which is based on the total amounts of total bank borrowings and lease liabilities divided by total equity, was 87.1% as at 31 March 2025 (2024: 75.6%). The increase was mainly due to the increase in lease liabilities of the Group.

Foreign exchange exposure and treasury policies

The Group carries out its business in Hong Kong and most of its transactions are denominated in Hong Kong Dollar. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the years ended 31 March 2025 and 2024. Nevertheless, the management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

Commitments

As at 31 March 2025, the Group had committed to leasehold improvement expenditure of approximately HK$9,400,000 (2024: HK$5,000,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Contingent liabilities

As at 31 March 2025, the Group had no significant contingent liabilities (2024: Nil).

Financial risk management

Risk management is carried out by the Group's finance department under 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 overall risk management and specific areas, such as market risk, interest rate risk, credit risk and liquidity risk.

Bank borrowings

As at 31 March 2025, the Group had unsecured and guaranteed bank borrowings of approximately HK$13.0 million (2024: approximately HK$10.0 million). As at 31 March 2025 and 31 March 2024, the entire bank borrowings were guaranteed by personal guarantees from the Controlling Shareholders, corporate guarantee by a subsidiary of the Company and HKMC Insurance Limited.

Pledge of assets

As at 31 March 2025, the carrying amount of right-of-use assets included an amount of approximately HK$0.6 million (2024: approximately HK$1.0 million) representing treatment devices and motor vehicles which were acquired under hire purchase arrangement.

Subsequent events

There was no significant event occurred after the end of the reporting period.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Yip Chun Kwok Danny, MH (葉振國) ("Mr. Yip"), aged 59, founded our Group with Ms. Fu Chi Ching ("Ms. Fu") jointly in May 2008. He was appointed as a Director on 2 March 2018 and re-designated as the chairman of our Company and an executive Director on 6 June 2018. He is the chairman of the nomination committee. Mr. Yip brought more than 30 years of entrepreneurship and executive management experience to his role with our Group. He oversees general corporate direction and shares his vision and strategies with our Group. Mr. Yip is the spouse of Ms. Fu.

Mr. Yip gained extensive experience through his family business at Wing Hing Provision, Wine & Spirits Trading Company Limited and other companies under the name of "Wing Hing", such as sales and marketing on spirits and wine distribution, property development projects in the Greater China region and Thailand and property and taxi license investments in Hong Kong, as a diversified entrepreneur. He first joined the company in July 1988 as a marketing executive, and mainly assisted in developing marketing campaigns and generating marketing reports. He was promoted to become the marketing manager in August 1989 and was responsible for developing, implementing and executing strategic marketing plans. He was further promoted to become the managing director in August 1990, with extensive experience in management, operations, sales, distribution and marketing as well as property development.

Mr. Yip completed high school education in Bromsgrove, the United Kingdom in July 1987.

Mr. Yip has been actively engaged in prominent political and civil affairs in Hong Kong and in the Greater China region. The key and influential positions held by Mr. Yip are as follows:

Period	Association	Position
2007 to 2016	Guangdong Province Jieyang City Committee of the Chinese People's Political Consultative Conference (中華人民政治協商會議廣東省揭陽市委員會)	Member
2009 to 2010	Fight Crime Committee (Central and Western District) (中西區撲滅罪行委員會)	Member
2010 to 2012	Junior Police Call Honorary President Council (Western District) (西區少年警訊名譽會長會)	Vice Chairman
2017 to 2018	Fire Safety Committee (Central and Western District, Home Affairs Department) (民政事務署中西區防火委員會)	Chairman
2017 to present	Guangdong Province Jieyang City Committee of the Chinese People's Political Consultative Conference (中華人民政治協商會議廣東省揭陽市委員會)	Consultant
2018 to present	Friends of The Community Chest Organising Committee (Central and Western District) of The Community Chest (香港公益金公益金之友中西區委員會)	Vice Chairman

The valuable contribution of Mr. Yip to social and civil affairs in Hong Kong has been exemplarily recognised. He was awarded the Medal of Honour by the Government of Hong Kong for his outstanding and dedicated community service in Central and Western District in 2009.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Fu Chi Ching (符芷晴), aged 46, founded our Group with Mr. Yip jointly in May 2008. She was appointed as a Director on 2 March 2018 and re-designated as an executive Director and the chief executive officer of our Company on 6 June 2018. She is a member of the remuneration committee. Ms. Fu is responsible for overall daily business operations, management structure, quality assurance, and public relations of our Group. Ms. Fu is the spouse of Mr. Yip.

Ms. Fu is an entrepreneur with over 10 years of start-up and operational experience primarily in the medical aesthetic service industry. Prior to the establishment of our Group, she worked at the Cathay Pacific Airways group of companies from July 2001 to March 2007 and another world-class international airline for approximately one year, where, during those tenures, she carried out inflight safety and security procedures, managed cabin crew and handled customers' complaints and learned the values of customers with different backgrounds and how to manage customers' expectation, which greatly assists her in formulating marketing strategies for her current business.

Aiming to enhance business practices and deepening her knowledge, Ms. Fu has obtained an International Master of Business Administration from the Buckinghamshire New University of the United Kingdom, by way of long distance learning, in July 2018.

Independent non-executive Directors

Mr. Kwok David (郭大偉) ("Mr. Kwok"), aged 57 was appointed as an independent non-executive Director on 1 December 2021. Mr. Kwok is the chairman of remuneration committee, a member of the audit committee and a member of the nomination committee.

Mr. Kwok has extensive experience in the legal industry especially in civil and criminal litigation, commercial matters, will, probate and conveyancing. From 1995 to 2002 and 2002 to 2007, Mr. Kwok worked at Young Erwin, Chu & Law and Benny Kong & Peter Tang respectively as an assistant solicitor. Mr. Kwok has been a partner of Chan, Tang & Kwok since 2007.

Mr. Kwok obtained a Bachelor of Laws in 1991 and the Postgraduate Certificate in Laws in 1992 from the City University of Hong Kong. He was admitted as a solicitor of Hong Kong in October 1994.

Mr. Yu Chi Wing (于志榮) ("Mr. Yu"), aged 41, was appointed as an independent non-executive Director on 21 September 2018. He is the chairman of the audit committee and a member of the nomination committee.

Mr. Yu has over 13 years of experience in advisory, accounting, taxation and auditing. From June 2005 to June 2014, Mr. Yu worked at RSM Nelson Wheeler, an accounting and consulting firm and his last position was manager. From June 2014 to May 2015, Mr. Yu worked as a financial controller at Niche-Tech (Hong Kong) Limited, a semiconductor packaging materials manufacturer. From June 2015 to April 2024, Mr. Yu worked as the financial controller of Tactful Building Company Limited, a company primarily engaging in construction and fitting out services. Mr. Yu founded JR & Co., Certified Public Accountants in September 2016 and has been a co-founder of Emerald Capital CPA & Co. in May 2021.

Since January 2020, Mr. Yu has been an independent non-executive director of Wah Wo Holdings Group Limited (a company listed on the Main Board (Stock code: 9938)) and an independent non-executive director of GC Construction Holdings Limited (a company listed on the Main Board (stock code: 1489)) since September 2022.

Mr. Yu obtained a Bachelor of Arts in Accountancy from the Hong Kong Polytechnic University in June 2005. He has been a member and practising member of the HKICPA since January 2012 and March 2015, respectively.

Mr. Tan Pui Kwan (陳培坤) ("Mr. Tan"), aged 62, was appointed as an independent non-executive Director on 7 January 2021. He is a member of the audit committee and the remuneration committee.

Mr. Tan has over 30 years of management and marketing experience in the retail industry.

REPORT OF DIRECTORS

The Directors hereby present the report and the audited consolidated financial statements for the year ended 31 March 2025.

CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands with limited liability in accordance with the Companies Law Chapter 22 of the Cayman Islands on 2 March 2018. The Shares were listed on GEM of the Stock Exchange on 15 October 2018.

PRINCIPAL BUSINESS

The Company is an investment holding company. Business of the major subsidiaries of the Company is set out in note 36 to the consolidated financial statements of this annual report.

BUSINESS REVIEW

Business of the Group for the year ended 31 March 2025 is set out in the section headed "Management Discussion and Analysis" on pages 6 to 10 of this annual report. The discussion is an integral part of this Report of Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group.

Government Policies Risk

Following certain adverse incidents in relation to the beauty service industry in recent years, the Hong Kong Government has been reviewing the existing legal framework and considering tightening its supervision over the beauty service industry by promulgating certain laws and regulations to regulate, among other things, the types of medical aesthetic procedures that should be performed by registered medical practitioners.

There is no assurance that the Hong Kong Government will not impose more stringent laws, rules, regulations or industry standards in connection with the provision of medical aesthetic services. Any change in the regulatory framework may render it more restrictive for us to conduct our business. There is also no assurance that we will be able to adapt to such changes in a timely manner. In addition, compliance with such new laws, rules, regulations or industry standards may significantly increase our operating costs, which may in turn lower our profit margins. Any of the above-mentioned circumstances may materially and adversely affect our business, results of operations, financial condition and prospects.

Risk of Adverse Economic, Social or Political Conditions

Most of our business operations are based in and we derive all of our revenue from Hong Kong. Our business operations and the demand for our medical aesthetic services are therefore subject mostly to the economic, social and political conditions in Hong Kong. Furthermore, any incidence of social unrest, strike, riot, civil disturbance or disobedience in Hong Kong may cause inconvenience to clients who wish to visit our medical aesthetic centres and weaken their desire or willingness to undergo medical treatments. Any of the above circumstances may have a material and adverse impact on our business, results of operations and financial condition.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group strives to operate in compliance with the applicable environmental protection laws and methods in a bid to minimise the adverse effects of its existing business activities on the environment.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

To the current knowledge of the Board and the management, the Group has not committed any violation or non-compliance of applicable laws and regulations that would have significant impact on the operation of the Group throughout the year ended 31 March 2025.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group acknowledges the importance to maintain good relationship with its employees and customers for the achievement of its short-term and long-term business objectives. For the year ended 31 March 2025, there was no serious and material dispute between the Group and its employees, customers and suppliers.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 67 of the annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 126. This summary does not form part of the audited consolidated financial statements.

REPORT OF DIRECTORS

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 70 of this annual report.

The Company's reserves available for distribution to shareholders as of 31 March 2025 amounted to approximately HK$Nil (2024: approximately HK$Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2025, the percentage of revenue derived from our five largest clients in aggregate was less than 0.36%(2024: 1.85%).

For the year ended 31 March 2025, purchases from our largest supplier accounted for approximately 25.2% (2024: 11.7%) of the Group's total purchases. For the year ended 31 March 2025, our five largest suppliers in aggregate accounted for approximately 60.8% (2024: 46.6%) of the Group's total purchases.

For the year ended 31 March 2025, none of the Directors or any of their associates or any shareholders, who to the knowledge of the Directors, owns more than 5% of the Company's issued share capital, had any interest in the five largest suppliers or customers.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements of this annual report.

DONATIONS

Donations by the Group for charitable purposes amounted to approximately HK$20,000 (2024: approximately HK$64,000).

REPORT OF DIRECTORS

DIRECTORS

During the year and as of the date of this report, our Directors include:

Executive Directors:

Mr. Yip Chun Kwok Danny, MH *(Chairman)*
Ms. Fu Chi Ching *(Chief Executive Officer)*

Independent non-executive Directors:

Mr. Kwok David
Mr. Tan Pui Kwan
Mr. Yu Chi Wing

Pursuant to the articles 83(3), 84(1) and 84(2) of the articles of association of the Company (the "Articles of Association"), Ms. Fu Chi Ching, and Mr. Tan Pui Kwan, shall retire at the forthcoming annual general meeting of the Company (the "AGM") and being eligible, to offer themselves for re-election at the AGM.

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that each of the independent non-executive Directors is independent to the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 11 to 13 of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Long position in the shares of the Company:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer (Note i)	Percentage of shareholding after the Share Offer
Mr. Yip	Interest in controlled corporation (Note ii)	506,200,000 (L)	63.28%
Ms. Fu	Interest in controlled corporation (Note ii)	506,200,000 (L)	63.28%

Notes:

(i) The letter "L" denotes the person's long position in the relevant Shares.

(ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Accordingly, they are deemed to be interested in the 506,200,000 Shares held by Equal Joy by virtue of the SFO. Mr. Yip, Ms. Fu and Equal Joy together are a group of Controlling Shareholders of the Company.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 31 March 2025, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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 were as follows:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer (Note i)	Percentage of shareholding after the Share Offer
Equal Joy	Beneficial owner (Note ii)	506,200,000 (L)	63.28%

Notes:

(i) The letter "L" denotes the person's long position in the relevant Shares.

(ii) All the issued shares of Equal Joy are legally and beneficially owned as to 50% by each of Mr. Yip and Ms. Fu. Mr. Yip, Ms. Fu and Equal Joy together are a group of controlling shareholders of the Company.

Save as disclosed above, as at 31 March 2025, the Directors are not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year ended 31 March 2025 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interests in, or had been granted, or exercised any rights to subscribe for shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above and as provided in the Share Option Scheme (as defined below), at no time during the year ended 31 March 2025 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of its associated corporations (within the meaning of the SFO).

REPORT OF DIRECTORS

SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "Share Option Scheme") was approved by a resolution of the Company's shareholders passed on 21 September 2018. The principal terms of the Share Option Scheme, a summary of which is set out in Appendix V to the Prospectus, are in compliance with the provisions under Chapter 23 of the GEM Listing Rules.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 March 2025. As of 31 March 2025, and up to the date of this annual report, there was no outstanding share option not yet exercised under the Share Option Scheme. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2025 were both 80,000,000 Shares.

The following is a summary of the principal terms of the Share Option Scheme:

Purpose

The purpose of the Share Option Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons' contribution to further advance the interests of our Group.

Eligible persons

The eligible persons of the Share Option Scheme to whom options may be granted by the Board shall include (collectively "Eligible Persons"):

(i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of any member of our Group (collectively "Employee");

(ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honourary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to our Group; any customer of our Group; or any holder of securities issued by any member of our Group (collectively "Business Associate"); and

(iii) any other person, who at the sole discretion of the Board, has contributed to our Group (the assessment criteria of which are (1) such person's contribution to the development and performance of our Group; (2) the quality of work performed by such person for our Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to our Group; and (5) such other factors as considered to be applicable by the Board).

Total number of securities available for issue under the Share Option Scheme together with the percentage of the issued shares that it represents as at the date of the annual report

80,000,000 shares, representing 10% of the total shares in issue of the Company as of the date of this annual report.

Maximum entitlement of each Eligible Person

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares in issue, unless otherwise approved by the Company's shareholders in general meeting with such Eligible Person and his close associates abstaining from voting.

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

As determined by the Board upon the grant of an option.

Acceptance of offers

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than 10 business days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme.

The amount payable by the grantee to our Company on acceptance of the offer shall be a nominal amount of HK$1.00.

Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of acceptance of the offer.

Basis of determining the exercise price

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

(i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a share.

Remaining duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date.

Further details of the Share Option Scheme are set out in Appendix V to the Prospectus of the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with our Company for an initial term of three years commencing from the Listing Date and continuing thereafter until terminated in accordance with the terms of the service contract.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company for an initial term of one year commencing from the Listing Date and/or the date of appointment, which may be terminated by not less than one month' notice in writing served by either party on the other.

None of the Directors proposed for re-election at the forthcoming 2025 AGM has entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR MATERIAL CONTRACTS

There was no transactions, arrangements or material contracts including the provision of service to which the Company or any related company (holding companies, subsidiaries, or fellow subsidiaries) was a party and in which a Director of the Company or controlling shareholders or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 March 2025.

CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION AND RELATED PARTY TRANSACTIONS

During the year, the Group did not enter into any connected transaction/continuing connected transaction which shall be discloseable under Chapter 20 of the GEM Listing Rules.

Details of related party transaction of the Group during the year ended 31 March 2025 are set out in note 33 to the consolidated financial statements of this annual report.

None of these related party transactions constituted a connected transaction/continuing connected transaction as defined under the GEM Listing Rules.

NON-COMPETITION UNDERTAKINGS

Our Controlling Shareholders (each a "Covenantor" and collectively, the "Covenantors") entered into the Deed of Non-Competition in favour of our Company, under which each of the Covenantors has irrevocably and unconditionally, jointly and severally, warranted and undertaken to our Company (for ourselves and as trustee for each of our subsidiaries) that:

(a) he/she/it will not, and will procure any Covenantor and his/her/its close associates (each a "Controlled Person" and collectively, the "Controlled Persons") and any company directly or indirectly controlled by the Covenantor (which for the purpose of the Deed of Non-Competition, shall not include any member of our Group) (the "Controlled Company") not to, except through any member of our Group, directly or indirectly (whether as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise), carry on, engage in, invest or be interested or otherwise involved in any business that is similar to or in competition with or is likely to be in competition with any business carried on or contemplated to be carried on by any member of our Group from time to time or in which any member of our Group is engaged or has invested or is otherwise involved in or which any member of our Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement) in any territory that our Group carries on its business from time to time ("Restricted Business");

(b) when any Controlled Person and/or any Controlled Company is offered or becomes aware of any new project or business opportunity ("New Business Opportunity") directly or indirectly to engage or become interested in a Restricted Business, he/she/it (i) shall promptly notify our Company of such New Business Opportunity in writing, refer the same to our Company for consideration first and provide such information as may be reasonably required by our Company to make an informed assessment of such New Business Opportunity; and (ii) shall not, and shall procure that the Controlled Persons or Controlled Company shall not, invest or participate in any such New Business Opportunity unless such New Business Opportunity shall have been declined by our Company in writing and the principal terms of which he/she/it and/or his/her/its close associates invest or participate in are no more favourable than those made available to our Company.

The restrictions which each of the Covenantors has agreed to undertake pursuant to the non-competition undertakings will not apply to such Covenantors in the circumstances where he/she/it has the holding of or interests in shares or other securities by any of the Covenantors and/or his/her/its close associates in any company which conducts or is engaged in any Restricted Business, provided that, in the case of such shares, they are listed on a recognised stock exchange as specified under the SFO and either:

(a) the relevant Restricted Business (and assets relating thereto) accounts for less than 10% of the relevant combined turnover or combined assets of the company in question, as shown in the latest audited accounts of the company in question; or

(b) the total number of the shares held by any of the Covenantors and his/her/its close associates or in which they are together interested does not amount to more than 5% of the issued shares of that class of the company in question, provided that any of the Covenantors and his/her/its close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company and that at all times there is a holder of such shares holding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and his/her/its close associates together hold.

The non-competition undertakings will take effect from the date on which dealings in the Shares first commence on GEM and will cease to have any effect upon the earliest of the date on which (i) such Covenantor, being a Controlling Shareholder, individually or collectively with any other Covenantor(s) ceases to be interested, directly or indirectly, in 30% or more of the issued Shares, or otherwise ceased to be regarded as controlling shareholder (as defined under the GEM Listing Rules from time to time) of our Company; or (ii) the Shares cease to be listed and traded on the Stock Exchange or other recognised stock exchange.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this report, none of the Directors, the controlling shareholders or any of their respective close associates was a director or shareholder of any business (other than the Group's business) which, directly or indirectly, was or may be in competition or otherwise had any conflicts of interests with the Group's business.

PERMITTED INDEMNITY

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors. The Company has arranged appropriate liabilities insurance to indemnify the Directors from any liabilities and costs arising from the business of the Group.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the GEM Listing Rules.

CORPORATE GOVERNANCE

The major corporate governance practices adopted by the Company are set out in the corporate governance report on pages 27 to 36 of this annual report.

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme of the Company, there was no equity-linked agreement being entered into or remained subsisting during the year or as of the end of the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company, and there are no restrictions against such rights under the laws of Cayman Islands.

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

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares.

REMUNERATION POLICY

Remunerations of each of the Directors and senior management members of the Group shall be reviewed by the Remuneration Committee after considering the results of operations of the Group, their individual performance and comparable market data.

Remuneration of employees including directors is reviewed annually to maintain at a competitive level. The Group also makes reference to the labour market and economic condition. Other benefits including but not limited to pension, insurance, education, subsidies and training programmes are provided to the employees as well.

SUBSEQUENT EVENTS

There was no significant event occurred after the end of the reporting period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company ("Audit Committee") had, together with the management, reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2025. The Audit Committee is satisfied that the audited consolidated financial statements have complied with the applicable accounting standards and the requirements under the GEM Listing Rules.

REPORT OF DIRECTORS

AUDITOR

The consolidated financial statements for the year ended 31 March 2025 were audited by McMillan Woods who will retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint McMillan Woods as the auditor of the Company.

On behalf of the Board

Yip Chun Kwok Danny, MH
Chairman and Executive Director

30 June 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "Shareholders") and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the year. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he has complied with the required standard of dealings during the year.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises five Directors, consisting of two Executive Directors, namely Mr. Yip Chun Kwok Danny, MH and Ms. Fu Chi Ching, and three Independent Non-executive Directors, namely Mr. Tan Pui Kwan, Mr. Kwok David and Mr. Yu Chi Wing.

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 11 to 13 of this annual report for the year ended 31 March 2025.

Other than Ms. Fu is the spouse of Mr. Yip, the Directors do not have financial, business, family or other material/relevant relationships with each other.

Board Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Company, and to review and approve the Company's quarterly, interim and annual results. During the year and up to the date of this annual report, the Board held six meetings and the attendance of each Director at the Board meetings is set out in the section headed "Attendance Records of Directors" of this report.

CORPORATE GOVERNANCE REPORT

Chairman and Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

The chairman of the Board and the chief executive officer of the Company (the "Chief Executive Officer") are currently two separate positions held by Mr. Yip and Ms. Fu, respectively, with clear distinction in responsibilities. Mr. Yip is responsible for devising strategies for the continuous development of the Group, overseeing the Group's business operations and financial performance, as well as leading the Board in performing its functions. While Ms. Fu is responsible for managing the overall business operations, management structure, quality assurance and public relations of the Group.

Independent Non-executive Directors

During the year ended 31 March 2025, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three Independent Non-executive Directors with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received the confirmation from each of the Independent Non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors are independent.

Appointment and Re-election of Directors

In accordance with the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

At each annual general meeting of the Company, not less than one-third of the Directors shall retire from office by rotation provided that each Director shall be subject to retirement by rotation at the annual general meeting at least once every three years.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

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

The Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

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

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 3 of this annual report.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tan Pui Kwan, Mr. Kwok David and Mr. Yu Chi Wing. Mr. Yu Chi Wing was appointed as the chairman of the Audit Committee. The primary duties of our Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control systems of our Company.

CORPORATE GOVERNANCE REPORT

During the year and up to the date of this annual report, five meetings of the Audit Committee were held to review the interim results, the quarterly results and the annual results of the Group. All members of the Audit Committee attended the meeting.

Subsequent to the year under review and up to the date of this annual report, the Audit Committee has held one meeting and reviewed with the Management and the external auditor the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the following:

- the review of the audited financial statements for the year ended 31 March 2025;
- the recommendation to the Board for the proposal for re-appointment of the external auditor of the Company and approval of the remuneration and terms of engagement of the external auditor; and
- the review of the risk management and internal control systems of the Company and its subsidiaries.

The attendance of each member of the Audit Committee is set out in the section headed "Attendance Records of Directors" of this report.

Remuneration Committee

The Remuneration Committee comprises one executive Director, Ms. Fu and two independent non-executive Directors, namely Mr. Tan Pui Kwan and Mr. Kwok David. Mr. Kwok David was appointed as the chairman of the Remuneration Committee. The primary functions of our Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

During the year and up to the date of this annual report, the Remuneration Committee held two meetings to approve the remuneration packages and performance bonuses for the Directors and senior management of the Company.

Pursuant to paragraph B.1.5 of the CG Code, the details of the amount of Directors' emoluments and the five highest paid employees for the year ended 31 March 2025 are set out in note 12 to the consolidated financial statements of this annual report.

Nomination Committee

The Nomination Committee comprises one executive Director, Mr. Yip and two independent non-executive Directors, namely Mr. Kwok David and Mr. Yu Chi Wing. Mr. Yip was appointed as the chairman of the Nomination Committee. The primary functions of our Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of our independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of the chairman and the chief executive officer of our Company.

When identifying suitable candidates for directorship, the nomination committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 5.01 and 5.02 of the GEM Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 5.09 of the GEM Listing Rules. Qualified candidates will then be recommended to the Board for approval.

The nomination committee met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

During the year and up to the date of this annual report, two meetings of the Nomination Committee were held to consider the re-appointments of the retiring Directors.

Board Diversity Policy

The Board has adopted a Board diversity policy which sets out the approach to achieve and maintain diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board. Such objectives will be reviewed/amended from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. Nomination Committee will review the policy and recommend revisions, as appropriate, to ensure its continued effectiveness from time to time.

Corporate Governance Functions

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board, which include (a) develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) review and monitor the training and continuous professional development of directors and senior management of the Company and its subsidiaries; (c) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company and its subsidiaries; (e) review the Company's compliance with the CG Code and disclosures in the corporate governance report of the Company required to be prepared pursuant to the GEM Listing Rules; and (f) consider, review and decide any other topics, as authorised by the Board. The Board reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of its corporate governance policy.

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each director at the Board and Board Committee meetings and the general meetings of the Company held during the year and up to the date of this annual report is set out in the table below:

	Attendance/Number of Meetings			
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**
Executive Directors				
Mr. Yip Chun Kwok Danny, MH	7/7	–	–	2/2
Ms. Fu Chi Ching	7/7	–	2/2	–
Independent Non-Executive Directors				
Mr. Kwok David	7/7	5/5	2/2	2/2
Mr. Tan Pui Kwan	7/7	5/5	2/2	–
Mr. Yu Chi Wing	7/7	5/5	–	2/2

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for overseeing the Company's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate roles in the Company's financial, operational, compliance, risk management and internal controls, while senior management designs, implements and monitors the risk management and internal control systems, and provides reports to the Board and the Audit Committee on the effectiveness of these systems. However, systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives.

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

The Group does not have an internal audit department but the Group has conducted an annual review on whether there is a need for such an internal audit department. Given the Group's relatively simple corporate and operation structure, the Board, as supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group including financial, operational and compliance controls and risk management functions and for reviewing its effectiveness.

Risk Management

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

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

Internal Control

The Company has established defined levels of responsibilities and reporting procedures. Controls have been designed and established to ensure that the Company's assets are safeguarded against improper use or disposal, financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Company's performance are identified and assessed.

The Group has engaged an independent internal control review advisor (the "Internal Control Advisor") to conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covered major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. During the risk assessment process, the Internal Control Advisor interviewed the relevant personnel and identified the business objectives and significant risks of the Group. A report prepared by the Internal Control Advisor which sets out the risks, issues and recommended action plan was presented to the Board for review and endorsement. The Board considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on ongoing basis. For the year ended 31 March 2025, the Board have reviewed the effectiveness of the internal control system and they consider them effective and adequate.

Review of Risk Management and Internal Control Systems

The Audit Committee assists the Board in the review of the effectiveness of the Company's risk management and internal control systems on an ongoing basis. The directors through the Audit Committees are kept informed of significant risks that may impact on the Company's performance. For the year ended 31 March 2025, the Board considered the risk management and internal control systems of the Company to be effective and adequate.

The Audit Committee has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, and financial reporting function.

Arrangements/Whistleblowing procedures are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

CORPORATE GOVERNANCE REPORT

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2025.

Save as disclosed in note 2 to the consolidated financial statements, the Directors, having made appropriate enquiries, considers that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

The statement of the independent auditors of the Company about the reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 62 to 66 of this annual report.

Where appropriate, a statement from the Audit Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditor and the reasons why the Board has taken a different view from that of the Audit Committee.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid or payable to the external auditor of the Company, McMillan Woods (Hong Kong) CPA Limited, in respect of audit services and non-audit services for the year ended 31 March 2025 is set out below:

Service Category	**Fees Paid/ Payable** HK$'000
Audit Services	480
Non-audit Services	–
	480

COMPANY SECRETARY

The company secretary is a full-time employee of the Company and has day-to-day knowledge of the Company's affairs. During the year, the company secretary has confirmed that she has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

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

Convening an Extraordinary General Meeting

Pursuant to Article 58 of the Company's Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at Annual General Meetings

There is no provision allowing shareholders to move new resolutions at general meeting under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Room 2801, 28/F., Tower A, No. 83 King Lam Street, Lai Chi Kok, Hong Kong (For the attention of the Board of Directors)
Email:	info@perface.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

During the year under review, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

Dividend Policy

The Board regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns when its dividend policy considers:

- the Group's actual and expected financial performance;
- retained earnings and distributable reserves of the Group;
- return on equity and other corresponding restrictions of the Group;
- the Group's capital requirement and surplus;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and internal or external factors that may have an impact on the business, financial results and position of the Company; and
- other factors that the Board deems relevant.

The Board will continue to review the Group's dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. The payment of dividend is also subject to any restrictions under the applicable laws and the Company's Articles of Association.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

This report is the fourth Environmental, Social and Governance Report ("ESG Report") of Fameglow Holdings Limited ("Fameglow", the "Company" or "We"). We are committed to deliver the highest quality of medical aesthetic services to take care of our customers' skin. This report intends to disclose the performance of the Company and its subsidiaries (collectively as the "Group") in terms of environmental, social, and governance issues in a transparent and open manner over the last year, in response to all stakeholders' concerns and expectations for the Group's long-term viability. In the long run, the Group will strengthen the data collection and reporting system for environmental management, social responsibility, and governance performance, gradually expanding the disclosure scope and improving the quality and comprehensiveness of the ESG Report.

REPORTING SCOPE

This ESG Report details the ESG performance of the Group for the financial year ended 31 March 2025 (the "Reporting Period"). We apply the concept of materiality in planning and developing the ESG Report. Unless otherwise indicated, the ESG Report covers the Group and its subsidiaries.

REPORTING STANDARDS

The Stock Exchange of Hong Kong Limited (the "SEHK") amended the "Environmental, Social and Governance Reporting Guide" ("ESG Reporting Guide"), which is the Appendix 20 of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") in 2019. The amendments set out the mandatory disclosures of ESG issues. This report is prepared in accordance with the "Mandatory Disclosure Requirements" provisions and the "Comply or Explain" principles of the latest ESG Reporting Guide set out in Appendix 20 of the GEM Listing Rules made by the SEHK.

REPORTING PRINCIPLES

This report is prepared in accordance with the reporting principles of Materiality, Balance, Quantitative and Consistency, by which Fameglow applies a consistent methodology for setting forth relevant materiality level, quantitatively measurement and reporting scope and format, with consideration of relevancy and significancy of ESG factors in relation to the Group.

This report includes quantitative environmental and social Key Performance Index ("KPI") to help stakeholders understand the Group's ESG performance. Wherever possible, information about the standards, techniques, references, and sources of key emission of these KPIs is provided. To make ESG performance more comparable between years, the Group has used consistent reporting and calculation procedures as far as reasonably practicable. For any changes in methodologies, the Group has presented and explained in detail in the corresponding sections.

The Group is dedicated to accurately and truthfully disclosing all material ESG matters. The data in this report is produced and published using current regulations, practices, government documents, and reports. Furthermore, the Board has endorsed and approved this report. The Board is dedicated to monitoring and publishing the Group's sustainability performance through the annual release of the ESG Report and is responsible for overseeing and managing all ESG topics.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABLE GOVERNANCE STRUCTURE

We established a top-down ESG organizational structure to apply the Group's sustainable development concept. The Board is responsible for developing ESG strategies, assessing and identifying the Group's ESG risks, and guaranteeing risk management and internal control effectiveness. ESG work and report evaluation are carried out by employees from several areas within the Group.

The Group is dedicated to achieving several aspects of corporate social responsibility, including energy conservation, greenhouse gas reduction, employee training and development, environmental compliance, and providing a safe and healthy work environment.

The Board

The Board strives to integrate sustainable development into the Group's business development and has taken on the following responsibilities:

- Assessing and determining the Group's ESG-related risks and opportunities.
- Ensuring that the Group has an appropriate and effective risk management and internal control system.
- Developing the Group's management policies, plans, priorities, and goals.
- Monitoring ESG's work progress and performance on a regular basis.
- Approving the disclosed information in the Group's ESG Report.

The Board assesses, identifies, and manages sustainable development risks on a regular basis, and tries to create long-term value for stakeholders by identifying possibilities while adhering to regulatory standards and industry best practices. Furthermore, the Board examines and adjusts the implementation of various ESG objectives on a regular basis to ensure that the impact of business development on the environment and society can be minimized.

ESG Working Committee

The Group has established an ESG Working Committee, consisting of four members, (currently an Executive Director and several managements from Human Resources, Finance and Operations Functions/Departments), to assist the Board in managing the Group's ESG affairs. The ESG Working Committee is a management-level group that is responsible for driving our ESG initiatives, collecting and calculating ESG KPIs, overseeing and reporting ESG related matters across our major businesses and operations.

The ESG Working Committee is empowered by the Board through a <ESG Working Committee Terms of Reference> under which it shall directly be instructed and reporting to the Board. It organizes meetings on a regular basis to identify, assess, and monitor the Group's ESG risk, as well as to examine the Group's internal control system's implementation and effectiveness. It also assesses and evaluates the Group's ESG performance in relation to ESG goals and targets.

STAKEHOLDER ENGAGEMENT

In order to understand the aspiration and concerns from the stakeholders in connection with the environmental and social activities of the Group, we have maintained interaction with them via various effective communication channels, with a view to perfecting our sustainability strategies in the interest of stakeholders and our ability to grow progressively. The Group's identified stakeholders and our main communication channels are listed in the following table:

Key Stakeholders	Stakeholders' Concerned Matters	Communication Channels
Directors	• Risk management • Enterprise reputation • Operation	• Day to day operation • Meetings • Telephone or email
Employees	• Vocational training and development • Remuneration and benefits • Health and safety • Working environment including equal opportunities	• Meetings • Annual appraisal including promotion • Training • Day to day operation
Government and regulatory authorities	• Operational and corporate compliance • Commitment to social responsibility • Taxation	• Published documents, including annual, interim and quarterly reports, announcements and circulars • Tax returns filing
Shareholders/Investors	• Information disclosure and high transparency • Protection of shareholder's right and interest	• Published documents, including annual, interim and quarterly reports, announcements and circulars • Shareholder meetings including annual general meeting • Company website
Customers	• Safety and quality control on products and services • Aftersales services	• Company website • Social media platform • Customer satisfaction survey
Suppliers	• Supply chain management system and procurement process under regulation	• Telephone or email • Meetings

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value or the wider community continuously.

MATERIALITY ASSESSMENT

Through constant connection with our stakeholders, the Group have accumulated crucial facts and information. Based on materiality, quantitative metrics, balance, and consistency, our senior management examined and analyzed the importance of ESG problems to the Group's stakeholders for the Reporting Period, as well as the scope and structure of this report. The Group gather insights of how to strengthen its sustainable governance through the process of engaging its stakeholders.

We also take into consideration of the provisions set out in the "ESG Reporting Guide" as well as the latest industry sustainability trends. Below tabled the relevant and important ESG issues we have identified:

ESG Aspects	Sub-aspects	ESG Issues
A. Environmental	A1 — Emissions	• Greenhouse gas ("GHG") emissions • Waste management
	A2 — Use of Resources	• Energy consumption • Water consumption • Paper consumption
	A3 — The Environmental and Natural Resources	• Management risks related to environment and natural resources
B. Social	B1 — Employment	• Equal opportunities • Employee's benefits
	B2 — Health and Safety	• Occupational health and safety
	B3 — Development and Training	• Employee development and training
	B4 — Labour Standards	• Prevention of child labour and forced labour
	B5 — Supply Chain Management	• Supplier selection and assessment • Green procurement
	B6 — Product Responsibility	• Product quality control • Product recall • Customer satisfaction • Protection of intellectual property rights and customer data
	B7 — Anti-corruption	• Anti-corruption and Whistle-blowing policies • Concluded legal cases regarding corruption • Anti-corruption trainings
	B8 — Community Investment	• Community engagement

Among these ESG issues, we further evaluate and prioritize them by their relevancy and significance. Below tabled the top ten most relevant and important ESG issues of our Group:

	Concerned ESG issues	Relevant ESG Provision
1.	GHG emissions	A1 — Emissions
2.	Waste management	A1 — Emissions
3.	Energy consumption	A2 — Use of Resources
4.	Water consumption	A2 — Use of Resources
5.	Equal opportunities	B1 — Employment
6.	Occupational health and safety	B2 — Health and Safety
7.	Employee development and training	B3 — Development and Training
8.	Supplier selection and assessment	B5 — Supply Chain Management
9.	Customer satisfaction	B6 — Product Responsibility
10.	Anti-corruption practices	B7 — Anti-corruption

The Board has reviewed and approved the assessment of the ESG Working Committee and has integrated the concerned ESG issues into the overall risk management framework and incorporated into regular internal review or internal audit plan on a rotation basis.

STAKEHOLDER'S FEEDBACK

Stakeholders' feedbacks on our ESG matters are highly welcomed. We will consider stakeholders' comments serious and take relevant actions (if any) to improve our overall ESG performance.

We also welcome investors and shareholders to share their views with the Board by fax at +852 3185 7877.

ENVIRONMENTAL

The Group is a medical aesthetic service provider and operates medical aesthetic centres in Hong Kong. Our main environmental impacts arising from our business practice include GHG emissions, waste generation, energy consumption and water consumption.

A1: Emissions

We recognize the importance of sustainability in our business operation. We put emphasis on complying with the relevant environmental law and regulations in Hong Kong. As our business nature is service-focused, we consider that our operation posts only a relatively insignificant impact to the environment.

GHG emissions

Our business is conducted locally in medical aesthetic centres. The emission in our daily operations is primarily from (i) energy consumption in electric motor vehicles; (ii) energy consumption in our facilities and equipment; and (iii) paper usage. In the Reporting Period, the total GHG emissions recorded is 8,456 kg CO_2 (2024: 6,346 kg). In line with our Group's objective to minimize GHG emissions, we have implemented energy saving practices at our clinics that are mentioned under the section of "Use of Resources".

Waste Management

Given the medical aesthetic services provided at our medical aesthetic centres may produce used or contaminated sharps such as syringes and needles as well as medical dressings, our Group is subject to the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong) and the Code of Practice for the Management of Clinical Waste-Clinical Waste Producers and Waste Collectors.

Each of the operating subsidiaries of the Company is registered under the Environmental Protection Department as a clinical waste producer. We are also in compliance with the requirements under the Waste Disposal (Clinical Waste) (General) Regulation by consigning the hazardous medical waste to a licensed clinical waste collector for delivery to a reception point or collection point and keeping such records for inspection upon request by the Director of Environmental Protection. In the Reporting Period, our medical wastes were approximately 217 kg (2024: 192 kg).

The Group generates general non-hazardous wastes, which include paper, face masks, plastic gloves and plastic bottles. These non-hazardous wastes are collected and handled by the relevant property management companies of the buildings where our medical aesthetic centres and offices are situated. In the Reporting Period, these non-hazardous wastes were approximately 5,230 kg (2023: 5,335 kg). The Group's also ensures the safety of the disposal process of hazardous and non-hazardous wastes according to our internal policies.

Our Waste Reduction Measures

1. Place a single-sided paper collection box and a waste paper recycling box near the photocopiers;

2. Encourage our employees to use both sides of paper, set duplex printing as the default mode for our network printers, use recycled paper to minimize the wastage of paper, and bring their own mug instead of disposable paper cups; and

3. Encourage customers to bring reusable bags.

We aim to implement a tracking system in future so as to better track the total amount of non-hazardous waste generated in Fameglow. This will enable us to reflect a more accurate figure of the non-hazardous waste generated in Fameglow in future reporting.

Overall compliance

In the Reporting Period, the Group has complied with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, and generation of hazardous, non-hazardous waste and sewage.

A2: Use of Resources

As our business nature is service focused, the main resources used in our daily operation are electricity, water and papers. In line with our Group's policy, we encourage our employees to manage the resources used in an effective and efficient manner.

Energy consumption

With an emphasis on environmental protection and energy conservation, we have arranged all our electrical appliances and treatment devices to be set in energy saving mode. We also reduced excessive lighting and air-conditioning to minimize usage of cooling towers during low loading periods for air-conditioning. We clean dust filters and remove obstructions at air inlets and outlets of the air-conditioners on a regular basis to maintain optimum air-conditioning performance. All air-conditionings of our medical aesthetic centres and other premises will be set at 25.5ºC as indoor temperature. Instead of traditional fluorescent lamps, LED panel lights have been adopted for higher energy efficient. In the Reporting Period, the total energy consumption accounted to 462,400 kWh (2024: 347,019 kWh).

Water consumption

In order to encourage staff to save water, we have put up signs in offices and medical aesthetic centres to remind employees to reduce water consumption. In the Reporting Period, as the Group utilized the local water supply system, we did not find any problems in obtaining suitable water sources, the total consumption of the water is 602 m^3 (2024: 429 m^3).

Paper Saving

In order to reduce the use of paper by staff, we encourage them to set the default printing as double-sided and use suitable font size/shrinkage mode to minimise pages, if possible. Also, we set waste paper recycling bins in office to manage paper resources properly and to reduce the burden laid on the environment by waste. In the Reporting Period, the total amount of recycled paper disposed at landfills is 508 kg (2024: 422 kg).

Packaging material used

The major packaging material used in our business are mainly paper box and plastic bag. However, we did not consume those material in the Reporting Period.

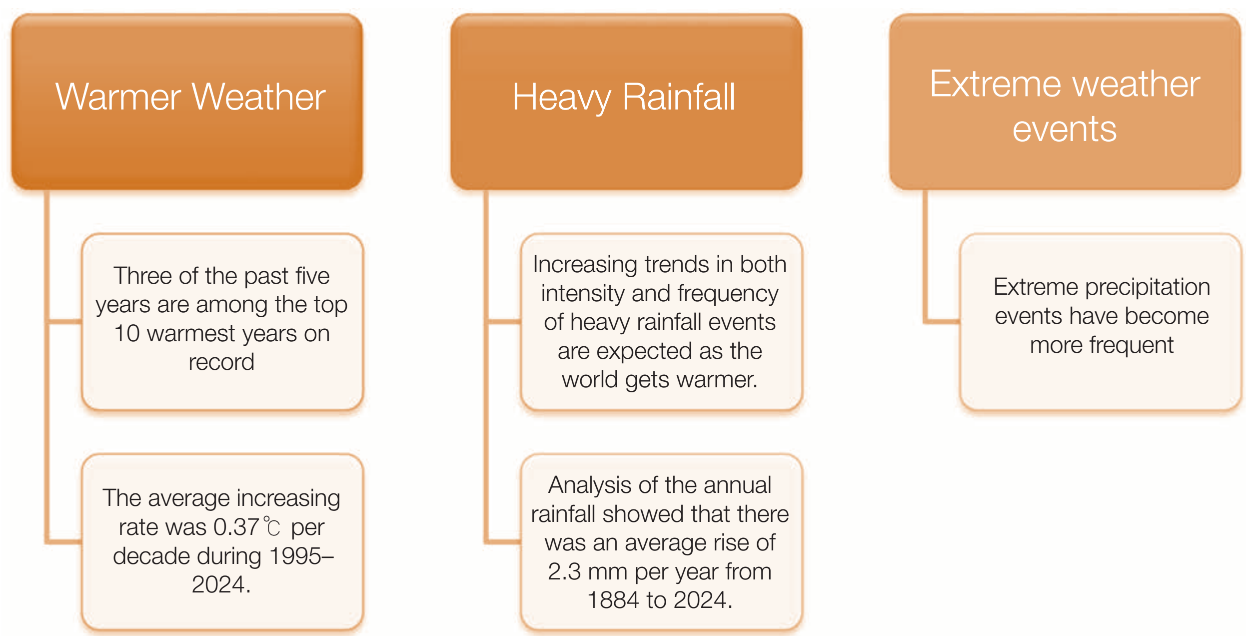
A3: The Environment and Natural Resources

The importance of the environment and natural resources is well understood by the Group. With the goal of attaining environmental sustainability, we have integrated the concept of environmental preservation and natural resource conservation into its internal management and daily operations. Our business operations pose an insignificant impact toward environment and natural resources used. Based on our business nature, the natural resources which contributed to our daily operations are primarily from the usage of electricity, water and paper.

In line with our Group's policies, we strive to minimize the impact to the environment by encouraging our employees to monitor and manage the consumption of these natural resources in a more efficient manner (mentioned under the section of "Use of Resources"). The Group also identifies important operational issues and offers employees with trainings to raise their knowledge in order to assist all employees in understanding key environmental variables and associated departments in controlling potential impacts on the environment and natural resources.

A4: Climate Change

The typical effects of climate change in Hong Kong include:



As the Group is principally provision of treatment services and sale of skincare products, the Board, as advised by the ESG Working Committee, considers that those typical climate change effects have relatively lighter impacts on the Group.

Considerations of TCFD Recommendations

Nevertheless, Fameglow takes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure ("TCFD") in assessing the climate changes impacts on the Group. Thus, the Group has assessed the climate-related impacts from risks and opportunities aspects.

Climate-change-related risks

The Group divides climate-change-related risks into two major categories: (1) risks related to the transition to a low-carbon economy and (2) risks related to the physical impacts of climate change.

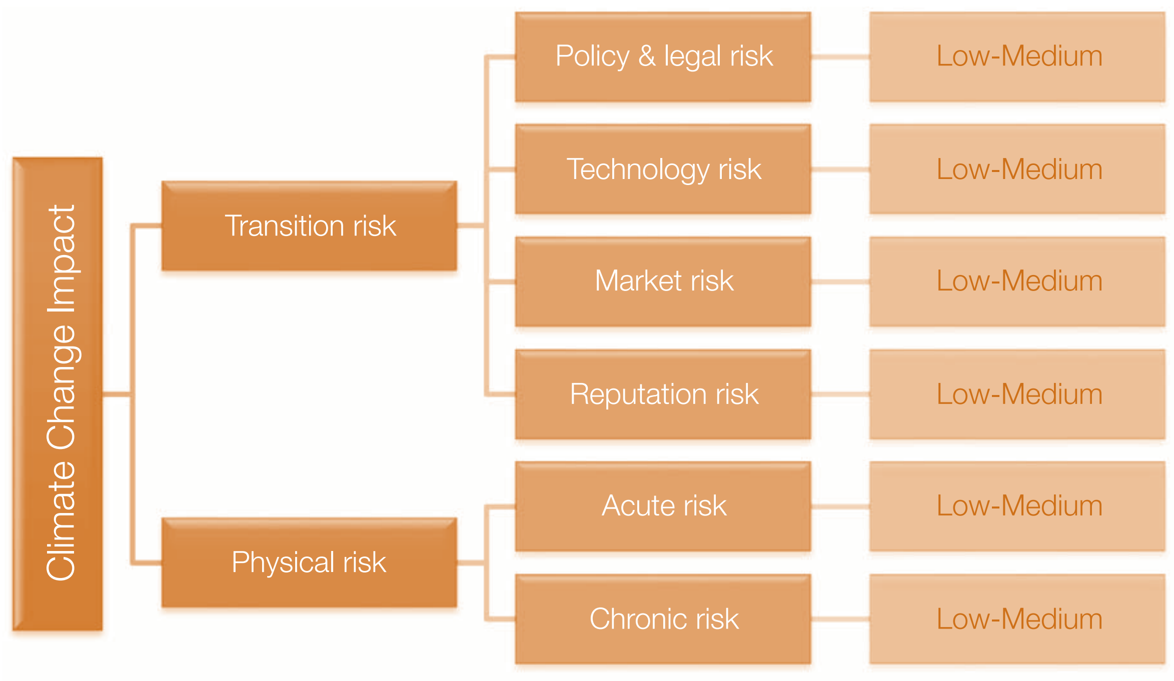
Transition risks that may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change in the course of transitioning to a lower-carbon economy. There are four sub-risks, namely Policy and Legal Risks, Technology Risk, Market Risk and Reputation Risk.

Physical risks that may have financial implications for the Group, such as direct damage to assets and indirect impacts from supply chain disruption, which can be driven by acute events ("Acute Events") or longer-term chronic shifts ("Chronic Shift") in climate patterns.

Climate-change-related opportunities

The Group also takes into consideration of climate-change-related opportunities and divides them into five major categories related to resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.

The overall-risk rating of climate-change-related risks and opportunities of the Group is considered low as presented below:



Climate Change Impact Assessment

To the best judgement of the Group, the Group is considered to be subjected to the following climate change impacts to which the Group has developed relevant action plans to manage them as presented in below table. The Group is committed to monitor and update our climate changes impact from time to time.

Type	Climate-Related Risks and Opportunities	Measures or approach	Potential Climate Change Impact on the Group
Transition Risk	• Policy and Legal • Technology	The Group is of the view that there are no regulatory or policies or technology changes required or on the trend that would have significant impact on the Group.	• Remote • The risks and impacts are considered remote.
	• Market • Reputation	Customers may have higher expectations of our image and services from an environmentally friendly perspective.	• Possible • There is a possible impact on the reputation of our Company.
Physical Risk	• Acute events • Chronic shifts	The Group is of the view that it is not subject to physical risks brought alone from climate change. However, the Group will take a monitoring approach and will continuously monitor the change in physical risks.	• Remote • The risks and impacts are considered remote.
Opportunities	• Resource Efficiency • Energy Source • Products & Services	The Group is of the view that there are no regulatory or market policies or technology changes required or on the trend that would have significant impact on the Group.	• Remote • The opportunities and benefits are considered remote.
	• Market • Resilience	Customers may have higher expectations of our image and services from an environmentally friendly perspective.	• Possible • There is a possible market if we can build an environmental supply chain.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Emission Type	Indicator	FY2025	FY2024
Greenhouse gas[1]	Direct emissions — Scope 1[3] (kg CO_2)	**0**	0
	Indirect emissions — Scope 2[4] (kg CO_2)	**6,204**	5,924
	Indirect emissions — Scope 3[5] (kg CO_2)	**632**	422
Exhaust gas	Nitrogen Oxides (NO_x) — g	**0**	0
	Particulate Matter (PM) — g	**0**	0

Major resource consumed	Unit	FY2025	FY2024	2025 Intensity[2]
Water — processing	cm^3	**602**	429	**1.5**
Electricity — processing	kWh	**462,400**	347,019	**1,153.1**
Hazardous waste	liter	**217**	192	**0.5**
Non-hazardous waste	kg	**6,027**	5,230	**15.0**
Packaging material — paper box	box	**0**	0	**0**
Packaging material — paper bag	bag	**0**	0	**0**

Notes to above table:

1 GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "Guidelines to Account for ad Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" 2010 Edition and "Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange.

2 Intensity is calculated based on the number of employees. At the end of the Reporting Period, 401 employees were employed by the Group.

3 Major source of Scope 1 emission came from usage of fuel which is not applied in our business. The emission is hence not included in the scope of this report.

4 Major source of Scope 2 emission came from usage of purchased electricity for our offices, medical aesthetic centres and electric vehicles.

5 Major source of Scope 3 emission came from processing fresh water and sewage by government departments.

SOCIAL

B1: Employment

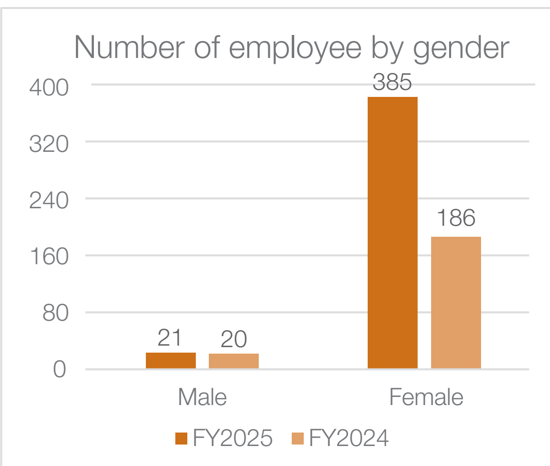
The Group considers human resources is the key to success. Therefore, the Group strictly abides by the "Employment Ordinance", the "Sex Discrimination Ordinance", the "Disability Discrimination Ordinance", the "Family Status Discrimination Ordinance" and the "Race Discrimination Ordinance". In addition, the Group also makes and regularly updates relevant internal policies and regulations to ensure that each employee is treated equally and free from discrimination. In the Reporting Period, the Group did not notice any significant violations of the relevant laws and regulations listed above.

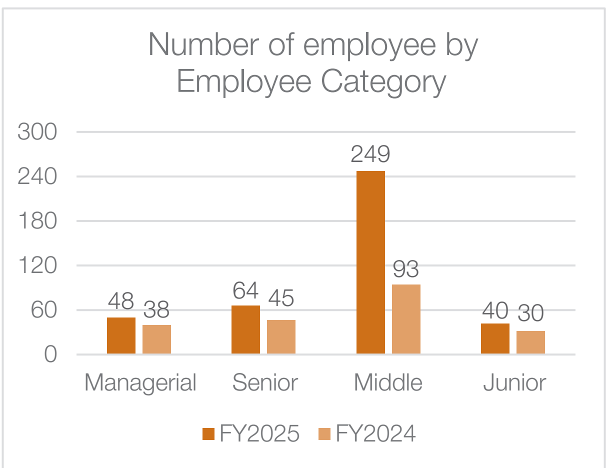
Employee recruitment and remuneration decisions are made on the basis of merits and working experience, including qualifications, industrial expertise, general aptitude and competence for the job the candidates are applying for. The Group commits to equal opportunity, and recruitment decisions are never based on gender, family position or ethnic background. There is no limit imposed on age other than the legal minimum age limit.

The Group has established and implemented "Staff Manual", which contains the policies relating to human resources, covering areas such as compensation and dismissal, recruitment and promotion, salary, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare. Employees are also entitled to leave entitlements as set out in the "Employment Ordinance", including annual leave, sick leave, volunteer work leave, maternity leave and paternity leave. We also fulfill our responsibilities as an employer in terms of making MPF contributions.

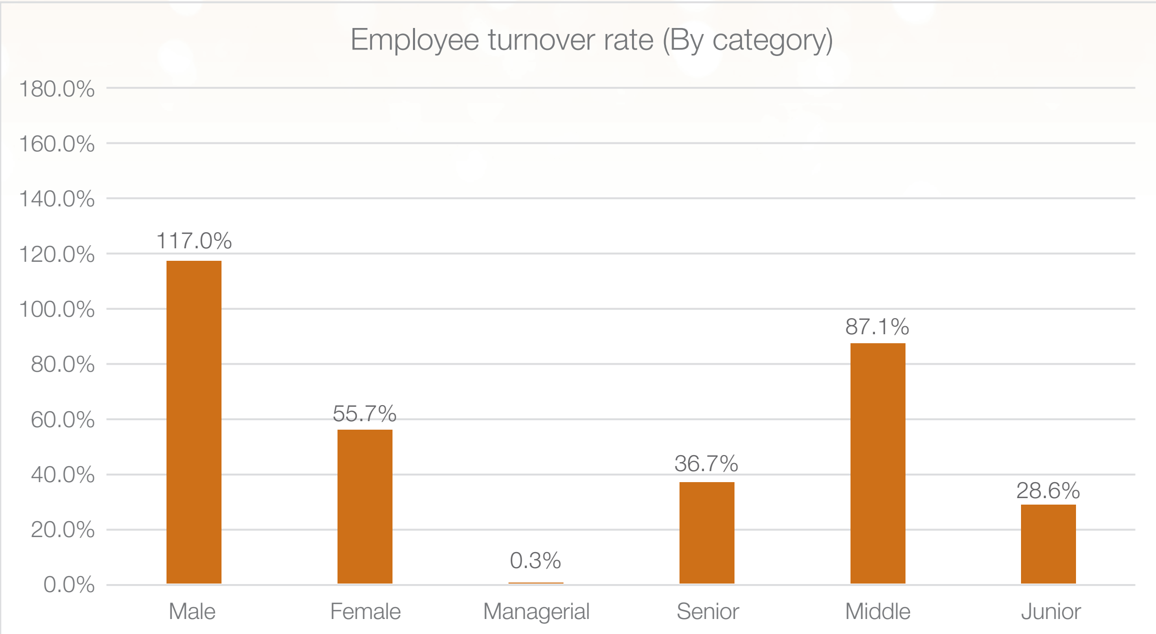
We endeavour to incentivise our staff for their contribution with an aim to improve our business performance. In particular, we have formulated an incentive scheme for certain front-line employees with their commission linked to the amount of sales of our treatment services. We offer the same commission rates which apply uniformly across all services we offer, including the sales of one-off treatment and prepaid packages.

As at 31 March 2025, the Group has a total full-time workforce of 401 employees (2024: 206) in which 351 are full-time employees (2024: 200), with breakdowns presented:





By geographical region, 401 staffs are residing and operating in Hong Kong. The overall employee turnover rate of the year is 60.3%, with further breakdowns by different categories presented. The ESG Working Committee has made an assessment and noted that the high turnover rate was due to the outbreak of COVID-19 in Hong Kong and the temporary closure of medical aesthetic centres of the Group for certain periods during the Reporting Period in accordance with the disease prevention measures and arrangements under the Prevention and Control of Disease Ordinance (Cap. 599F). Therefore, the ESG Working committee considered our turnover is reasonable.



Note: The turnover rate is arrived based on dividing the number of leavers over the year by the averaged total of employee of 2025 and 2024 reporting periods.

Overall Employment Compliance Status

In the reporting period, the Group has complied with relevant laws and regulations, including the below listed, that has a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare and preventing child and forced labour.

☑ Employment Ordinance, Chapter 57

☑ Mandatory Provident Fund Schemes Ordinance, Chapter 485

☑ Occupational Safety and Health Ordinance, Chapter 509

☑ Minimum Wage Ordinance, Chapter 608

☑ Employment of Children Regulations

B2: Health and Safety

The Group is committed to provide a safe and healthy working environment for employees and visitors. Our offices and medical aesthetic centres implement safety procedures and good housekeeping practices in accordance with applicable regulations.

To raise our employees' awareness of health and safety issues, we provide training on topics related to occupational health and safety to all our employees and keeps them up-to-date with the latest knowledge on the mitigation of occupational hazards. Also, we have clear measures for our employees to follow in order to prevent infection, including how to ensure hand hygiene and requiring the staff not to wear accessories such as artificial nails or rings. We have implemented operational safety guidelines and manuals for performing treatment procedures and the use of treatment devices covering aspects including obtaining client consent, equipment requirements (such as safety goggles), explaining the sensation that the client may feel upon application of treatment devices on the skin, pre- and post-treatment examination of the client, emergency response protocols and the disposal of medical waste.

In the past three years, there was no work injuries or fatalities reported, and no legal case regarding health and safety was brought against the Group.

Our effort on COVID-19 control

The Group have fulfilled all the lockdown and quarantine requirement imposed in Hong Kong. In addition, our ESG Working Committee has set up and overseen reporting mechanism to timely report suspected or confirmed inflection cases of our employees and their associates. We have also established the following necessary precaution measures.

COVID-19 Measures

- All doctors, employees and patients must scan the LeaveHomeSafe QR Code and take temperature at entrance before entering the premises. Hand sanitizers are provided to all staff and patients at premises.
- All premises have already set up temperature scanners at entrance.
- All staff and customers (except for conducting treatment) must always wear masks and keep personnel and premises hygiene.
- All staff should regularly disinfect treatment device.
- Our medical aesthetic centres waiting area' seats have 1-meter-mark for safe distancing.
- All treatments are on appointment basis.
- Medical aesthetic Centre staff will be responsible for crowd control.
- All staff are allocated self-test kits to do self-test biweekly and update in shared group. Some staff may require more frequent self-test if they have close contact with customers.
- All staff are encouraged and required to take vaccination or booster.

Overall Health and Safety Compliance Status

In the Reporting Period, the Group has complied with relevant laws and regulations, that has a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

☑ Medical Registration Ordinance

☑ Occupational Safety and Health Ordinance, Chapter 509

B3. Development and Training

The Group places great importance on the continuing development of professional knowledge and skills for the employees. The Company believes that the continued growth and success of our business is built upon employee excellence and their ability to provide quality of services to our customers, and workforce retention.

The Group is committed to provide professional trainings to our trained therapists in order to provide quality services to our clients. Our trainings included both theoretical and practical trainings and our training program has been specifically formulated by our consultant doctors and training managers. We have also established our own training centre to strengthen the quality of our trainings offered to our staff. The Group believes that the ability to keep abreast of the latest trend in medical aesthetic services and to offer quality service will positively impact our client traffic, revenue growth and financial performance.

From time to time, our consultant doctors attend industry conferences, seminars and workshops as well as seminars organised by our suppliers on topics such as minimally invasive procedures and energy-based procedures to keep abreast of the latest developments in the medical aesthetic industry. To ensure our newly recruited doctor is well versed with our internal operating protocols and service standards, our chief executive officer would, together with the consultant doctors, go through our company policies and the orientation programme with the newly recruited doctor before the newly recruited doctor commences to serve our clients.

Compliance Training

We also provide external training courses on topic of governance and compliance which are mainly provided by relevant professionals. In the Reporting Period, we have arranged a two-hours training course for our Directors and senior management on the topic of listing rules and anti-corruption.

B4: Labour Standards

According to "Employment of Children Regulation", the Group has never hired any child labour or forced labour in compliance with the related Hong Kong laws and regulations. During our recruitment process, relevant staff from the human resources department would screen out candidates who fail to meet the age requirement for employment. In addition, the Group strictly complies with the "Employment Ordinance" (Chapter 57 of the Laws of Hong Kong), the "Mandatory Provident Fund Schemes Ordinance" (Chapter 485 of the Laws of Hong Kong), the "Occupational Safety and Health Ordinance" (Chapter 509 of the Laws of Hong Kong) and the "Minimum Wage Ordinance" (Chapter 608 of the Laws of Hong Kong) and their respective subsidiary legislations in Hong Kong.

B5: Supply Chain Management

Reliable and quality suppliers are equally important in facilitating our provision of services with high standard of safety and professionalism.

Procurement of treatment devices/treatment consumables

We commit to delivering quality medical aesthetics services and endeavour to ensure treatment devices introduced for use in our medical aesthetic centres are reliable and capable of delivering desired results for our clients. We therefore have established policies and procedures to evaluate and assess treatment devices. We rely on our marketing and business development department to keep up with the prevailing technologies and conduct market research on the latest and prevailing treatment technologies and skincare product trends. In order to keep up with the latest industry trend and the prevailing technologies, our chief executive officer attends overseas industry expositions to get previews of the latest treatment devices. Periodic meetings are held among our executive directors, chief executive officer, consultant doctors and marketing and business development department to discuss the latest technologies and skincare products, during which our marketing and business development department may recommend the types of treatment devices to procure.

From time to time, suppliers of treatment devices visit us and demonstrate their treatment devices to us, which may also provide us with a trial period during which we can evaluate and assess the function and effectiveness of the treatment devices.

When deciding whether to procure a new treatment device, we take into account factors such as (i) whether it is approved by national government agencies such as the FDA and MFDS and/or whether such devices bear CE mark(s); (ii) whether there are similar devices on the market; (iii) whether it is complementary to our existing treatment offering; and (iv) our internal test results. The approval of our executive directors must be obtained before we procure a new treatment device and our executive directors will only make such procurement decision after consultation with our consultant doctors.

Procurement of skincare products

The skincare products offered by us are supplied by distributors. The countries of origin of our skincare products include the United Kingdom, New Zealand and France. We select and source skincare products with due caution and with regard to factors such as the suppliers' background, credentials and reputation, product quality and cost. The approval of our chief executive officer must be obtained before we bring in any new skincare product for sale.

The Group has stringent policies for selecting suppliers. When selecting suppliers, we consider factors including but not limited to suppliers' reputation, safety records, past performance records, supply quality, price competitiveness, delivery punctuality, relationship with the Group, service quality and types of products supplied. We review and assess suppliers' performance and qualifications regularly and update the approved supplier list accordingly. New suppliers are added onto the list of approved suppliers only if they meet the new admission criteria, and upon the approval by our executive directors.

B6: Product Responsibility

Quality Assurance

The Group is committed to delivering quality non-surgical medical aesthetic services. We have therefore adopted comprehensive and stringent quality assurance and control measures throughout our business processes which cover staff recruitment and training, performance of consultation and treatments, procurement of treatment devices, treatment consumables and skincare products, standardised operation procedures, and operational safety guidelines.

Recruitment of professional staff

We assess, among others, the academic and professional qualifications, years of relevant experience as well as the character and integrity of registered medical practitioners and therapists during our selection process. We generally prefer to engage registered medical practitioners with at least five years of practising experience in the medical aesthetic service industry prior to joining our Group. For therapists, we generally prefer candidates who have obtained relevant beauty service qualifications or with at least three years of relevant experience in the medical aesthetic service industry.

Performance of consultation and treatments

The carrying out of consultation services that involve the practice of medicine, medical diagnosis, prescription of pharmaceutical products and medicines (each as defined under the Pharmacy and Poisons Ordinance (Chapter 138 of the Laws of Hong Kong)) and certain types of treatments (such as injection of botulinum toxin type A and dermal fillers) constitute the practice of medicine and therefore must be carried out by registered medical practitioners pursuant to the Medical Registration Ordinance (Chapter 151 of the Laws of Hong Kong). Our consultant doctors carry out such consultation services and high risk treatment procedures. Generally, all treatments with risk of severe complication or potential risk of irreversible damage to the eye or tissue damage including nerve injury, muscle burn, fat necrosis or skin necrosis will be considered as high risk treatment procedures under our generally adopted practice and must be performed by consultant doctors only.

Client feedback and complaint handling

When the Group receives an unfavourable feedback, the customer services will record the case in a log sheet and take all necessary action to remedy the problem, including but not limited to a refund, change of the product or exchange of any problematic product. All refunds to customers are subject to the approval of our chief executive officer or head of finance. The number of unfavourable feedback for the Reporting Period was four. After the matter is settled, the customer services will update the feedback log sheet and all of the relevant documents will be filed properly.

Customer Data Information Protection

The Group is subject to, among others, the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), which limits the use of personal data of clients collected by us for such purposes for which they were collected or for a directly related purpose. In the Reporting Period, the Group did not receive any complain in relation to the relevant laws and regulations listed above.

Intellectual Property Rights

We respect intellectual property rights, such as trademarks, patents, and copyrights, among others. The Group kept a complete record of its intellectual property rights and will seek legal advice and take appropriate action if any of its intellectual property rights are infringed upon. If our staff is discovered to be in violation of applicable rules and regulations, they may not only face disciplinary action, but they may also be prosecuted and face criminal or civil liability, as stated in the Group's staff handbook.

In the Reporting Period, we believe that we have taken all reasonable measures to protect our intellectual property rights and deter any such infringement. We were unaware of any infringement (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us.

Overall Product Responsibility Compliance Status

In the Reporting Period, there were no material breach with relevant law and regulations relating to advertising, labelling and privacy matters recorded pertaining to our products and services. The Group has complied with relevant laws and regulations that have a significant impact on the Group relating to safety, advertising, labelling and privacy matters relating to products and services provided and method of redress.

B7: Anti-Corruption

The Group is committed to conducting all businesses without undue influence and has regarded honesty, integrity, and fairness as its core values that must be upheld by all directors and employees at all times. To formalise the commitments, a series of policies and handbooks are in place to set out the requirements expected of all directors and employees when dealing with its business. Some of the guiding documents include:

Code of Conduct Policy

- Neither directors nor employees shall obtain or provide benefit to clients, contractors, suppliers or people with business relationship with the Group;

- Employees should avoid any conflict of interest, and when actual or potential conflict of interest arises, the directors or employees shall make a declaration to the management; and

- Accepting gifts must be declared. All directors and employees are required to strictly follow the section headed "Acceptance of Advantages and Entertainment" in Code of Conduct and have to undergo the approval process as stipulated in that policy.

Whistleblowing Policy

- Providing the necessary mechanism for employees who report misconduct within the organisation.

To ensure the safety and secrecy of all whistle-blowers, the policy specifies that if employees detect any suspicious behaviour, they should report it immediately in writing or verbally to any of the Executive Directors. Following that, the Executive Director and an investigating officer will handle the situation quickly, professionally, and attentively. All of our employees have undergone internal trainings to familiarize themselves with the Fameglow's internal Whistleblowing Policy and thus are required to comply. This is to prevent employees from obtaining personal interest from related parties who have connections with Fameglow through bribery, extortion, and fraud.

Overall Anti-Corruption Compliance Status

In the Reporting Period, the Group was in compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and no legal cases regarding corrupt practices was brought against the Group or its directors or employees.

B8: Community Investment

The Group is committed to caring for our community. We hope that we can contribute and give back to the community during all areas of our business. We also promote the message of caring for community to our employees and encourage our employees to participate in community services. The Group has been honoured as a "Caring Company" by The Hong Kong Council of Social Service and The Lok Sin Tong Benevolent Society Kowloon in the Reporting Period.

In the Reporting Period, the Group made charitable and other kinds of donations amounting to approximately HK$20,000.

SOCIAL KEY PERFORMANCE INDICATORS

KPIs		Unit	FY2025	FY2024
Workforce	**Gender**			
	Male	person	21	20
	Female	person	385	186
	Type of employment			
	Permanent	person	351	200
	Part-time	person	50	6
	Level of Employees			
	Managerial	person	48	38
	Senior	person	64	45
	Middle	person	249	93
	Junior	person	40	30
Turnover Rate	**Gender**			
	Male	%	65.3	57.1
	Female	%	55.7	15.5
	Type of employment			
	Permanent	%	75.5	18.4
	Part-time	%	10.7	50.0
	Level of Employees			
	Managerial	%	9.3	12.0
	Senior	%	36.7	9.8
	Middle	%	87.1	26.7
	Junior	%	28.6	8.8
Training	**Level of Employees**			
	Managerial	hours	980	950
	Senior	hours	0	0
	Middle	hours	3,205	2,985
	Junior	hours	0	0
Training rate	**Gender**			
	Male	%	30	30
	Female	%	40	28
	Level of Employees			
	Managerial	%	70	60
	Senior	%	0	0
	Middle	%	55	50
	Junior	%	0	0
Suppliers	Hong Kong	supplier(s)	110	62
Community Investment	Amount of contribution	HK$	20,000	64,000

Note: The turnover rate is arrived based on dividing the number of leavers over the year by the averaged total of employee of 2025 and 2024 reporting periods.

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
A. Environmental			
A1 Emissions	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A. Environmental	Complied
KPI A1.1	The types of emissions and respective emissions data.	Environmental Key Performance Indicators	Complied
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators	Complied
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators	Complied
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators	Complied
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	We are assessing if any emission target can be feasibly set.	Explained
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	A1: Emissions	Complied
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	A2: Use of Resources	Complied
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators	Complied
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key Performance Indicators	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2: Use of Resources	Complied
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	We do not have problem in sourcing water in our operation.	Explained
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Key Performance Indicators	Complied
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3: The Environment and Natural Resources	Complied
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3: The Environment and Natural Resources	Complied
Aspect A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4: Climate Change	Complied
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4: Climate Change	Complied
B. Social			
B1 Employment	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1: Employment	Complied
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Key Performance Indicators	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Key Performance Indicators	Complied
B2 Health and Safety	Information on: a) the policies; and b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	B2: Health and Safety	Complied
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2: Health and Safety	Complied
KPI B2.2	Lost days due to work injury.	None noted. For detail, please refer to B2: Health and Safety	Complied
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2: Health and Safety	Complied
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3: Development and Training	Complied
KPI B3.1	The percentage of employees trained by gender and employee category.	Social Key Performance Indicators	Complied
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Key Performance Indicators	Complied
B4 Labour Standard	Information on: a) the policies; and b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	B4: Labour Standards	Complied
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4: Labour Standards	Complied
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4: Labour Standards	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	B5: Supply Chain Management	Complied
KPI B5.1	Number of suppliers by geographical region.	Social Key Performance Indicators	Complied
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5: Supply Chain Management	Complied
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5: Supply Chain Management	Complied
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5: Supply Chain Management	Complied
B6 Product Responsibility	Information on: a) the policies; and b) compliance relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6: Product Responsibility	Complied
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We do not have any recalls	Explained
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	We do not receive any complaints	Explained
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights	Complied
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance	Complied
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Data Information Protection	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
B7 Anti-corruption	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7: Anti-Corruption	Complied
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	None noted. For detail, please refer to B7: Anti-Corruption	Complied
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7: Anti-Corruption	Complied
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7: Anti-Corruption	Complied
B8 Community Investment	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	B8: Community Investment	Complied
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8: Community Investment	Complied
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8: Community Investment	Complied

INDEPENDENT AUDITOR'S REPORT

McMillanWoods
Professionalism at the forefront

TO THE SHAREHOLDERS OF FAMEGLOW HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Fameglow Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 67 to 125, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the year ended 31 March 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. The key audit matter we identified is revenue recognition in relation to provision of treatment services.

Key audit matter	How our audit addressed the Key Audit Matter
Revenue recognition in relation to provision of treatment services	
Refer to the material accounting policy information in note 4(p), critical judgements and estimates in note 5 and relevant disclosures in note 7 to the consolidated financial statements. For the year ended 31 March 2025, revenue recognised from provision of beauty treatment services and expiry of prepaid treatment packages amounting to approximately HK$435,274,000. As at 31 March 2025, the Group had contract liabilities of approximately HK$54,938,000. Revenue recognition in relation to provision of services is dependent on the estimation of the utilisation pattern of treatments. Based on the Group's historical experience, the Group makes estimates of an expected amount of breakage by different types of treatments. Actual utilisation may be higher or lower than those estimated at the end of each reporting period, which would affect the revenue recognition in relation to provision of treatment services and contract liabilities recognised in the year and at each year end respectively when estimation is revised. We identified revenue recognition in relation to provision of treatment services as a key audit matter, due to the subjective judgement and estimates required in determining the utilisation pattern of treatments.	Our audit procedures performed on revenue recognition in relation to provision of treatment services included: • Obtaining an understanding of the Group's revenue recognition policy and key processes of revenue recognition in relation to provision of treatment services; and • Assessing the reasonableness of the estimation of expected breakage amount for the unexpired treatment service contracts by different types of treatments with reference to the actual breakage for the expired treatment service contracts in past years to develop an expectation of current year's breakage amount. Such assessment involves the following procedures: a. Testing, on a sample basis, the accuracy of the historical data of customers' utilisation used by management to develop the estimate; b. Assessing the appropriateness of the key assumptions of expected future utilisation rate by comparing the expected future utilisation rate to the historical utilisation rate and evaluating whether the basis of their differences, if any, are reasonable; and c. Re-performing the calculation of the expected amount of breakage for those unutilised treatment service contracts at the end of the reporting period prepared by the management of the Group.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF THE DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Sham Tsz Leung, Desmond
Audit Engagement Director
Practising Certificate Number: P08234

24/F., Siu On Centre,
188 Lockhart Road,
Wan Chai, Hong Kong

Hong Kong, 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue	7	**435,274**	299,364
Cost of inventories and consumables		**(46,468)**	(38,473)
Other income and gains	8	**5,095**	2,160
Gain on disposal of a subsidiary	31(c)	**–**	858
Staff costs		**(170,354)**	(100,292)
Rental and related expenses		**(11,039)**	(7,012)
Depreciation of property, plant and equipment		**(28,503)**	(25,775)
Depreciation of right-of-use assets		**(31,199)**	(20,450)
Other expenses		**(93,716)**	(62,944)
Finance costs	10	**(4,087)**	(3,155)
Profit before taxation	11	**55,003**	44,281
Income tax expense	13	**(9,275)**	(3,530)
Profit for the year attributable to owners of the company		**45,728**	40,751
Other comprehensive income			
Item that may not be reclassified to profit or loss:			
Remeasurement gains on defined benefit pension plans		**100**	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**9**	–
Other comprehensive income for the year		**109**	–
Total comprehensive income for the year attributable to owners of the Company		**45,837**	40,751
Earnings per share			
— basic and diluted (HK cents)	15	**5.72**	5.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	16	**99,107**	63,435
Right-of-use assets	17	**75,759**	33,126
Deposits and prepayments	19	**14,977**	12,726
Contract costs	20	**530**	898
Deferred tax assets	28	**2,329**	1,572
		192,702	111,757
Current assets			
Inventories	18	**10,835**	9,435
Trade receivables, deposits and prepayments	19	**80,921**	30,522
Contract costs	20	**4,738**	6,171
Promissory note receivable	21	**–**	17,287
Bank balances and cash	22	**40,615**	19,309
		137,109	82,724
Current liabilities			
Trade and other payables and accruals	23	**69,213**	23,895
Contract liabilities	24	**54,938**	58,982
Tax payables		**2,356**	2,646
Bank borrowings	25	**12,962**	10,019
Lease liabilities	26	**36,192**	15,988
Provisions	27	**1,262**	–
		176,923	111,530
Net current liabilities		**(39,814)**	(28,806)
Total assets less current liabilities		**152,888**	82,951

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Lease liabilities	26	**43,237**	19,538
Provisions	27	**3,562**	3,161
		46,799	22,699
Net assets		**106,089**	60,252
Capital and reserves			
Share capital	29	**8,000**	8,000
Reserves		**98,089**	52,252
Total equity		**106,089**	60,252

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2025 and are signed on its behalf by:

Ms. Fu Chi Ching
Director

Mr. Yip Chun Kwok Danny, MH
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital HK$'000	Share premium HK$'000 (note i)	Other reserve HK$'000 (note ii)	Currency translation reserve HK$'000 (note iii)	Accumulated (losses)/profits HK$'000	Total HK$'000
As at 1 April 2023	8,000	64,107	(21,026)	–	(31,580)	19,501
Profit and total comprehensive income for the year	–	–	–	–	40,751	40,751
As at 31 March 2024 and as at 1 April 2024	8,000	64,107	(21,026)	–	9,171	60,252
Profit for the year	–	–	–	–	45,728	45,728
Other comprehensive income:						
Remeasurement gains on defined benefit pension plans	–	–	–	–	100	100
Exchange differences on translation of foreign operation	–	–	–	9	–	9
Total comprehensive income for the year	–	–	–	9	45,828	45,837
As at 31 March 2025	**8,000**	**64,107**	**(21,026)**	**9**	**54,999**	**106,089**

Notes:

(i) Share premium represented the share premium of the Company, the application of which is governed by the Companies Law of the Cayman Islands. Under the Companies Law (2000 revision) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

(ii) The other reserve represented the difference between the nominal value of the share capital of the subsidiaries acquired as a result of the reorganisation as fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Group Structure" of the prospectus of the Company dated 28 September 2018 and the nominal value of the share capital of the Company issued in exchange thereof.

(iii) The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the material accounting policy information set out in Note 4(b).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**55,003**	44,281
Adjustments for:		
Interest income	**(1,312)**	(1,209)
Depreciation of property, plant and equipment	**28,503**	25,775
Depreciation of right-of-use assets	**31,199**	20,450
Finance costs	**4,087**	3,155
Provision for long service payment	**201**	824
Gain on disposal of a subsidiary	**–**	(858)
Gain on early termination of leases	**(964)**	–
Operating cash flows before movements in working capital	**116,717**	92,418
Increase in inventories	**(1,400)**	(2,377)
Increase in trade receivables, deposits and prepayments	**(64,004)**	(18,359)
Decrease in contract costs	**1,801**	2,695
Increase in trade and other payables and accruals	**45,186**	2,510
Decrease in provisions	**(407)**	–
Decrease in contract liabilities	**(4,044)**	(37,155)
Cash generated from operations	**93,849**	39,732
Hong Kong Profits Tax paid	**(10,322)**	(4,934)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**83,527**	34,798
INVESTING ACTIVITIES		
Interest income received	**31**	28
Purchases of property, plant and equipment	**(53,386)**	(13,463)
Repayment of promissory note receivable	**18,049**	4,570
Net cash inflow from disposal of a subsidiary	**–**	1,951
NET CASH USED IN INVESTING ACTIVITIES	**(35,306)**	(6,914)
FINANCING ACTIVITIES		
Interests paid	**(3,929)**	(3,083)
Repayments of bank borrowings	**(5,557)**	(4,359)
Proceeds from bank borrowings	**8,500**	–
Repayment of lease liabilities	**(25,929)**	(20,353)
NET CASH USED IN FINANCING ACTIVITIES	**(26,915)**	(27,795)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**21,306**	89
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	**19,309**	19,220
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD, Represented by bank balances and cash	**40,615**	19,309

1. GENERAL INFORMATION

Fameglow Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 2 March 2018 under the Companies Law Chapter 22 of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 October 2018. As at 31 March 2025, the ultimate holding company of the Company is Equal Joy Holdings Limited ("Equal Joy"), which was incorporated in the British Virgin Islands ("BVI"), and is owned as to 50% and 50% by Ms. Fu Chi Ching ("Ms. Fu") and Mr. Yip Chun Kwok Danny ("Mr. Yip"), spouse of Ms. Fu (Mr. Yip together with Ms. Fu collectively referred to as the "Controlling Shareholders"). The addresses of the registered office and the principal place of business of the Company are disclosed in the section headed "Corporate Information" of the annual report of the Company.

The Company acts as an investment holding company and its subsidiaries (collectively referred to as the "Group") are principally engaged in provision of beauty treatment services and sale of skincare products in Hong Kong.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar ("HK$'000"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and with the requirements of the Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of new and amendments to HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

The above amendments to HKFRS Accounting Standards effective for the current year do not have a material impact on the Group's consolidated financial positions and consolidated performance for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective

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

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Hong Kong Interpretation 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[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 annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Except as disclosed below, the directors expect that the adoption of the above HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the year of initial application.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared under the historical cost convention and going concern basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

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

(a) Consolidation

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(a) Consolidation *(Continued)*

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(b) Foreign currency translation

The individual financial statements of each Group's entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in $HK, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of the Group (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the Group operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group, using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the other comprehensive income and accumulated in equity under the heading of currency translation reserve.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(c) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land and buildings	Over the shorter of the terms of the lease or 50 years
Leasehold improvements	Over the shorter of the terms of the lease
Furniture and fixtures	20%
Treatment devices	20%
Motor vehicles	20%

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises or right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less which, for the Group are primarily laptops and office furniture. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Leases *(Continued)*

The Group as a lessee *(Continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group entities, which do not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, (i.e. 1 to 7 years) upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment/the carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

The Group present right-of-use assets as a separate line item on the consolidated statement of financial position.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Leases *(Continued)*

The Group as a lessee *(Continued)*

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

(f) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory or property, plant and equipment, are expensed as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Other contract costs *(Continued)*

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised.

(g) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases (before the Group transfers the related goods or services), a corresponding receivable would also be recognised.

(h) Recognition and derecognition of financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Debt investments

Debt investments held by the Group are classified into amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit loss ("ECL").

(l) Financial liabilities and equity instruments

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

(m) Borrowings

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

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

(n) Trade and other payables

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

(o) Equity instruments

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes of any trade discounts.

Revenue from provision of treatment services are recognised in the accounting period when the services have been rendered to customers. Receipt of proceeds in respect of treatment packages for which the relevant services have not been rendered are deferred and recognised as "contract liabilities" in the consolidated statement of financial position.

The Group implements a contractual expiry policy for all service contracts. The customers may not utilise all of their contractual rights within the service period and these unutilised treatments are referred to as "breakage". An expected amount of breakage is estimated by management based on the historical data of customers' utilisation and expected future utilisation pattern of the Group's prepaid packages and is recognised as revenue in proportion to the pattern of treatments used by customers. After the recognition of revenue from treatments provided and breakage, any residual contract liabilities at the end of the relevant service period are fully recognised as revenue in the consolidated statement of profit or loss and other comprehensive income.

Revenue from the sale of skincare products is recognised when control of the goods has transferred, being at the point the customer purchases the skincare products at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the skincare products. Under the Group's standard contract terms, customers have a right of return within 5 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Interest income is recognised as it accrues using the effective interest method.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(r) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(s) Taxation

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(s) Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(t) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(u) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade and other receivables, deposits and promissory note receivable. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(u) Impairment of financial assets *(Continued)*

Significant increase in credit risk *(Continued)*

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

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk for a particular financial instrument;

— existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor;

— significant increases in credit risk on other financial instruments of the same debtor;

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(u) Impairment of financial assets *(Continued)*

Significant increase in credit risk *(Continued)*

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

— when there is a breach of financial covenants by the counterparty; or

— information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

Credit-impaired financial assets

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

— significant financial difficulty of the issuer or the counterparty;

— a breach of contract, such as a default or past due event;

— the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

— it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for that financial asset because of financial difficulties.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(u) Impairment of financial assets *(Continued)*

Write-off policy

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

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an 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.

Critical judgements in applying accounting policies

Revenue recognition from unutilised prepaid packages

The recognition of revenue from the unutilised portion of the expired prepaid packages involves significant management's judgement to determine the appropriate timing when the obligations to provide services are considered to be expired based on the Group's forfeiture policy and hence the recognition criteria for the related revenue are met in accordance with the accounting policy for revenue from contracts with customers in Note 4.

5. CRITICAL JUDGEMENTS AND ESTIMATES *(Continued)*

Key sources of estimation uncertainty

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

Revenue recognition of breakage

Revenue recognition in relation to provision of services is dependent on the estimation of the utilisation pattern of treatments. Based on the Group's historical experience, the Group makes estimates of an expected amount of breakage by different types of treatments. Actual utilisation may be higher or lower than those estimated at the end of each reporting period, which would affect the revenue recognition in relation to provision of treatment services and contract liabilities recognised in the year and at the end of each reporting period respectively when estimation is revised.

Allowance for slow-moving inventories

The management of the Group reviews an ageing analysis at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Estimation of net realisable value are based on the latest invoice prices and current market condition. Where the net realisable value is less than the carrying amount, impairment loss may arise.

No allowance for slow-moving inventories was provided for the years ended 31 March 2025 and 2024.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including promissory note receivable, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents and trade receivables is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

In view of the business nature, the management of the Group considers the credit risks of trade receivables are insignificant after considering the credit quality and financial ability of the relevant financial institutions and there was no history of default in settlement by them.

Rental, utilities and other deposits

For rental, utilities and other deposits, the management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of these deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of rental, utilities and other deposits.

Promissory note receivable

In determining the ECL of the Group's promissory note receivable, the management assessed the expected losses individually by estimation based on general economic conditions of the relevant industry in which the debtors operate, value of any pledged assets, financial position of the debtors and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

	Stage 1 HK$'000
As at 31 March 2024	
Promissory note receivable, gross	17,287
Less: Loss allowance	–
Promissory note receivable, net	17,287

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

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

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

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Credit risk *(Continued)*

The tables below detail the credit risk exposures of the Group's financial assets (trade receivables, rental, utilities and other deposits, promissory note receivable and bank balances) at the end of reporting period, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amounts	
					2025	2024
					HK$'000	HK$'000
Financial assets at amortised cost						
Trade receivables	19	Aa1 to Baa3 (note 3)	N/A	Lifetime ECL – not credit impaired	**42,520**	6,747
		N/A	Low risk (note 1)	Lifetime ECL – not credit impaired	**4,572**	5,101
Rental, utilities and other deposits	19	N/A	Low risk (note 2)	12m ECL	**16,718**	14,241
Promissory note receivable	21	N/A	Low risk (note 4)	12m ECL	**–**	17,287
Bank balances		Aa1 to A2 (note 3)	N/A	12m ECL	**37,413**	16,224

Notes:

1. For trade receivables, the Group has applied the simplified approach as permitted by HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL for trade receivables on individual basis with reference to past default experience for recurring customers and current past due exposure for new customers.

   During the years ended 31 March 2025 and 2024, no impairment loss was provided for trade receivables as the amount is insignificant.

2. For the purposes of internal credit risk management, the Group uses information developed internally and externally to assess whether credit risk has increased significantly since initial recognition.

   During the years ended 31 March 2025 and 2024, no impairment loss was provided for rental, utilities and other deposits as the amount is insignificant.

3. The external credit ratings are assessed according to Moody's Rating Scaling. The Group has balances with several banks and other financial institutions in which the ratings are ranged from Aa1 to Baa3.

   During the years ended 31 March 2025 and 2024, no impairment loss was provided for bank balances as the amount is insignificant.

4. For the purposes of internal credit risk management, the Group uses information developed internally and externally to assess whether credit risk has increased significantly since initial recognition.

   During the years ended 31 March 2024, no impairment loss was provided for the above financial assets as the amount is insignificant. The promissory note was fully repaid during the year ended 31 March 2025.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of the Group's non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

	On demand or less than 1 year HK$'000	**1–2 years** HK$'000	**2–5 years** HK$'000	**Total undiscounted cash flows** HK$'000	**Total carrying amount** HK$'000
At 31 March 2025					
Trade and other payables and accruals	**46,220**	**–**	**–**	**46,220**	**46,220**
Bank borrowings	**12,962**	**–**	**–**	**12,962**	**12,962**
Lease liabilities	**38,872**	**32,548**	**12,128**	**83,548**	**79,429**
	98,054	**32,548**	**12,128**	**142,730**	**138,611**
At 31 March 2024					
Trade and other payables and accruals	11,335	–	–	11,335	11,335
Bank borrowings	10,019	–	–	10,019	10,019
Lease liabilities	17,669	18,825	720	37,214	35,526
	39,023	18,825	720	58,568	56,880

Bank borrowings with a repayable on demand clause are included in the "On demand" time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amounts of these bank borrowings were approximately HK$12,962,000 (2024: HK$10,019,000). Taking into account the Group's financial position, management of the Group does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management of the Group believes that such bank borrowings of the Group will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the loan agreements.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

Liquidity risk *(Continued)*

For the purpose of managing liquidity risk, management of the Group reviews the expected cash flow information of the Group's bank borrowings based on the scheduled repayment dates set out in the bank borrowings agreements as set out in the table below:

	Less than 1 year HK$'000	1–2 years HK$'000	2–5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Bank borrowings with a repayment on demand clause						
As at 31 March 2025	**7,061**	**2,111**	**2,897**	**1,903**	**13,972**	**12,962**
As at 31 March 2024	2,804	2,571	3,008	2,785	11,168	10,019

Interest rate risk

The Group's cash flow interest rate risk primarily relates to the variable-rate bank balances and bank borrowings. It is the Group's policy to keep its borrowing at floating rate of interest so as to minimise the fair value interest rate risk.

The Group is also exposed to fair value interest rate risk in relation to the promissory note receivable and lease liabilities. Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of the reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on the Group's consolidated financial statements.

Categories of financial instruments

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Amortised cost	**104,425**	62,685
Financial liabilities		
Amortised cost	**59,182**	23,095

Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. REVENUE

Revenue

Revenue represents the net amounts received and receivable arising from provision of treatment services and sales of skincare products in Hong Kong during the year.

The details of provision of treatment services are set out below:

Non-surgical medical aesthetic service

Energy-based procedures	—	representing the usage of different energy-based devices that emit different types of energy on skin surface
Minimally invasive procedures	—	representing injection treatments that is non-surgical treatments procedures with minimal penetration to body tissue and no surgical incisions
Traditional beauty services	—	representing treatments that are non-medical and non-invasive in nature

	2025	2024
	HK$'000	HK$'000
Revenue recognised from provision of treatment services and expiry of prepaid treatment packages		
— Non-surgical medical aesthetic services		
— Energy-based procedures	**382,531**	256,971
— Minimally invasive procedures	**33,145**	19,221
— Traditional beauty services	**12,235**	9,939
	427,911	286,131
Sale of skincare products	**7,363**	13,233
Revenue from contracts with customers	**435,274**	299,364
Timing of revenue recognition:		
Over time	**400,512**	269,631
At a point in time	**34,762**	29,733
	435,274	299,364

7. REVENUE *(Continued)*

Revenue *(Continued)*

Performance obligations for contracts with customers

The following table shows the aggregate amount of contract liabilities represented the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period:

	2025 **HK$'000**	2024 HK$'000
Unsatisfied performance obligations relating to provision of treatment services	**54,938**	58,982

Management of the Group expects that the unsatisfied performance obligations will be recognised as revenue ranging from 1–2 years according to the contract period and the timing of render of services is at the discretion of the customers. In the opinion of the directors, the actual outcome may be different from the amounts estimated and will be subject to the customers actual utilisation pattern taking into account specific market.

Information about the Group's performance obligations is summarised below:

Energy-based procedures/Traditional Minimally invasive procedures and beauty services

The performance obligation associated with energy-based procedures, traditional minimally invasive procedures and beauty services (excluding the injections related treatments) are satisfied over time when the services are rendered.

Sale of skincare products/Minimally invasive procedures(represented injections related treatments)

The performance obligation is satisfied upon delivery of the skin care products and completion of the injection treatment. Payment is mainly on cash and/or credit card settlement.

8. OTHER INCOME AND GAINS

	2025 HK$'000	2024 HK$'000
Interest income from bank deposits	31	28
Interest income from promissory note	762	787
Effective interest income from rental deposits	519	394
Gain on early termination of leases	964	–
Written back of accruals	2,153	–
Others	666	951
	5,095	2,160

9. SEGMENT INFORMATION

Segment information

In relation to the financial information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM") for the purpose of resources allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Geographical information

No geographical segment information is presented as most of the Group's revenue is derived from Hong Kong based on the location of goods delivered and services provided and most of the Group's non-current assets are located in Hong Kong by physical location of assets.

Information about major customers

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

10. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interests on:		
Bank borrowings	**638**	424
Lease liabilities	**3,291**	2,659
Unwinding of discount on provision	**127**	45
Long-service payment	**31**	27
	4,087	3,155

11. PROFIT BEFORE TAXATION

	2025 HK$'000	2024 HK$'000
Profit before taxation has been arrived at after charging:		
Directors' emoluments (note 12)	**11,051**	7,808
Other staff costs:		
Salaries, wages, commission, bonuses and allowances	**154,917**	88,955
Retirement benefit scheme contributions	**4,185**	2,705
Provision for long service payment	**201**	824
Total staff costs	**170,354**	100,292
Consultancy fee for doctors (included in other expenses)	**21,288**	14,873
Marketing and promotion expenses (included in other expenses)	**43,068**	29,597
Auditor's remuneration		
— audit services	**480**	480
Depreciation of property, plant and equipment	**28,503**	25,775
Depreciation of right-of-use assets	**31,199**	20,450
Expenses relating to short-term lease payment	**1,078**	805

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

(a) Directors' and chief executive officer's emoluments

The emoluments paid or payable to the directors of the Company and chief executive of the Company (including emoluments for services as employee) by the Group were as follows:

	Fees	Salaries and allowances	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2025				
Executive directors				
Ms. Fu	**–**	**8,700**	**18**	**8,718**
Mr. Yip	**–**	**1,931**	**18**	**1,949**
Independent non-executive directors				
Mr. Yu Chi Wing	**144**	**–**	**–**	**144**
Mr. Tan Pui Kwan	**96**	**–**	**–**	**96**
Mr. Kwok David	**144**	**–**	**–**	**144**
	384	**10,631**	**36**	**11,051**
Year ended 31 March 2024				
Executive directors				
Ms. Fu	–	5,248	18	5,266
Mr. Yip	–	2,140	18	2,158
Independent non-executive directors				
Mr. Yu Chi Wing	144	–	–	144
Mr. Tan Pui Kwan	96	–	–	96
Mr. Kwok David	144	–	–	144
	384	7,388	36	7,808

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' and chief executive officer's emoluments *(Continued)*

Ms. Fu acts as the chief executive officer of the Company and her emoluments disclosed above include those for services rendered by her as the chief executive.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as director of the Company.

No emolument was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

None of the directors has waived or agreed to waive any emoluments during both years.

No other transactions, arrangements and contracts of significant in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2024: two) were directors of the Company for the year ended 31 March 2025, whose emoluments are included in the disclosures above. The emoluments of the remaining three (2024: three) individuals are as follows:

	2025 **HK$'000**	2024 HK$'000
Employees		
— salaries and allowances	**5,507**	5,098
— retirement benefit scheme contributions	**54**	54
	5,561	5,152

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments *(Continued)*

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

	Number of employees	
	2025	2024
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**2**	1
HK$2,000,001 or above	**1**	1
	3	3

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the five highest paid individuals has waived or agreed to waive any emoluments for both years.

13. INCOME TAX EXPENSE

	2025 **HK$'000**	2024 HK$'000
Hong Kong Profits Tax:		
— Current tax	**10,032**	5,687
Deferred tax (Note 28)	**(757)**	(2,157)
	9,275	3,530

13. INCOME TAX EXPENSE *(Continued)*

For the years ended 31 March 2025 and 2024, Hong Kong Profits Tax is calculated at 8.25% (2024: 8.25%) on the first HK$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% (2024: 16.5%) on the estimated assessable profits above HK$2,000,000 of that subsidiary. The assessable profits of other group entities not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%) and deduction of tax concession of HK$1,500 (2024: HK$3,000).

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

	2025 **HK$'000**	2024 HK$'000
Profit before taxation	**55,003**	44,281
Tax at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	**9,075**	7,306
Tax effect of expenses not deductible for tax purpose	**1,095**	276
Tax effect of income not taxable for tax purpose	**(267)**	(162)
Tax effect of utilisation of tax losses previously not recognised	**–**	(3,693)
Tax effect of tax losses not recognised	**409**	2
Tax concession	**(3)**	(9)
Tax effect of two-tiered tax regime	**(165)**	(165)
Tax effect of temporary difference not recognised	**(742)**	(25)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**(127)**	–
Income tax expense	**9,275**	3,530

As at 31 March 2025, the Group has estimated unused tax losses of approximately HK$30,404,000 (2024: HK$27,926,000) available for offset against future profits. No deferred tax asset has been recognised due to unpredictability of future profit streams. All the unused tax losses may be carried forward indefinitely.

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholder of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

15. EARNINGS PER SHARE

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

	2025 **HK$'000**	2024 HK$'000
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	**45,728**	40,751

	2025	2024
Weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share	**800,000,000**	800,000,000

No diluted earnings per share has been presented as there were no potential ordinary shares in issue for the years ended 31 March 2025 and 2024.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Treatment devices HK$'000	Motor vehicles HK$'000	Total HK$'000
COST						
As at 1 April 2023	28,505	77,574	5,919	64,941	3,538	180,477
Additions	–	3,800	–	9,663	–	13,463
Disposal of a subsidiary (Note 31(c))	(28,505)	–	–	–	–	(28,505)
As at 31 March 2024 and 1 April 2024	–	81,374	5,919	74,604	3,538	165,435
Additions	**–**	**31,285**	**242**	**32,448**	**200**	**64,175**
Transfer from right-of-use assets (Note 17)	**–**	**–**	**–**	**4,540**	**–**	**4,540**
As at 31 March 2025	**–**	**112,659**	**6,161**	**111,592**	**3,738**	**234,150**
ACCUMULATED DEPRECIATION						
As at 1 April 2023	6,080	30,631	4,385	38,745	2,749	82,590
Provided for the year	285	14,375	578	10,286	251	25,775
Disposal of a subsidiary (Note 31(c))	(6,365)	–	–	–	–	(6,365)
As at 31 March 2024 and 1 April 2024	–	45,006	4,963	49,031	3,000	102,000
Provided for the year	**–**	**16,699**	**432**	**11,141**	**231**	**28,503**
Transfer from right-of-use assets (Note 17)	**–**	**–**	**–**	**4,540**	**–**	**4,540**
As at 31 March 2025	**–**	**61,705**	**5,395**	**64,712**	**3,231**	**135,043**
CARRYING AMOUNTS						
As at 31 March 2025	**–**	**50,954**	**766**	**46,880**	**507**	**99,107**
As at 31 March 2024	–	36,368	956	25,573	538	63,435

17. RIGHT-OF-USE ASSETS

	Leased properties HK$'000	Reinstatement cost HK$'000	Treatment devices HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
As at 1 April 2023	85,399	2,000	4,540	–	91,939
Additions	3,226	–	–	800	4,026
Termination	(6,102)	–	–	–	(6,102)
As at 31 March 2024 and 1 April 2024	82,523	2,000	4,540	800	89,863
Additions	**74,727**	**1,943**	**–**	**–**	**76,670**
Transfer to property, plant and equipment (Note 16)	**–**	**–**	**(4,540)**	**–**	**(4,540)**
Termination	**(26,928)**	**–**	**–**	**–**	**(26,928)**
Exchange difference	**(5)**	**–**	**–**	**–**	**(5)**
As at 31 March 2025	**130,317**	**3,943**	**–**	**800**	**135,060**
ACCUMULATED DEPRECIATION					
As at 1 April 2023	38,379	568	3,442	–	42,389
Charged for the year	19,042	473	908	27	20,450
Termination	(6,102)	–	–	–	(6,102)
As at 31 March 2024 and 1 April 2024	51,319	1,041	4,350	27	56,737
Charged for the year	**30,162**	**687**	**190**	**160**	**31,199**
Transfer to property, plant and equipment (Note 16)	**–**	**–**	**(4,540)**	**–**	**(4,540)**
Termination	**(24,094)**	**–**	**–**	**–**	**(24,094)**
Exchange difference	**(1)**	**–**	**–**	**–**	**(1)**
As at 31 March 2025	**57,386**	**1,728**	**–**	**187**	**59,301**
CARRYING AMOUNTS					
As at 31 March 2025	**72,931**	**2,215**	**–**	**613**	**75,759**
As at 31 March 2024	31,204	959	190	773	33,126

17. RIGHT-OF-USE ASSETS *(Continued)*

	2025 **HK$'000**	2024 HK$'000
Expenses relating to short-term leases and other leases with leases terms within 12 months	**1,078**	805
Interest expense on lease liabilities (included in finance costs)	**3,291**	2,659
Total cash outflow for leases	**30,298**	23,817

For both years, the Group leases shops, treatment devices and motor vehicles for its operations. Lease contracts are entered into for fixed term of 2 years to 5 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

Lease liabilities of approximately HK$79,429,000 (2024: HK$35,526,000) are recognised with related right-of-use assets of approximately HK$73,544,000 (2024: HK$32,167,000) as at 31 March 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Variable lease payments

Leases of retail stores are either with only fixed lease payments or contain variable lease payment that are based on 5% to 10% sales and minimum annual lease payment that are fixed over the lease term. Some variable payment terms include cap clauses. The payment terms are common in retail stores in Hong Kong where the Group operates. The amount of fixed and variable lease payments paid/payable to relevant lessors during the year.

For the year ended 31 March 2025

	Number of shops	**Fixed payments HK$'000**	**Variable lease payments HK$'000**	**Total payments HK$'000**
Shops without variable lease payments	**9**	**20,660**	**–**	**20,660**
Shops with variable lease payments	**3**	**6,268**	**–**	**6,268**
	12	**26,928**	**–**	**26,928**

17. RIGHT-OF-USE ASSETS *(Continued)*

Variable lease payments *(Continued)*

For the year ended 31 March 2024

	Number of shops	Fixed payments HK$'000	Variable lease payments HK$'000	Total payments HK$'000
Shops without variable lease payments	4	18,892	–	18,892
Shops with variable lease payments	3	4,873	–	4,873
	7	23,765	–	23,765

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of store sales in future years.

Extension and termination options

The Group has extension and termination options in a number of leases for the 5 (2024: 2) shops. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 March 2025, the Group terminated 4 (2024: nil) lease contract within the lease period with the consent of landlord.

18. INVENTORIES

	2025 HK$'000	2024 HK$'000
Skincare products and consumables	**10,835**	9,435

At the end of the reporting period, the Group's inventory are stated at cost.

19. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025	2024
	HK$'000	HK$'000
Trade receivables	**47,092**	11,848
Rental, utilities and other deposits	**16,718**	14,241
Trade deposit paid	**8,350**	2,000
Prepayments (Note)	**23,738**	15,159
	95,898	43,248
Analysed for reporting purposes as:		
Non-current assets	**14,977**	12,726
Current assets	**80,921**	30,522
	95,898	43,248

Note: As at 31 March 2025, prepayments mainly represent the prepaid marketing expense of approximately HK$9,566,000 (2024: HK$1,495,000) and advance payment for acquisition of property, plant and equipment of approximately HK$9,135,000 (2024: 10,789,000).

The customers usually settle the prepaid packages by credit cards in monthly instalments and electronic payment system ("EPS"). For credit card payments, the banks will normally settle the amounts received, net of handling charges within two–three days. For credit card payment by installments, the bank will settle the balance within 90–180 days after trade date. Payment by EPS will normally be settled within one to two days. In addition, the trade receivables also include receivable from a department store for collecting customers' receipt of the sales counters on behalf of the Group where the credit period is 30 days.

An ageing analysis of the trade receivables, based on the invoice date, is as follows:

	2025	2024
	HK$'000	HK$'000
1–30 days	**16,744**	5,812
31–90 days	**24,100**	3,093
Over 90 days	**6,248**	2,943
	47,092	11,848

As at 31 March 2025 and 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amounts of approximately HK$872,000 (2024: HK$1,500,000) which are past due at the end of the reporting period. The directors do not consider the amount as significant increase in credit risk with reference to the historical records, past experience and also available reasonable and supportive forward-looking information of these debtors, and the recurring overdue records of these debtors with satisfactory settlement history.

Details of impairment assessment of trade receivables, utilities and other deposits for the years ended 31 March 2025 and 2024 are set out in Note 6.

20. CONTRACT COSTS

	2025 HK$'000	2024 HK$'000
Costs to obtain contracts	**5,268**	7,069
Analysed for reporting purposes as:		
Non-current assets	**530**	898
Current assets	**4,738**	6,171
	5,268	7,069

The contract costs capitalised primarily relating to the incremental costs of obtaining a contract with a customer, which represent sales commissions paid or payable to staff, are recognised as contract costs in the consolidated statement of financial position and classified as current or non-current assets based on the estimated life of the relevant contract for which such costs relate. Such costs are recognised as part of staff cost in profit or loss in the period in which the contract liabilities to which they relate is recognised as revenue.

Management of the Group expects that incremental cost paid or payable to the staff as a result of obtaining prepaid packages are recoverable. The Group therefore capitalised them as contract costs in the amount of approximately HK$12,226,000 (2024: HK$7,069,000) as at 31 March 2025.

Capitalised incremental costs are amortised when the related revenue are recognised. The amount of amortisation was approximately HK$23,324,000 (2024: HK$19,981,000) during the year ended 31 March 2025 and there was no impairment loss in relation to the costs capitalised.

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the services as an expenses when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

21. PROMISSORY NOTE RECEIVABLE

	2025 HK$'000	2024 HK$'000
Promissory note receivable	**–**	17,287

The promissory note receivable represented the Group's consideration receivable in relation to the disposal of a subsidiary namely Fortune Marvel Limited ("Fortune Marvel") during the year ended 31 March 2024.

The total consideration is HK$23,070,000 and the buyer settled the partial amount of the consideration of HK$2,000,000 in cash and the remaining consideration was settled by a promissory note. The buyer promises to pay to the Group a principal amount of approximately HK$21,070,000, together with interest bearing at 6% per annum at maturity date on 24 July 2024.

21. PROMISSORY NOTE RECEIVABLE *(Continued)*

The buyer agrees to provide a pledge of the entire share capital of Fortune Marvel ("Pledge Asset"), which shall transfer to the possession and ownership of the buyer immediately if this promissory note should be in default and the Group shall have to sole option to accept it as full payment for the outstanding amount without further liabilities or obligation. If the market value of the Pledge Asset does not exceed the outstanding amount, the buyer shall remain liable for the balance due while accruing interest.

The buyer early repaid partial promissory note receivable of approximately HK$4,570,000 during the year ended 31 March 2024. No impairment loss on promissory note receivable was made during the year ended 31 March 2024.

The promissory note was fully repaid during the year ended 31 March 2025.

22. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates ranging from 0.001% to 0.3% (2024: 0.001% to 0.9%) per annum as at 31 March 2025.

Details of impairment assessment of bank balances for the years ended 31 March 2025 and 2024 are set out in Note 6.

23. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 **HK$'000**	2024 HK$'000
Trade payables	**2,499**	2,388
Payables for salaries	**19,630**	10,218
Payables for consultancy fee for doctors	**2,202**	1,332
Accruals and other payables	**43,899**	9,106
Provision for long service payment	**983**	851
	69,213	23,895

The credit period of trade payables is ranging from 0 to 30 days.

An ageing analysis of trade payables, based on invoice date, is as follows:

	2025 **HK$'000**	2024 HK$'000
1–30 days	**1,426**	2,379
31–60 days	**1,073**	9
	2,499	2,388

24. CONTRACT LIABILITIES

Contract liabilities represents the treatment package fees received in advance.

The movements in contract liabilities are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of reporting period	58,982	96,137
Sales contracts entered into during the year	423,867	248,976
Revenue recognised upon provision of services (Note 7)	(427,911)	(286,131)
At the end of reporting period	54,938	58,982

The following table shows amounts of the revenue recognised in the current year related to carries forward contract liabilities.

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the contract liabilities balance of beginning of the reporting period	56,276	66,260

25. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Variable-rate bank borrowings, unsecured	12,962	10,019
The carrying amounts are repayable*:		
Within one year	6,668	2,489
More than one year but not exceeding two years	1,956	2,356
More than two years but not exceeding five years	2,586	2,613
Over five years	1,752	2,561
	12,962	10,019
Less: Amounts due within one year or contain a repayable on demand clause shown under current liabilities	(12,962)	(10,019)
Amounts shown under non-current liabilities	–	–

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

25. BANK BORROWINGS *(Continued)*

The variable-rate bank borrowings bear interest ranging from HK$ Best Lending Rate minus/plus a spread per annum. The ranges of interest rates (which are also equal to contracted interest rates) on the Group's variable-rate bank borrowings as at 31 March 2025 and 2024 are as follows:

	2025	2024
Variable-rate borrowings	**3.62%**	3.63%

For the years ended 31 March 2025 and 2024, the unsecured bank borrowings are borrowed under the Small and Medium Enterprises Financing Guarantee Scheme operated by Hong Kong Mortgage Corporation ("HKMC") Insurance Limited, which is guaranteed by personal guarantee from the Controlling Shareholders, corporate guarantee by a subsidiary of the Company and HKMC Insurance Limited.

26. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	Minimum lease payments		**Present value of minimum lease payments**	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Within one year	**38,872**	17,669	**36,192**	15,988
More than one year, but not exceeding two years	**32,548**	18,825	**31,607**	18,827
More than two years, but not more than five years	**12,128**	720	**11,630**	711
	83,548	37,214	**79,429**	35,526
Less: Future finance charges	**(4,119)**	(1,688)	**N/A**	N/A
Present value of lease obligations	**79,429**	35,526	**79,429**	35,526
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(36,192)**	(15,988)
Amount due for settlement after 12 months			**43,237**	19,538

The weighted average incremental borrowing rate applied to lease liabilities was 4.50% (2024: 6.20%).

27. PROVISIONS

	Provisions for reinstatement cost HK$'000
As at 1 April 2023	3,116
Unwinding of discount	45
As at 31 March 2024 and 1 April 2024	3,161
Additions	**1,943**
Payment for reinstatement cost	**(407)**
Unwinding of discount	**127**
As at 31 March 2025	**4,824**

	2025 **HK$'000**	2024 HK$'000
Analysed as:		
Current liabilities	**1,262**	–
Non-current liabilities	**3,562**	3,161
	4,824	3,161

The provisions of reinstatement cost for reinstating the rented premises to be carried out at the end of the lease periods had been estimated by the directors based on current operating lease contracts.

28. DEFERRED TAX ASSETS

The following is the deferred tax assets recognised and movements thereon during the current and prior years.

	Long-service payment HK$'000	Accelerated tax depreciation HK$'000	Total HK$'000
As at 1 April 2023	–	585	585
Credited to profit or loss (Note 13)	(140)	(2,017)	(2,157)
As at 31 March 2024 and 1 April 2024	(140)	(1,432)	(1,572)
Credited to profit or loss (Note 13)	**(22)**	**(735)**	**(757)**
As at 31 March 2025	**(162)**	**(2,167)**	**(2,329)**

29. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**10,000,000,000**	**100,000**
Issued and fully paid:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**800,000,000**	**8,000**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The externally imposed capital requirement for the Group is to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group has maintained a sufficient public float to comply with the GEM Listing Rules.

30. RETIREMENT BENEFIT SCHEME

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount was HK$1,500 (2024: HK$1,500) per employee per month.

The retirement benefits scheme contribution arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the scheme.

The contributions paid and payable to the scheme by the Group are disclosed in Notes 11 and 12.

30. RETIREMENT BENEFIT SCHEME *(Continued)*

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme with an overall cap of HK$390,000 per employee. Currently, the group does not have any separate funding arrangement in place to meet its LSP obligation.

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

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

Movements in the present value of unfunded LSP obligation in the current year were as follows:

	2025 **HK$'000**	2024 HK$'000
Opening unfunded obligation	**851**	–
Current service cost	**201**	824
Interest cost	**31**	27
Remeasurements recognised in other comprehensive income:		
Actuarial gains arising from changes in financial assumptions	**(100)**	–
Closing unfunded obligation	**983**	851

The average duration of the benefit obligation at 31 March 2025 is 21 years (2024: 29 years).

The current service cost of approximately HK$201,000 (2024: HK$824,000) and the net interest expense of approximately HK$31,000 (2024: HK$27,000) for the year are included in the staff costs and finance costs in consolidated profit or loss respectively.

Significant actuarial assumptions for the determination of the LSP obligation are discount rate from 3.60% to 3.62% (2024: 3.49% to 4.84%). The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the LSP obligation would decrease by approximately HK$186,000 (2024: HK$164,000) (increase by approximately HK$240,000 (2024: HK$212,000)).

The sensitivity analysis presented above may not be representative of the actual change in the LSP obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

The Group entered into new lease agreements for use of properties from 2 to 5 years. On lease commencement, the Group recognised approximately HK$74,727,000 (2024: HK$4,026,000) right-of-use assets and approximately HK$73,634,000 (2024: HK$3,882,000) lease liabilities.

(b) Reconciliation of liabilities arising from financing activities

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

	Lease liabilities	**Bank borrowings**	**Total**
	HK$'000	HK$'000	HK$'000
As at 1 April 2023	51,997	14,378	66,375
Financing cash flows	(23,012)	(4,783)	(27,795)
New leases entered	3,882	–	3,882
Finance costs	2,659	424	3,083
As at 31 March 2024 and 1 April 2024	**35,526**	**10,019**	**45,545**
Financing cash flows	**(29,220)**	**2,305**	**(26,915)**
New leases entered	**73,634**	**–**	**73,634**
Termination	**(3,798)**	**–**	**(3,798)**
Exchange difference	**(4)**	**–**	**(4)**
Finance costs	**3,291**	**638**	**3,929**
As at 31 March 2025	**79,429**	**12,962**	**92,391**

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

(c) Disposal of a subsidiary

On 6 July 2023, the Group disposed the entire equity interest of its subsidiary, namely Fortune Marvel. Details to the disposal is set out in Note 21.

Net assets of Fortune Marvel at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	22,140
Deposits	23
Bank balances	49
Net assets disposed of	22,212
Gain on disposal of a subsidiary	858
Total consideration	23,070
Consideration satisfied by:	
Cash	2,000
Promissory note receivable	21,070
	23,070
Net cash inflow arising on disposal:	
Bank balances disposed of	(49)
Cash consideration received	2,000
	1,951

32. CAPITAL COMMITMENTS

	2025 **HK$'000**	2024 HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**9,400**	5,000

33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the years ended 31 March 2025 and 2024:

Compensation of key management personnel

The remuneration of key management personnel during the years ended 31 March 2025 and 2024, respectively were as follows:

	2025 **HK$'000**	2024 HK$'000
Short-term benefits	**11,015**	7,772
Retirement benefit scheme contributions	**36**	36
	11,051	7,808

34. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 21 September 2018 ("Share Option Scheme") for the primary purpose of providing incentives to eligible participants for their contributions to the Group. Under the Share Option Scheme, the directors of the Company may grant options to employees (full-time and part-time), directors, consultants, advisers, suppliers, customers or business partners.

An offer shall remain open for acceptance by the eligible participant concerned for such period as determined by the board of directors of the Company, being a date not later than 10 business days after the offer date by which the eligible participant must accept the offer or be deemed to have declined it. A nominal consideration of HK$1 is payable by the grantee on acceptance of the grant of an option. The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the board of directors and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

The maximum number of the shares that may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) under the Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of all the 800,000,000 shares in issue. The Company may seek approval of the shareholders in a general meeting to refresh the 10% limit provided that the total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not exceed 10% of the number of shares in issue as at the date of approval of the limit.

The total number of shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of the 1% limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in a general meeting of the Company with such grantee and his associates abstaining from voting. The number and terms (including the exercise price) of options to be further granted must be fixed before the approval of the shareholders and the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence from the date of offer for the grant of options is made, but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e. 21 September 2018).

Since the adoption of the Share Option Scheme, the Group did not grant any share option under the Share Option Scheme of the Company.

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current asset		
Investment in a subsidiary	23,026	–
Current assets		
Prepayments	283	658
Amounts due from subsidiaries	15,871	6,806
Bank balances	10,914	83
	27,068	7,547
Current liabilities		
Accruals	819	970
Amount due to ultimate holding company	4	4
Amounts due to subsidiaries	10,075	190
	10,898	1,164
Net current assets	16,170	6,383
Total assets less current liabilities	39,196	6,383
Net assets	39,196	6,383
Capital and reserves		
Share capital (Note 29)	8,000	8,000
Reserves	31,196	(1,617)
Total equity	39,196	6,383

Approved and authorised for issue by the Board of Directors on 30 June 2025 and are signed on its behalf by:

Ms. Fu Chi Ching
Director

Mr. Yip Chun Kwok Danny, MH
Director

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Movement of reserves of the Company:

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2023	64,107	(73,097)	(8,990)
Profit and total comprehensive income for the year	–	7,373	7,373
As at 31 March 2024 and 1 April 2024	64,107	(65,724)	(1,617)
Profit and total comprehensive income for the year	**–**	**32,813**	**32,813**
As at 31 March 2025	**64,107**	**(32,911)**	**31,196**

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at the end of the reporting periods are as follows:

Name of subsidiary	Place and date of incorporation	Form of legal entity	Place of operation	Issued and full paid share capital	Attributable equity interest of the Group as at 31 March 2025	2024	Principal activities
Directly held by the Company							
Flourish Capital Holdings Limited	BVI 30 November 2017	Limited liabilities company	Hong Kong	US$8	**100%**	100%	Investment holdings
Indirectly held by the Company							
Dermaglow Limited	Hong Kong 28 May 2008	Limited liabilities company	Hong Kong	HK$2	**100%**	100%	Provision of treatment services and sale of skincare products
Worldwide Beauty Limited	Hong Kong 3 January 2011	Limited liabilities company	Hong Kong	HK$2,000,000	**100%**	100%	Provision of treatment services and sale of skincare products
Per Face Institute Limited	Hong Kong 3 November 2017	Limited liabilities company	Hong Kong	HK$2	**100%**	100%	Provision of training services to its fellow subsidiaries
Trillion Sino Limited	Hong Kong 29 June 2018	Limited liabilities company	Hong Kong	HK$1	**100%**	100%	Provision of treatment services and sales of skincare products
Sino Faithful Limited	Hong Kong 1 June 2018	Limited liabilities company	Hong Kong	HK$1	**100%**	100%	Provision of treatment services and sales of skincare products
珠海柏菲美容服務有限公司	People's Republic of China ("PRC") 13 May 2024	Wholly foreign owned enterprise	PRC	RMB15,000	**100%**	–	General management

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at any time during both years or at the end of the reporting period.

37. APPROVED OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2025.

FINANCIAL SUMMARY

	For the year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Revenue	**435,274**	299,364	227,583	179,633	82,058
Profit/(loss) before taxation	**55,003**	44,281	17,024	(7,753)	(27,002)
Income tax (expense)/credit	**(9,275)**	(3,530)	(655)	(1,025)	43
Profit/(loss) and total comprehensive income for the year attributable to owners of the Company	**45,837**	40,751	16,369	(8,778)	(26,959)

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**329,811**	194,481	208,141	219,659	246,863
Total liabilities	**(223,722)**	(134,229)	(188,640)	(216,527)	(234,953)
Total equity	**106,089**	60,252	19,501	3,132	11,910