Asia Grocery Distribution Limited
亞洲富思集團控股有限公司

(formerly known as "Asia Grocery Distribution Limited 亞洲雜貨有限公司")

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8413

2025
ANNUAL REPORT

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This report, for which the directors (the "Directors") of Asia Grocery Distribution Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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. Wong Siu Man *(Chairman)*
Mr. Wong Siu Wa *(Chief Executive Officer)*
Mr. Yip Kam Cheong *(Compliance Officer)*

Independent non-executive Directors

Ms. Chan Hoi Yee
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)
Mr. Shum Ching Hei (appointed on 1 January 2025)
Mr. Wang Zhaobin

AUDIT COMMITTEE

Mr. Shum Ching Hei *(Chairman)*
(appointed on 1 January 2025)
Mr. Ng Fan Kay Frankie *(Chairman)*
(resigned on 1 January 2025)
Ms. Chan Hoi Yee
Mr. Wang Zhaobin

REMUNERATION COMMITTEE

Mr. Wang Zhaobin *(Chairman)*
Ms. Chan Hoi Yee
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)
Mr. Shum Ching Hei (appointed on 1 January 2025)

NOMINATION COMMITTEE

Ms. Chan Hoi Yee *(Chairlady)*
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)
Mr. Shum Ching Hei (appointed on 1 January 2025)
Mr. Wang Zhaobin

COMPLIANCE OFFICER

Mr. Yip Kam Cheong

COMPANY SECRETARY

Mr. Fung Chun Yuen

AUTHORISED REPRESENTATIVES

Mr. Wong Siu Man
Mr. Fung Chun Yuen

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Whole of Upper Ground Floor
Mai Tong Industrial Building
No.22 Sze Shan Street
Kowloon, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F., Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
24/F, Siu On Centre
188 Lockhart Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
Grand Cayman KY1-1102
Cayman Islands

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Nanyang Commercial Bank, Limited

COMPANY'S WEBSITE

www.agdl.com.hk

STOCK CODE

8413

Chairman's Statement

Dear Shareholders,

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

The Group has been engaged in the food and beverage grocery distribution business under the authentic and original "Hung Fat Ho" brand in Hong Kong for over 40 years, witnessing change of the society and the market. Years of experience also contributed to the business achievements of the Group. The Group supplied over 300 brands of products originated from different areas, with customers covering restaurants, non-commercial dining establishments, hotels and private clubs, food processing operators and wholesalers in Hong Kong.

According to the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region, the total retail sales value of April 2024 to March 2025 was approximately HK$370.3 billion, representing a year-on-year decrease of approximately 8.6% or HK$35.0 billion, mainly due to ongoing changes in consumption patterns among both residents and visitors, intensified competition among businesses, and an uncertain macroeconomic environment. Against this backdrop, the Group achieved modest revenue growth of approximately 3.4% for the year ended 31 March 2025 given the Group's ability to adapt to market headwinds while maintaining strong relationships with key customers.

Leveraging on strong relationships with suppliers and producers, the familiarity with the market as well as long established reputation and reliable performance, the Group was able to differentiate ourselves from our competitors in the fiercely competitive market. In addition, experienced team placed the Group in a position to adjust product portfolio to maintain its industry competitiveness by quickly responding to the change of customers' preference and catering to such preference.

Lastly, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the longstanding support of all our shareholders, suppliers, customers and business partners, as well as all staff for their continuous efforts. In the future, the Group will continue to expand and develop business, create better prospect and bring more satisfactory returns to the shareholders.

Wong Siu Man
Chairman and Executive Director

Hong Kong, 26 June 2025

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Wong Siu Man (黃少文), aged 52, was appointed as an executive Director with effect from 29 September 2016. Mr. Wong Siu Man also acts as the chairman of our Board and is also one of the controlling shareholders of the Company (as defined in the GEM Listing Rules). Mr. Wong Siu Man is a director of Sky Alpha Investments Limited, a company which has an interest in the shares of the Company and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr. Wong Siu Man is primarily responsible for the overall management, business direction and development strategies of our Group. Mr. Wong Siu Man has been responsible for the business development, sales and marketing and administrative departments of Hung Fat Ho Food Limited ("HFH Food") since its incorporation in 2005. Mr. Wong Siu Man has also been responsible for managing business development and sales of Ongo Food Limited ("Ongo Food") since July 2011. Mr. Wong Siu Man has been playing an important role in the establishment of our Group's distribution channels and relationships with key customers. Mr. Wong Siu Man is the younger brother of Mr. Wong Siu Wa.

Mr. Wong Siu Wa (黃少華), aged 56, was appointed as an executive Director with effect from 29 September 2016. Mr. Wong Siu Wa is also our Chief Executive Officer and one of the controlling shareholders of the Company. Mr. Wong Siu Wa is a director of Sky Alpha Investments Limited, a company which has an interest in the shares of the Company and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr. Wong Siu Wa is primarily responsible for the Group's day-to-day management and operations and focuses on implementing the objectives, policies and strategies. Mr. Wong Siu Wa has been responsible for the procurement department of HFH Food since its incorporation in 2005 and has been playing an important role in developing relationships with our key suppliers through his work in heading the procurement department of HFH Food. Mr. Wong Siu Wa is the elder brother of Mr. Wong Siu Man.

Mr. Yip Kam Cheong (葉錦昌) ("Mr. Jeremy Yip"), aged 50, was appointed as an executive Director with effect from 29 September 2016, and as our Compliance Officer on 28 October 2016. Mr. Jeremy Yip has joined our Group as a senior sales manager since 2011. Mr. Jeremy Yip is primarily responsible for overseeing the sales department of our Group. Mr. Jeremy Yip has over 10 years of industry experience in the food and beverage industry. Mr. Jeremy Yip previously worked as an assistant sales manager at Wing Sang Cheong Limited between July 2009 and August 2011 mainly responsible for sales and client management, a company primarily engaged in the supply of food products.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Fan Kay Frankie (吳奮基) ("Mr. Ng"), aged 48, has over 20 years of experience in auditing, taxation and financial management. Mr. Ng was appointed as an independent non-executive Director with effect from 31 August 2018 and has resigned with effect from 1 January 2025. Mr. Ng was the chairman of our audit committee and a member of our remuneration committee and our nomination committee. Mr. Ng has been appointed as the Managing Director of Smartac International Holdings Limited (stock code: 0395) from January 2020 to August 2021.

Mr. Ng obtained a bachelor degree in accountancy from The Hong Kong Polytechnic University in 1999. He has been a member of Hong Kong Institute of Certified Public Accountants ("HKICPA") and a Certified Tax Advisor of The Taxation Institute of Hong Kong since November 2009 and September 2010, respectively.

Mr. Ng was the executive director of a leading corporate services provider, Vistra Services (Hong Kong) Limited, from May 2013 to June 2018 and was responsible for managing the Greater China business on company formation, corporates services, accounting, payroll and tax services for different jurisdictions including Hong Kong, PRC and offshore. From February 2007 to March 2013, he worked as a tax manager in Ernst and Young Tax Services Limited, an international accounting firm and has extensive experience in accounting and taxation.

Mr. Wang Zhaobin (王兆斌) ("Mr. Wang"), aged 40, was appointed as an independent non-executive Director with effect from 27 November 2019. Mr. Wang is currently also the chairman of our remuneration committee and a member of our audit and nomination committee. Mr. Wang graduated from Shangqiu Normal University with a bachelor's degree in 2007. Mr. Wang has extensive experience in strategic planning and operation management. He has held senior managerial positions in sizeable corporations in the People's Republic of China.

Ms. Chan Hoi Yee (陳愷兒) ("Ms. Chan"), aged 39, was appointed as an independent non-executive Director with effect from 12 October 2020. Ms Chan is also the chairlady of our nomination committee and a member of our audit committee and remuneration committee. Ms. Chan graduated from the City University of Hong Kong with a bachelor degree of business administration in 2007. Ms. Chan is a member of the HKICPA. Ms. Chan has over 10 years' experience in auditing, commercial accounting and financial reporting. She had held accounting positions in several international accounting firms in Hong Kong.

Mr. Shum Ching Hei (岑政熹) ("Mr. Shum"), aged 37, was appointed as an independent non-executive Director with effect from 1 January 2025. Mr Shum is also the chairman of our audit committee and a member of our nomination committee and remuneration committee. Mr Shum has been an independent non-executive director of Gaodi Holdings Limited (stock code: 1676), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since July 2023. Mr. Shum is currently a member of the Guangdong Yunfu Municipal People's Political Consultative Conference, and deputy chief supervisor of the Hong Kong Road Safety Patrol.

Mr. Shum has over 15 years of experience in accounting, corporate finance and compliance. He worked for various investment banks, including Piper Jaffray Asia Limited (New York Stock Exchange: PJC), Kim Eng Securities (Hong Kong) Limited, subsidiary of Malaysia Banking Berhad (Kuala Lumpur Stock Exchange: MAYBANK), CMBC International Holdings Limited, subsidiary of China Minsheng Banking Corp., Ltd. (HKEx stock code: 1988) and South China Financial Holdings Limited (HKEx stock code: 619). He obtained a Bachelor of Commerce Honors Degree from McMaster University, Canada, and is a fellow member of the HKICPA, the Institute of Financial Accountants United Kingdom, the Institute of Public Accountants Australia and the Certified Management Accountants Australia.

SENIOR MANAGEMENT

Ms. Chan Lai In (陳麗妍) ("Ms. Sydney Chan"), aged 38, has joined our Group as the financial controller since August 2017. Ms. Sydney Chan is primarily responsible for the overall corporate financial matters, capital management, investor relations and the strategic planning of our Group. Ms. Sydney Chan obtained her bachelor of business administration degree in professional accountancy from the Chinese University of Hong Kong in 2008. Ms. Sydney Chan is a member of the HKICPA since January 2012. She has extensive experience in accounting, auditing, taxation and initial public offer.

Mr. Wong Chun Fung (黃鎮鋒) ("Mr. Alex Wong"), aged 41, has joined our Group as a sales manager since December 2010. Mr. Alex Wong is primarily responsible for managing key customer accounts. Mr. Alex Wong has over 10 years of experience in food and beverage industry. Mr. Alex Wong started his career as a business development representative from March 2007 to April 2008 at Swire Beverages Limited which engaged in the supply of beverages; a sales supervisor from May 2008 to April 2010 at Wing Sang Cheong Limited which engaged in the supply of food products.

COMPANY SECRETARY

Mr. Fung Chun Yuen (馮俊源) ("Mr. Fung"), aged 35, has joined our Group since March 2024 and was appointed as our company secretary. Mr. Fung is primarily responsible for overseeing the company secretarial matters of our Group. Mr. Fung obtained a degree of Bachelor of Business Administration with Honours in Accounting from Hong Kong Metropolitan University (previously named as Open University of Hong Kong) in 2013 and is a member of the HKICPA. Mr. Fung has extensive experience in the related fields of finance, auditing, accounting and corporate finance practices.

Management Discussion and Analysis

BUSINESS REVIEW

The Group is an established food and beverage grocery distributor in Hong Kong with over 40 years of experience in the food and beverage grocery distribution industry. The Group's customers include restaurants, non-commercial dining establishments, hotels and private clubs, food processing operators and wholesalers in Hong Kong. The Group also offers product sourcing, repackaging, quality assurance, warehousing and storage, transportation as well as other value-added services to provide one-stop food and beverage grocery distribution solutions to the customers. The Group's product portfolio ranges from food commodities, specialty food ingredients to kitchen products which can be broadly categorised into (i) commodities and cereal products; (ii) packaged food; (iii) sauce and condiment; (iv) dairy products and eggs; (v) beverage and wine; and (vi) kitchen and hygiene products.

On 13 April 2017, the shares of the Company (the "Share") were successfully listed on GEM (the "Listing"). The Group's business model, revenue structure and cost structure basically remain unchanged after the Listing.

Following the removal of Hong Kong's anti-epidemic measures in December 2022 and the reopening of borders with Mainland China in January 2023, the Group initially benefited from a resurgence in tourism and hospitality activity. However, the broader economic recovery in 2024 fell short of expectations due to a confluence of challenges. These included persistent northbound consumption trends, labor shortages, rising operational costs, and subdued sentiment within the local catering industry. Against this backdrop, the Group achieved modest revenue growth of approximately 3.4% for the year ended 31 March 2025. This incremental improvement reflects our ability to adapt to market headwinds while maintaining strong relationships with key customers.

Based on the audited financial information of our Group, our revenue was approximately HK$302,544,000 for the year ended 31 March 2025, representing an increase of approximately HK$10,068,000 as compared to approximately HK$292,476,000 in the corresponding period of 2024.

Looking ahead, the global economic slowdown and intensifying competition in Hong Kong's food distribution sector present significant uncertainties. To navigate these challenges, the Directors remain committed to proactive strategic reviews and agile adjustments to our business model. Priorities for the coming year include strengthening sales and marketing efforts to retain market share, accelerating the development of high-margin specialty products, and exploring opportunities for operational efficiency gains. Additionally, the Group will monitor emerging trends in consumer behavior and supply chain dynamics, with a focus on identifying niche markets and strategic partnerships that align with our core competencies.

While market conditions are expected to remain challenging, the Group's established market position, diversified product portfolio, and commitment to service excellence position us to weather volatility and capitalize on recovery opportunities in the medium to long term. By leveraging our deep industry expertise, strategic partnerships, and agile operational framework, we are confident in our ability to adapt to evolving consumer trends, mitigate cost pressures, and strengthen relationships with key stakeholders. This proactive approach will ensure sustained competitiveness and value creation for shareholders, even amid external uncertainties.

FINANCIAL REVIEW

Revenue

The following table sets forth the breakdown of the Group's revenue for the years ended 31 March 2025 and 2024:

	2025 HK$'000	2024 HK$'000	Change%
Commodities and cereal products	**95,842**	87,142	10.0%
Packaged food	**58,404**	59,862	–2.4%
Sauce and condiment	**62,592**	60,893	2.8%
Dairy products and eggs	**34,284**	35,357	–3.0%
Beverage and wine	**26,180**	24,974	4.8%
Kitchen and hygiene products	**25,242**	24,248	4.1%
	302,544	292,476	3.4%

During the years ended 31 March 2025 and 2024, commodities and cereal products, packaged food and sauce and condiment were the major food and beverage grocery categories sold by us, in aggregate, accounting for approximately 71.7% and 71.1% respectively, of our total revenue.

Commodities and cereal products remained our largest revenue driver, contributing approximately 31.7% of total revenue for the year ended 31 March 2025 compared to approximately 29.8% for the year ended 31 March 2024. Our sales of commodities and cereal products increased by approximately 10.0% for the year ended 31 March 2025 as compared to the previous year, the growth was propelled by the successful introduction of new noodle products and targeted promotional campaigns during the current year. Additionally, shifting consumer preferences toward healthier and more diverse dietary options spurred increased demand for cereal products, further bolstering performance in this category.

Revenue generated from sales of packaged food accounted for approximately 19.3% and 20.5% of our total revenue for the years ended 31 March 2025 and 2024. Sales of packaged food decreased slightly by approximately 2.4% for the year ended 31 March 2025 as compared to the previous year due to softening demand, likely influenced by evolving consumer trends and competitive pressures in the packaged food segment.

Revenue generated from sales of sauce and condiment increased slightly by approximately 2.8% for the year ended 31 March 2025 as compared to the previous year mainly due to increased orders received for steady growth of existing products.

Revenue generated from sales of dairy products and eggs decreased by approximately 3.0% for the year ended 31 March 2025 as compared to the previous year mainly due to competitive pricing strategies adopted to retain market share in a saturated sector. Despite this adjustment, the category maintained its relevance within our diversified portfolio.

Management Discussion and Analysis

Our sales of beverage and wine increased by approximately 4.8% for the year ended 31 March 2025 as compared to the previous year and our sales of kitchen and hygiene products increased by approximately 4.1% for the year ended 31 March 2025 as compared to the previous year. In August 2022 and September 2023, the Group signed contacts with two independent third parties in which the Group supplies stock and provides warehouse, office, sales consultancy and logistic support to the independent third parties, in return, the independent third parties give a certain percentage of their sales revenue to the Group. The customers of those independent third parties mainly purchase soft drinks and kitchen and hygiene products, e.g. towel and rubbish bags, which contribute to the increase in our sales of beverage and wine and kitchen and hygiene products during the current year.

Revenue generated from sales of our food and beverage products generally increased for the year ended 31 March 2025 as compared to the previous year. With the recovery of Hong Kong's economy and return of tourism, there was an increase in the overall customer traffic of restaurants. Our customers ordered more food and beverage products from us to cope with the increased demand. Sales demand for our food and beverage products from local restaurants, hotels and private clubs increased during the current year.

Cost of sales

Our cost of sales solely represented cost of inventories sold, which represented the cost of finished goods purchased by us from suppliers. Our cost of sales represents the costs of products, net of discounts and rebates, charged by our suppliers. Our cost of sales increased by approximately HK$4,775,000 or approximately 2.1% to approximately HK$231,138,000 for the year ended 31 March 2025 as compared to approximately HK$226,363,000 for the year ended 31 March 2024, mainly due to the increased sales volumes, partially offset by cost efficiencies in cost of finished goods purchased from direct manufacturers and suppliers.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 8.0% from approximately HK$66,113,000 for the year ended 31 March 2024 to approximately HK$71,406,000 for the year ended 31 March 2025. The increase in gross profit was due to the combined effect of our increased revenue resulted from return of tourism, our enlarged customer base to high-end customers and lower cost of goods purchased from suppliers. For the year ended 31 March 2025, the Group's gross profit margin increased slightly to approximately 23.6% as compared with previous year at approximately 22.6%.

Other income

Other income, comprising interest income from bank deposits, handling fees, and sundry income, decreased marginally from approximately HK$4,797,000 for the year ended 31 March 2024 to approximately HK$4,555,000 for the year ended 31 March 2025. This decline was primarily driven by reduced handling fee income, which fell from approximately HK$4,171,000 in the prior year to approximately HK$3,472,000 in the current year. The reduction in handling fees resulted from revised contractual terms with an independent third party, implemented in August 2024, which lowered the percentage of sales revenue shared with the Group. This decrease was partially mitigated by increased interest income and higher sundry income during the current year.

Other gain and losses, net

The Group recorded net other losses of approximately HK$3,739,000 for the year ended 31 March 2025 which was mainly attributable to loss on disposal of a subsidiary of approximately HK$3,331,000 and written off of bad debts of approximately HK$417,000. On 29 November 2024, the Group entered into a sale and purchase agreement with two independent third parties to sell a wholly-owned subsidiary for a consideration of HK$1,500,000 (for details, please refer to the Company's announcements dated 29 November 2024). During the year ended 31 March 2024, the Group recorded net other losses of approximately HK$252,000 which was attributable to written off of bad debts.

Selling and distribution expenses

Our selling and distribution expenses mainly comprised transportation expenses, commission expenses to sales person based on a certain percentage of the gross profit on successful sales, staff costs for our sales team, consultancy fee and entertainment expenses. The selling and distribution expenses of the Group increased in line with the revenue increment and were mainly due to the increase in entertainment expenses and transportation costs. The selling and distribution expenses accounted for approximately 11.8% and 12.1% of the total revenue for the years ended 31 March 2025 and 2024.

Administrative expenses

For the year ended 31 March 2025, the Group's administrative expenses primarily comprised staff costs for administrative and management personnel, directors' remuneration, legal and professional fees, depreciation on property, plant and equipment and deprecation on right-of-use assets. Administrative expenses increased from approximately HK$32,525,000 for the year ended 31 March 2024 to approximately HK$33,992,000 for the year ended 31 March 2025. The increase of administrative expenses of the Group was mainly due to the combined effect of increase in directors' remuneration, increase in depreciation on property, plant and equipment as more motor vehicles bought, increase in depreciation on right-of-use assets for the newly rented Yau Tong warehouse since June 2023, decrease in repair and maintenance expenses and decrease in administrative staff costs.

Finance costs

Finance costs amounted to approximately HK$533,000 for the year ended 31 March 2025, decreased by approximately HK$346,000 as compared to approximately HK$879,000 for the year ended 31 March 2024. Finance costs of the Group represented interest expenses on lease liabilities. A lease of our Kwun Tong office and warehouse ended in January 2025.

Income tax expense

For the years ended 31 March 2025 and 2024, our income tax expense were approximately HK$956,000 and HK$14,000, respectively.

Management Discussion and Analysis

Profit and total comprehensive income attributable to owners of the Company

For the year ended 31 March 2025 and 2024, the Group's profit and total comprehensive income attributable to owners of the Company was approximately HK$1,061,000 and HK$1,864,000, respectively. The decrease of profit and total comprehensive income attributable to owners of the Company was mainly attributable to decrease in receipt of handling fee income, loss on disposal of a subsidiary, increase in directors' remuneration, increase in depreciation on property, plant and equipment, increase in depreciation on right-of-use assets and increase in entertainment expenses, partially offset by increase in revenue, decreased cost of goods purchased from suppliers, decrease in repair and maintenance expense, decrease in administrative staff costs and decrease in finance costs.

Dividend

No dividend was paid, declared or proposed during the year. The Directors do not recommend the payment of any dividend for the year ended 31 March 2025 (year ended 31 March 2024: nil).

No shareholder of the Company has waived or agreed to waive any dividends during the year.

Trade and other receivables

Trade receivables decreased by approximately 9.3% from approximately HK$36,894,000 as at 31 March 2024 to approximately HK$33,450,000 as at 31 March 2025. The decrease was mainly attributable to the tightening of credit control.

Other receivables, deposits and prepayment decreased by approximately HK$645,000 from approximately HK$7,845,000 as at 31 March 2024 to approximately HK$7,200,000 as at 31 March 2025. The decrease was mainly due to the decrease in prepayment to suppliers near the year end.

Trade and other payables

Trade payables decreased slightly from approximately HK$12,673,000 as at 31 March 2024 to approximately HK$12,549,000 as at 31 March 2025. The decrease was mainly due to the repayment to suppliers near the current period end.

Other payables and accrued charges increased slightly by approximately HK$83,000 from approximately HK$6,775,000 as at 31 March 2024 to approximately HK$6,858,000 as at 31 March 2025. The increase was mainly due to the increase in accrued professional fee.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, bank balances and cash of the Group amounted to approximately HK$61,449,000 (as at 31 March 2024: approximately HK$47,606,000). The current ratios (current asset divided by current liabilities) of the Group were approximately 4.8 times and 4.4 times as at 31 March 2025 and 31 March 2024 respectively. The Group generally financed its daily operations from internally generated cash flows. The Group financed its business expansion and new business opportunities from the net proceeds from the Listing. The remaining unused net proceeds as at 31 March 2025 were placed as interest bearing deposits with licensed bank in Hong Kong.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 13 April 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares.

As at 31 March 2025, the Company's issued share capital was HK$11,620,000 and the number of its issued ordinary Shares was 1,162,000,000 of HK$0.01 each.

FOREIGN EXCHANGE EXPOSURE RISKS

Our exposures to currency risk arise from its sales to and purchases from overseas, which are primarily denominated in United States Dollars and Euro. These are not the functional currencies of our entities to which these transactions relate. We currently do not have a group foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

FINANCIAL POLICIES

The Group is exposed to liquidity risk in respect of settlement of its trade payables and financing obligations, and also in respect of its cash flow management. 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.

GEARING RATIO

The total interest-bearing borrowing (lease liabilities arising from leased properties) of the Group as at 31 March 2025 was approximately HK$4,762,000 (as at 31 March 2024: approximately HK$13,622,000). The Group's gearing ratio as at 31 March 2025 was approximately 4.8% (as at 31 March 2024: approximately 13.8%), which is calculated as the Group's total borrowing over the Group's total equity.

Management Discussion and Analysis

CAPITAL EXPENDITURE

During the year ended 31 March 2025, the Group invested approximately HK$2,362,000 (during the year ended 31 March 2024: approximately HK$502,000) in property, plant and equipment, mainly represented additions of motor vehicles of approximately HK$2,249,000. In view of the increased sales order, the Group purchased more vehicle to facilitate delivery of products to customers during the current year.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no significant capital commitments (as at 31 March 2024: nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 March 2025 and 31 March 2024, the Group had bank deposits pledged to a bank as security for the settlement guarantee facility granted to the Group (note 29 to the consolidate financial statements in this annual report).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 March 2025, the Group disposed of a wholly-owned subsidiary of the Company, Eagle Food Limited (note 32(b) to the consolidated financial statements in this annual report). The Group did not have any significant investment nor material acquisition of subsidiaries, associates and joint venture.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have other future plan for material investments or capital assets.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any significant contingent liabilities (as at 31 March 2024: nil).

INFORMATION ON EMPLOYEES

As at 31 March 2025, the Group employed 72 employees (as at 31 March 2024: 76 employees) with total staff cost of approximately HK$29,162,000 incurred for the year ended 31 March 2025 (for the year ended 31 March 2024: approximately HK$28,715,000). The Group's remuneration packages are generally structured with reference to market terms and individual merits.

USE OF PROCEEDS AND ACTUAL PROGRESS OF THE GROUP'S BUSINESS OBJECTIVES

The net proceeds from the Listing (after deducting the underwriting fees and related expenses) amounted to approximately HK$48,500,000. Following the Listing, in response to changing business environment and business development requirement of the Group, the Board has resolved to change the use of the unutilised net proceeds to deploy its financial resources more efficiently. For details, please refer to the Company's announcements dated 27 March 2019, 14 August 2020 and 18 February 2021. Set out below is the actual utilisation of net proceeds up to the date of this annual report:

Intended use of the net proceeds	**Allocation of net proceeds before 18 February 2021** HK$'000	**Revised allocation of net proceeds as at 18 February 2021** HK$'000	**Unutilised net proceeds as at the date of 2024 annual report** HK$'000	**Amount utilised from the date of 2024 annual report up to the date of this annual report** HK$'000	**Unutilised net proceeds as at the date of this annual report** HK$'000	**Expected timeline for full utilisation of the unutilised net proceeds** (Note)
Leasing of warehouse facility in Kowloon:						
– Rental deposits	900	–	–	–	–	N/A
– Rental payments	7,400	3,278	–	–	–	N/A
– Renovation costs	7,000	–	–	–	–	N/A
– Start-up costs for warehouse facility	8,100	–	–	–	–	N/A
Development of the business provision of food catering in services through restaurants	–	9,000	5,936	–	5,936	On or before 31 December 2025
Upgrade of Enterprise Resource Planning ("ERP") system	12,560	8,330	4,242	(1,277)	2,965	On or before 31 December 2025
Conducting sales and marketing activities	5,540	4,444	4,151	(147)	4,004	On or before 31 December 2025
Installation of new repackaging equipment	3,500	–	–	–	–	N/A
General working capital	3,500	5,211	–	–	–	N/A
	48,500	30,263	14,329	(1,424)	12,905	

Note: The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It is subject to change based on the current and future development of the market condition. In view of the conditions of the Group's business and the economy, the Group is considering its business expansion and investments in a more prudent manner, hence the expected timeline for utilising the unutilised net proceeds is delayed.

Management Discussion and Analysis

As disclosed in the prospectus of the Company dated 31 March 2017, the Group's principal business objectives are to strengthen its position in the food and beverage grocery distribution industry and further expand its business operations with a view to creating long-term shareholders' value. The Directors intend to achieve the objectives by (a) increasing warehouse facilities strategically located in certain districts of Hong Kong in proximity to the Group's customers; (b) upgrading the ERP system to enhance the Group's operation efficiency; (c) further penetrating the food and beverage grocery distribution market through sales and marketing activities and the Group's quality value-added services; and (d) attracting and retaining quality personnel.

In light of the rise in number of customers and purchase orders, the Group had planned to lease two warehouse facilities, one in the New Territories and another on the Hong Kong Island for accommodating the increased inventory level. However, since the second half of 2017, the rent and the rent price index in the factory building rental market in Hong Kong showed a continuous uptrend and the Group had not yet identified suitable premises for the warehouse facilities in both areas, therefore the leasing was not yet commenced up to March 2019.

In early 2019, the Group surveyed a premise in Yau Tong, Kowloon, which size and location are suitable for our warehousing, and additionally, the proposed rental fee is relatively cost-effective. The Board evaluated that the premise in Yau Tong, Kowloon is meeting the Group's requirements for fair and efficient use of financial resources. Therefore, the Board had decided to establish a new warehouse at the above mentioned premise and migrated all inventory from the existing warehouses to the new location.

In view of the conditions and expansion of the existing business, there is no urgent need to lease another warehouse facility as the current warehouse facility has met the needs of the Group. Therefore, on 18 February 2021, the Board has resolved to reallocate all unutilised net proceeds for leasing of warehouse facility in Kowloon to develop the business in provision of food catering services through restaurants and general working capital, except that approximately HK$3,278,000 of the net proceeds are remained to settle the rental expenses of the Yau Tong premise. Up to 18 February 2021, a total of approximately HK$5,052,000 was spent on rental deposits, renovation costs and start-up costs for the warehouse facility. Up to the date of this report, full amount of the net proceeds of approximately HK$7,400,000 was utilised on rental payments.

The Group has planned to use approximately HK$12,560,000 of the net proceeds to upgrade the ERP system, which is used to monitor the inventory level and minimise incidences of overstocking, so as to enhance the operational efficiency of the Group. Up to the date of this report, the Group selected a new ERP software for implementation and a total of approximately HK$9,595,000 was spent on consultancy services and software and hardware acquisition for the upgrade of the ERP system.

The Group has planned to use approximately HK$5,540,000 of the net proceeds to conduct sales and marketing activities to attract more customers and strengthen customer loyalty so as to further penetrate the food and beverage grocery distribution market. Up to the date of this report, a total of approximately HK$1,536,000 was spent on advertising and participating in domestic food exhibition and sales exhibition to showcase our products to potential buyers. The Group is currently recruiting new marketing staffs for upcoming new sales campaign.

The Group has planned to use approximately HK$3,500,000 to purchase new repackaging equipment to further automate the repackaging process and increase efficiency. Since outsourcing the repackaging is more cost-effective compared to acquiring and installing new repackaging equipment under the current market conditions, the Board has resolved to reallocate all unutilised net proceeds for installation of new repackaging equipment to develop the business in provision of food catering services through restaurants and general working capital on 18 February 2021. Up to 18 February 2021, a total of approximately HK$237,000 was spent on purchasing new automatic repackaging machines.

In early 2021, the Group was planning to develop the business in provision of food catering services through restaurants in view of the low market rent under current economic conditions. The Board is of the view that such vertical expansion would give us a competitive advantage, given that it allows us to have better cost control of the supplies for the new restaurant business and improve the performance of our existing business. Approximately HK$9,000,000 of the net proceeds is allocated for the start-up costs and renovation costs for the restaurants. Up to the date of this report, a total of approximately HK$3,064,000 was spent on renovation and start-up of the new restaurant in Tsim Sha Tsui. However, due to the pandemic situation in Hong Kong during 2021, the Directors decided to close down the restaurant in Tsim Sha Tsui in March 2022 and are looking for opportunities to develop such segment.

An addition of approximately HK$5,211,000 of the net proceeds is allocated for the general working capital to support the daily operation of the Group and to maintain sufficient working capital in preparation of any market upheaval. Full amount was utilised as general working capital up to the date of this report.

Looking forward, the Group is still reasonably optimistic to sustain the core business given all the economic uncertainties with the current Hong Kong market condition. The Directors are actively assessing and managing the uncertainties, and implementing, if necessary, measures to conquer this challenging time. At the same time, the Group remains committed to the strategies that we have promised our shareholders before being listed and will continue to seek for the best possible opportunities to grow our business by leveraging our current client base, offering a wide spectrum of products for customers and exercising careful cost controls.

The principal strategic, operational and financial risks faced by the Group are market competition, employee commitment and satisfaction, warehouse disruption, credit risk of customers and fund investments and returns. With the Group's proven track record, plus its experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors. The Directors will also continue to explore opportunities to diversify the Group's operation so that the customer base could be strengthened and diversified. The Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors believe that the Group will continue to expand to become one of the leading food and beverage grocery distributors in Hong Kong.

Directors' Report

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the provision of food and beverage grocery distribution and provision of food catering services through restaurants in Hong Kong. Details of the principal activities of its subsidiaries as at 31 March 2025 are set out in the note 31 to the consolidated financial statements in this annual report. There were no significant changes in the nature of the principal activities of the Group during the year.

FINANCIAL SUMMARY

The five-year financial summary of the Group is set out on page 134 of this report. The summary does not form part of the audited financial statements.

BUSINESS REVIEW

The business of the Group for the year ended 31 March 2025 is set out in the section headed "Management Discussion and Analysis" on pages 8 to 17 of this annual report. These discussions form part of this Directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to operate in compliance with the applicable environmental laws as well as protecting the environment by minimising the negative impact of the Group's existing business activities on the environment. Details of the environmental policies and performance are set out in the section headed "Environmental Social and Governance Report" on pages 47 to 74 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 March 2025, as far as the Board and the management are aware, there was no breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the operation of the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 March 2025, there were no material and significant dispute between the Group and its employees, customers and suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

The Group may be unable to retain or replace the Group's major customers. While the Group has good working relationships with the customers, there is no assurance that they will continue to place orders with the Group at all or at current levels in the future. In the event that the Group's major customers significantly reduce their orders with the Group, the business and results of operations of the Group will be adversely affected. As such, the Group is also exposed to inventory risk and stock obsolescence if the Group is unable to predict with certainty the customers' demands.

Economic and Political Risk

Adverse changes in the economic and political environment and government policies may affect the Group's ability to execute its strategies.

Financial Risk

The Group is exposed to foreign currency risk, interest rate risk, credit risk and liquidity risk in the normal course of business. Details of such financial risks are set out in note 6 to the consolidated financial statements in this annual report.

People Risk

It may be difficult for the Group to retain talent in the increasingly competitive market. Loss of key management personnel may affect the Group's business, prospects and financial performance.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 and the financial position of the Group as at 31 March 2025 are set out in the consolidated financial statements from page 81 to page 85 of this annual report.

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

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and pay dividends to the shareholders of the Company. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders of the Company.

Subject to compliance with applicable laws, rules, regulations and the articles of association of the Company (the "Articles of Association"), in deciding whether to propose a dividend payout, the Board will take into account, among other things, the Group's actual and expected financial performance, expected working capital requirements, capital expenditure requirements and future expansion plans, the retained earnings, distributable reserves and liquidity position of the Group, the general economic conditions and any other factors that the Board deems relevant.

The Board will review the dividend policy from time to time and there is no assurance that dividends will be paid in any particular amount for any given period.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

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

RESERVE

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company's reserves available for distribution to the shareholders of the Company amounted to approximately HK$12,340,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2025, the aggregate revenue attributable to the five largest customers of the Group accounted for less than 30% of the Group's total revenue.

During the year ended 31 March 2025, the aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

During the year under review, none of the Directors or their close associates (as defined in the GEM Listing Rules) or any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital), has any interests in any of the five largest customers and suppliers of the Group for the year.

DIRECTORS

The Directors who held office during the year ended 31 March 2025 and up to the date of this annual report are:

Executive Directors

Mr. Wong Siu Man *(Chairman)*
Mr. Wong Siu Wa *(Chief Executive Officer)*
Mr. Yip Kam Cheong *(Compliance Officer)*

Independent non-executive Directors

Ms. Chan Hoi Yee
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)
Mr. Shum Ching Hei (appointed on 1 January 2025)
Mr. Wang Zhaobin

In accordance with article 16.18 of the Articles of Association, Ms. Chan Hoi Yee, Mr. Yip Kam Cheong and Mr. Shum Ching Hei shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "AGM").

Directors' Report

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 5 to 7 of this annual report.

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three (3) years and shall thereafter continue on a month to month basis, subject to retirement and re-election in accordance with the Articles of Association and GEM Listing Rules, unless terminated by either party by giving at least three (3) month's written notice to the other.

The non-executive Director and each of the independent non-executive Directors have entered into a letter of appointment with the Company for an initial term of three (3) years and shall thereafter continue on a month to month basis, subject to retirement and re-election in accordance with the Articles of Association and GEM Listing Rules, unless terminated by either party by giving at least one (1) month's written notice to the other.

None of the Directors being proposed for re-election at the AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

EMOLUMENT POLICY

The Company has established a remuneration committee in compliance with the GEM Listing Rules. The primary duties of the remuneration committee of the Company are to review and make recommendations to the Board on the remuneration policy and other remuneration related matters, including benefits-in-kind and other compensation payable to the Directors and senior management of the Company. The remuneration committee of the Company will consider factors such as corporate and individual performance, salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group in assessing the amount of remuneration payable to the Directors and senior management. The Company has adopted a share option scheme as an incentive to selected participants.

EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, senior management and the five highest paid individuals of the Group are set out in notes 11(a) and 11(b) to the consolidated financial statements of this annual report.

MANAGEMENT CONTRACTS

During the year ended 31 March 2025, other than a contract of service with any Director or any person under the full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

There were no transaction, arrangement, or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which any Director or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

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

As at 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which are required (a) 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 in which they have taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register kept by the Company; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Positions

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (1)
Mr. Wong Siu Man (2)	Interest of controlled corporation	602,800,000	51.88%
Mr. Wong Siu Wa (2)	Interest of controlled corporation	602,800,000	51.88%

Notes:

(1) The percentage has been computed based on 1,162,000,000 Shares, being the total number of ordinary shares of the Company in issue as at the 31 March 2025.

(2) This represents the Shares held by Sky Alpha Investments Limited ("Sky Alpha"), a company beneficially owned as to 58.38% by Mr. Wong Siu Man, 38.92% by Mr. Wong Siu Wa and 2.7% by Glory Concord Limited ("Glory Concord") respectively, therefore, Mr. Wong Siu Man and Mr. Wong Siu Wa were deemed to be interested in 602,800,000 Shares under the SFO.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had an interest or short position in any shares or underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) 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 in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" in this report, at no time during the year ended 31 March 2025 and up to the date of this annual report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2025, the persons (other than Directors or chief executive of the Company) who had interests and short positions in the shares or underlying share of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO were as follows:

Long positions

Name of shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding (1)
Sky Alpha (2)	Legal and Beneficial owner	602,800,000	51.88%
Ms. Fan Wing (2) & (3)	Interest of spouse	602,800,000	51.88%
Ms. Chu Man (2) & (4)	Interest of spouse	602,800,000	51.88%

Notes:

(1) The percentage has been computed based on 1,162,000,000 Shares, being the total number of ordinary shares of the Company in issue as at the 31 March 2025.

(2) Sky Alpha is beneficially owned as to 58.38% by Mr. Wong Siu Man, an executive Director, 38.92% by Mr. Wong Siu Wa, an executive Director and 2.7% by Glory Concord, respectively. Mr. Wong Siu Man and Mr. Wong Siu Wa are therefore deemed to be interested in 602,800,000 Shares under the SFO.

(3) Ms. Fan Wing is the spouse of Mr. Wong Siu Man. Under the SFO, Ms. Fan Wing is deemed to be interested in the same number of Shares in which Mr. Wong Siu Man is interested.

(4) Ms. Chu Man is the spouse of Mr. Wong Siu Wa. Under the SFO, Ms. Chu Man is deemed to be interested in the same number of Shares in which Mr. Wong Siu Wa is interested.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had or is deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2025, save for the connected transaction lease agreement announced on 21 March 2025, the Group has not entered into any connected transaction with any of the controlling shareholders of the Company. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

Subject to the Companies Law (2016 Revision), Cap 22 of the Cayman Islands, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

COMPETING INTEREST

During the year ended 31 March 2025, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) had interest in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

DEED OF NON-COMPETITION

The controlling shareholders of the Company, namely Mr. Wong Siu Man, Mr. Wong Siu Wa, Sky Alpha and Glory Concord, entered into a deed of non-competition dated 27 March 2017 ("Deed of Non-Competition") in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-Competition, please refer to the section headed "Relationship with Controlling Shareholders – Non-competition Undertaking" in the Prospectus. Each of the controlling shareholders of the Company has confirmed that none of them is engaged in, had interest in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by each of the controlling shareholders during the year ended 31 March 2025.

PURCHASE, SALES OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any listed securities of the Company during the year ended 31 March 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, at least 25% of the Company's total issued share capital was held by the public.

CORPORATE GOVERNANCE

Details of the principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 30 to 46 of this annual report.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 27 March 2017 (the "Share Option Scheme").

During the year ended 31 March 2025, no share option was granted, lapsed, cancelled or exercised. No share option was outstanding as at 31 March 2024 and 2025.

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

Purposes

The purpose of the Share Option Scheme is to enable the Group to grant share options to the eligible persons as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity").

Eligible Participants

The Board may, at its absolute discretion, offer eligible persons (being any director or employee (whether full time or part time), consultant or adviser of the Group who in the sole discretion of the Board has contributed to and/or will contribute to the Group) (the "Eligible Person(s)") to subscribe for such number of Shares in accordance with the terms of the Share Option Scheme.

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

The total number of Shares which may be issued upon exercise of all outstanding share options to be granted under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme. The Company may seek approval by its shareholders in general meeting for "refreshing" the 10% limit under the Share Option Scheme. Under the amended Chapter 23 of the GEM Listing Rules, the Company may seek approval by its shareholders in general meeting once every three years or by independent shareholders within the three-year period to "refresh" the 10% limit. The total number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes must not exceed 30% of the Shares in issue from time to time. No share options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

The number of share options available for grant under the Share Option Scheme as at 1 April 2024 and 31 March 2025 were 116,200,000.

As at the date of this annual report, 116,200,000 Shares are available for issue under the Share Option Scheme, which represented 10% of the total number of Shares in issue.

Maximum entitlement under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Person (including exercised, cancelled and outstanding options) under the Share Option Scheme in any 12-month period must not exceed 1% of the issued share capital of the Company unless approved by the shareholders of the Company in general meeting with such Eligible Person and his/her close associates abstaining from voting.

Period within which the securities must be taken up under an option

There is no general requirement on the minimum period for which a share option must be held or the performance targets which must be achieved before a share option can be exercised under the terms of the Share Option Scheme.

Amount payable on acceptance of an option

An offer shall be accepted when the Company receives the duly signed offer letter together with a non-refundable payment of HK$1.00 (or such other sum in any currency as the Board may determine).

Minimum period, if any, for which an option must be held before it can be exercised

A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as to be determined and notified by the Directors to each grantee, but shall end in any event not later than 10 years from the date of grant of the share option.

Basis of determining the exercise price

The exercise price is determined by the Directors and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of relevant option; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of relevant option; and (iii) the nominal value of a Share on the date of grant of relevant option.

Remaining life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years from 27 March 2017.

Further details of the Share Option Scheme and details of the share options under the Share Option Scheme are set out in note 30 to the consolidated financial statements in this annual report.

EQUITY LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group subsequent to 31 March 2025 and up to the date of this annual report.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company ("Audit Committee") comprises three independent non-executive Directors, namely, Mr. Shum Ching Hei (Chairman), Mr. Wang Zhaobin and Ms. Chan Hoi Yee. The Audit Committee, together with the management, have reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2025.

AUDITOR

With effect from 3 May 2021, Messrs. HLB Hodgson Impey Cheng Limited ("HLB") resigned as auditors of the Company. McMillan Woods (Hong Kong) CPA Limited ("MMW") was appointed to fill the casual vacancy following the resignation of HLB.

The consolidated financial statements of the Company for the year ended 31 March 2025 have been audited by MMW. MMW will retire at the AGM and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of MMW as auditor of the Company will be proposed at the AGM.

By order of the Board
Wong Siu Man
Chairman and Executive Director

Hong Kong, 26 June 2025

Corporate Governance Report

The Board hereby presents this Corporate Governance Report in the Company's annual report for the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Company believes that sound corporate governance practices are essential to the effective and transparent operation of the Company and to its ability to safeguard the interest of the shareholders of the Company (the "Shareholder(s)"). The Company has applied the principles and code provisions as set out in Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

In the opinion of the Board, the Company has complied with the CG Code during the year ended 31 March 2025. Key corporate governance principles and practices of the Company are summarised below.

CORPORATE STRATEGY

The Company is committed to ensuring that its affairs are conducted in accordance with high business ethical standards. The Board has established the Company's purpose, values and strategy, and is satisfied that these and the Company's culture are aligned. All directors must act with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the organisation values of acting lawfully, ethically and responsibly. By recognising the importance of stakeholders, we strive to provide high quality and reliable products, and to create values to the stakeholders through sustainable growth and continuous development. By so acting, the Company believes that shareholders' wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit. The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

A. THE BOARD

A.1 Responsibilities and Delegation

The Board is entrusted with the overall responsibility for promoting the success of the Company by providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control systems, risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, change of Directors, ad hoc projects and other significant financial and operational matters. The Board has the full support of the management to discharge its responsibilities.

The day to day management, administration and operation of the Company are delegated to executive Directors and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above-mentioned officers. All Directors have full and timely access to all relevant information of the Company, with a view to ensure that Board procedures and all applicable rules and regulations in Cayman Islands and Hong Kong are followed. Each Director is normally able to seek independent advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Each Director has confirmed that he/she can give sufficient time and attention to the Company's affairs and has regularly provided information on the number and nature of offices held in public companies or organisations and other significant commitments, including the identity of such companies or organisations and an indication of the time involved.

In addition, the Board has also delegated various responsibilities to the board committees of the Company. Further details of the board committees of the Company are set out below in this report.

The Board is also responsible for, among others, performing the corporate governance duties as set out in the Code Provision A.2.1 of the CG Code, which include:

– to develop and review the Group's policies and practices on corporate governance and make recommendations;

– to review and monitor the training and continuous professional development of the Directors and senior management;

– review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

– to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Directors and employees; and

– to review the Group's compliance with the CG Code and disclosure in the corporate governance report.

The Company has arranged appropriate liability insurance coverage for all the Directors, including company securities, employment practices, regulatory crisis event, investigation, litigation, tax liabilities and public relation, etc., which is to be reviewed by the Board on a regular basis.

Corporate Governance Report

A.2 Board Composition

The Board comprised the following Directors during the year ended 31 March 2025 and up to the date of this annual report:

Executive Directors
Mr. Wong Siu Man *(Chairman)*
Mr. Wong Siu Wa *(Chief Executive Officer)*
Mr. Yip Kam Cheong *(Compliance Officer)*

Independent non-executive Directors
Ms. Chan Hoi Yee
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)
Mr. Shum Ching Hei (appointed on 1 January 2025)
Mr. Wang Zhaobin

The nomination committee of the Company ensures the composition of the Board constitutes a balance of skills, experiences, qualifications and diversity of perspective appropriate to the requirements of the business and development of the Company. There is a balance of skills and experience for the Board, which is appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. The current Board composition of three executive Directors and three independent non-executive Directors (the "INED(s)"). The list of all Directors (by category) is set out under the section headed "Corporate Information" in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules from time to time. The Company also maintains on its website (www.agdl.com.hk) and on the website of the Stock Exchange (www.hkexnews.hk) an updated list of current Directors (by category) identifying their role and function.

During the year ended 31 March 2025, the Board has met the requirements of the GEM Listing Rules relating to the appointment of at least three INEDs with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise as required under the GEM Listing Rules.

The Board has established mechanisms to ensure independent views and input are available to the Board, which the Board shall review on an annual basis to ensure the implementation and effectiveness of such mechanisms. A summary of the mechanism is set out below:

– The Board shall ensure the appointment of at least three independent non-executive Directors and at least one-third of the Board members being independent non-executive Director.

– The nomination committee of the Company shall strictly adhere to the nomination policy and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of independent non-executive Directors. Every independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his or her own personal particulars that may materially affect his or her independence and provide an annual confirmation of his or her independence pursuant to the GEM Listing Rules. The nomination committee of the Company is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.

– The Company shall ensure that the independent non-executive Directors be given the opportunity and channel to communicate and express their independent views and inputs to the Chairman, the Board and its committees. The Chairman of the Board shall at least annually hold meetings with the independent non-executive Directors without the presence of other Directors to discuss major issues and any concerns.

– The Director shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

Each of the INED has confirmed in writing his/her independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the INEDs to be independent. Save as disclosed in the section headed "Biographical Details of Directors and Senior Management", the Board members has no financial, business, family or other material/relevant relationships with each other.

A.3 Chairman and Chief Executive Officer

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Wong Siu Man is the Chairman and is responsible for major decision-making and implementation of business strategies of the Group. The Chairman also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the Directors to make active contributions to Board's affairs and promoting a culture of openness and debate. The Chairman seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and have received adequate and reliable information in a timely manner.

Mr. Wong Siu Wa is the chief executive officer and is in charge of the Company's day-to-day management and operations and focuses on implementing the objectives, policies and strategies approved and delegated by the Board.

A.4 Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three (3) years, subject to retirement and re-election in accordance with the Articles of Association and GEM Listing Rules, unless terminated by either party by giving at least three (3) month's written notice to the other. Each of the INEDs has entered into a letter of appointment with the Company for an initial term of three (3) years, subject to retirement and re-election in accordance with the Articles of Association and GEM Listing Rules, unless terminated by either party by giving at least one (1) month's written notice to the other.

Pursuant to article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Pursuant to article 16.3 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after his/her appointment and shall be subject to re-election at such meeting.

A.5 Induction and Continuous Professional Development for Directors

Pursuant to Code Provision C.1.4 of CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills as to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 March 2025, all Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements. All Directors are also provided with updates on the Group's business and operation plans from time to time. There are also arrangements in place for providing continuing briefing and professional development to each Director. All Directors are encouraged to attend relevant training courses at the Company's expense.

Pursuant to Code Provision C.1.1 of CG Code, newly appointed Directors should receive a comprehensive, formal and tailored induction on appointment, so as to ensure that they have a proper understanding of the Group structure, Board and Board Committees meetings procedures, business, management and operations of the Group, etc. and that they are fully aware of their responsibilities and obligations under the GEM Listing Rules and legal and other regulatory requirements in the Cayman Islands and Hong Kong.

According to the records maintained by the Company, the Directors received training regarding roles, function and duties of a director of a listed company or professional skills in compliance with the CG Code on continuous professional development during the year ended 31 March 2025 by attending seminars and/or courses organised by professional firms or institutions and reading materials.

A.6 Board Meetings

A.6.1 Board Practices and Conduct of Meetings

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year for reviewing and approving financial statements, operating performance, budgets, rules and regulations, announcements and circulars issued by the Company and considering and approving the progress of the various on-going projects, the overall strategies and policies of the Company. Additional meetings would be arranged if and when required. Notices of regular Board meetings are given to all Directors at least 14 days before the meetings. For all other Board meetings, notice is given in a reasonable time in advance. All Directors are supplied with agenda and relevant meeting materials at least 3 days before the date of the meeting or within a reasonable period of time in advance of the intended meeting date. All Directors are given opportunities to include matters in the agenda for regular Board meetings, if required. To enable the Directors to make informed decisions, adequate and appropriate information in relation to the matters of the meeting are sent to all Directors in a timely manner. The Board and each Director have separate and independent access to the management for enquiries and to obtain further information, when required.

After the meeting, draft minutes are circulated to all Directors for comments within a reasonable time. All minutes of the meetings are kept by the company secretary of the Company (the "Company Secretary") and are available for inspection by the Directors at all times.

Directors may participate in meetings either in person or through electronic means of communications. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. If a substantial shareholder or a director has a conflict of interest in a transaction which the Board determines to be material, it will be considered and dealt with by the Board at a duly convened Board meeting rather than a written resolution, Independent non-executive Directors who have no material interest in the transaction should be present at that Board meeting.

A.6.2 Directors' Attendance Records

During the year ended 31 March 2025, the Board convened five Board meetings and two general meetings. The attendance of each Director at the meetings of the Board, Board committees and general meeting is as follows:

	Number of meetings attended/eligible to attend				
	Board	Remuneration Committee	Audit Committee	Nomination Committee	General meeting
Executive Directors					
Mr. Wong Siu Man *(Chairman)*	6/6	N/A	N/A	N/A	1/1
Mr. Wong Siu Wa *(Chief Executive Officer)*	6/6	N/A	N/A	N/A	1/1
Mr. Yip Kam Cheong *(Compliance Officer)*	6/6	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Ms. Chan Hoi Yee	5/6	2/2	2/2	2/2	1/1
Mr. Ng Fan Kay Frankie (resigned on 1 January 2025)	3/4	2/2	2/2	2/2	1/1
Mr. Shum Ching Hei (appointed on 1 January 2025)	2/2	N/A	N/A	N/A	N/A
Mr. Wang Zhaobin	5/6	2/2	2/2	2/2	0/1

A.7 Independence of Independent Non-Executive Directors

The Board is committed to reviewing and assessing the independence of the independent non-executive Directors. The Board has established mechanisms to ensure independent views and input are available to the Board, which the Board shall review on an annual basis to ensure the implementation and effectiveness of such mechanisms. A summary of the mechanism is set out below:

– At least three (3) Directors or one-third (1/3) of the Board, whichever is the higher, are INEDs.

– Apart from complying with the requirements prescribed by the GEM Listing Rules as to the composition of certain Board committees, INEDs will be appointed to all Board committees as far as possible to ensure independent views are available.

– The nomination committee of the Company must strictly adhere to the nomination policy of the Company and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of INEDs.

– Each INED is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence and must provide an annual confirmation of his independence to the Company.

– The nomination committee of the Company is mandated to assess annually the independence of all INEDs by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.

– The Board have full and unrestricted access to the advice and services of the senior management personnel and/or the Company Secretaries in the discharge of the Board's duties and responsibilities. The Board is also allowed to seek advice from independent professional advisers when necessary at the expense of the Company to allow them to discharge their duties effectively. All INEDs have access to the executive Directors and/or senior management personnel should there be any explanation or clarification needed on any aspects of the Group's operations and/or management issues.

– The Director shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

– The Chairman of the Board shall at least annually hold meetings with the INEDs without the presence of other Directors to discuss major issues and any concerns.

B. BOARD COMMITTEES

The Board has established three Board committees, namely, the audit committee, remuneration committee and nomination committee for overseeing particular aspects of the Company's affairs. All Board Committees have been established with defined written terms of reference, which are posted on the websites of the Stock Exchange and the Company. All the Board Committees should report to the Board on their decisions or recommendations made. The practices, procedures and arrangements in conducting meetings of Board Committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board Committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

B.1 Audit Committee

As at the date of this report, the audit committee of the Company (the "AC") consists of three INEDs, namely Mr. Shum Ching Hei, Mr. Wang Zhaobin and Ms. Chan Hoi Yee. Mr. Shum Ching Hei currently serves as the chairman of the AC, who holds the appropriate professional qualifications as required under the GEM Listing Rules.

The principal duties of the AC are to (i) monitor integrity of the Company's financial statements, financial reports and accounts and to review the financial and accounting policies and practices of the Company; (ii) assist the Board in providing an independent view of the effectiveness of the Group's financial controls, internal control and risk management systems; and (iii) to make recommendations to the Board on the appointment, re-appointment and removal of external auditors.

During the year ended 31 March 2025, the AC held two meetings and performed the following major tasks:

– Review and discussion of the interim and annual financial statements, results announcements and reports, the related accounting principles and practices adopted by the Group and the relevant audit findings;

– Review and discussion of the risk management and internal control system of the Group; and

– Discussion and recommendation of the re-appointment of external auditor.

The attendance records of each Director at the meeting of the AC is set out on page 36 of this annual report.

During the year ended 31 March 2025, the fee paid/payable to auditor in respect of audit service and/or non-audit services were as follows:

Nature of services	2025 HK$'000	2024 HK$'000
Audit services	**600**	600
Non-audit related services	**–**	–

B.2 Nomination Committee

As at the date of this report, the nomination committee of the Company (the "NC") consists of three INEDs, namely Ms. Chan Hoi Yee, Mr. Wang Zhaobin and Mr. Shum Ching Hei. Ms. Chan Hoi Yee currently serves as the chairlady of the NC.

The principal duties of the NC are to (i) review the structure, size and composition of the Board; (ii) review the board diversity policy and directors' nomination policy; (iii) identify qualified individuals to become members of the Board; (iv) make recommendation to the Board on the appointment, re-appointment and succession planning of Directors; and (v) assess the independence of INEDs.

During the year ended 31 March 2025, the NC held two meetings and performed the following major tasks:

– Review the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;

– Assessment of the independence of the existing INEDs;

– Recommendation on the appointment of Directors and re-appointment of retiring Directors at the annual general meeting pursuant to the Articles of Association; and

– Review the board diversity policy and nomination policy of the Company.

The attendance records of each Director at the meeting of the NC is set out on page 36 of this annual report.

The Company adopted a board diversity policy which sets out the approach to achieve diversity on the Board. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Upon the review of the Board's composition taking into account the diversity policy, the NC considers that the Board has maintained an appropriate mix and balance of age, ethnicity, skills, knowledge, experience and diversity of perspectives appropriate to the business requirements of the Company. The NC and the Board review the implementation and effectiveness of the board diversity policy on an annual basis or as required.

The Company is conscious of maintaining board diversity with an appropriate level of members of both genders on the Board. The Company will continue to take gender diversity into consideration during recruitment, such that there is a pipeline of potential successors to the Board to achieve gender diversity. As at 31 March 2025, the Board comprised five males, representing 83% of the Board, and one female, representing 17% of the Board. The NC considered that the Board was sufficiently diverse in terms of gender, background and experience, thus the Board had not set any measurable objectives. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Company adopted a nomination policy which sets out the selection criteria in assessing the suitability of a proposed candidate as Director and procedure of appointing and re-appointing a Director. In assessing the suitability of a proposed candidate, the NC would consider factors including but not limited to academic background, qualifications, relevant experiences in the industry, character and integrity of the candidate, whether the candidate can contribute to the diversity of the Board, the candidate's commitment in respect of available time and relevant interest and where the candidate is proposed to be appointed as an independent non-executive Director, whether the candidate is independent in the context of GEM Listing Rules. Suitable candidate can be nominated by any Director for the NC's consideration. NC should evaluate the personal profile of the candidate based on the selection criteria as set out in the nomination policy and undertake adequate due diligence in respect of each proposed candidate. After comprehensive assessment, the NC will then make recommendations to the Board for approval. The NC will review the nomination policy and assess its effectiveness on a regular basis or as required.

B.3 Remuneration Committee

As at the date of this report, the remuneration committee of the Company (the "RC") consists of three INEDs, namely Mr. Wang Zhaobin, Ms. Chan Hoi Yee, and Mr. Shum Ching Hei. Mr. Wang Zhaobin currently serves as the chairman of the RC.

The primary functions of the RC are to (i) review and make recommendation to the Board on the Company's policy and structure for remuneration of the Directors and senior management; (ii) determine the remuneration packages of the Directors and senior management; (iii) review and approve matters relating to share option scheme under Chapter 23 of GEM Listing Rules; and (iv) ensure none of the Directors determine their own remuneration.

During the year ended 31 March 2025, the RC held two meetings and performed the following major tasks:

- Determine the remuneration package of the Directors and senior management of the Company with reference to the duties and responsibilities, business performance and profitability of the Group and market conditions, the corporate objective and goal set by the Board; and

- Review the remuneration policy and structure for fixing the remuneration packages.

The attendance records of each Director at the meeting of the RC is set out on page 36 of this annual report.

Pursuant to the Code Provision E.1.5 of the CG Code, the remuneration of the members of the Board and the senior management by band for the year ended 31 March 2025 is set out below:

In the band of	Number of Individuals
Nil to HK$1,000,000	5
HK$1,000,001 to HK$2,000,000	1
HK$2,000,001 to HK$3,000,000	Nil
HK$3,000,001 to HK$4,000,000	1
Over HK$4,000,000	1

Details of the remuneration of each Director and the five individuals with the highest emoluments in the Group for the year ended 31 March 2025 are set out in note 11 to the consolidated financial statements in this annual report.

C. COMPANY SECRETARY

Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on the corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations, are followed.

Mr. Fung Chun Yuen has been appointed as the Company Secretary of the Company with effect from 31 January 2024. Mr. Fung Chun Yuen has complied with all the required qualifications, experiences and training requirements under the GEM Listing Rules. For the year ended 31 March 2025, he has complied with the GEM Listing Rules by taking not less than 15 hours of relevant professional training.

D. DIVERSITY IN WORKFORCE

As at 31 March 2025. the Group had a total of 72 employees (including the senior management). The gender composition of the employees (including the senior management) was approximately 56% male employees and 44% female employees. The Group believes that the gender ratio of employees is within the reasonable range.

E. DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 March 2025, which give a true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required of the GEM Listing Rules.

As at 31 March 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders of the Company. The independent auditor's report about their reporting responsibility on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 78 to 80 of this annual report.

F. CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including to develop and review the Company's policies and practices on corporate governance, to review and monitor the training and continuous professional development of the directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct applicable to employees and Directors and to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

G. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, all of the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 31 March 2025.

In addition, the Company has also adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as written guidelines for relevant employees in respect of their dealings in the securities of the Company. Besides, the Company has adopted internal control policy in relation to the disclosure of inside information of the Company (the "Inside Information Policy").

No incident of non-compliance of the required standard of dealings regarding securities transactions by Directors or employees and/or the Inside Information Policy was noted by the Company during the year ended 31 March 2025.

H. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard the assets of the Group and shareholder investments. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Board has conducted a review of the implemented system and procedures, covering financial, operational and legal compliance controls and risk management functions. Such review is done with a view to ensuring that resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Group's environmental, social and governance ("ESG") performance and reporting are adequate. The Directors consider that the Group has implemented appropriate procedures for safeguarding the Group's assets against unauthorised use or misappropriation, maintaining proper accounting records, segregation of duties and putting plans and routines into execution with appropriate authority and in compliance with the relevant laws and regulations.

For the year ended 31 March 2025, the Board engaged an internal control consultant (the "Consultant"), an independent third party, to undertake a review of the internal control system of the Group. The results of the independent review and assessment were reported to the AC and the Board. The improvements in internal control and risk management measures as recommended by the Consultant to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of the Consultant as well as the comments of the AC, the Board is of the view that the risk management and internal control measures in place are adequate and effective to safeguard the Group's assets and the interest of Shareholders.

The Company does not have an internal audit function. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient risk management and internal control for the Group. The Company will review the need for an internal audit function on an annual basis.

The Group adopts a risk management framework which comprises the following processes:

– Identify significant risk in the Group's operation environment and evaluate the impacts of those risks on the Group's business (including ESG risks);

– Develop necessary measures to manage those risks; and

– Monitor and review the effectiveness of such measures.

The Group formulated the policies and procedures of risk management and internal control as follows:

– The Group established an organisational structure with clear operating and reporting procedures, lines of responsibility and delegated authority;

– Each operating subsidiary maintains internal controls and procedures appropriate to its structure whilst complying with the Group's policies, standards and guidelines;

– Relevant executive Directors and senior management have been delegated with specific accountability for monitoring the performance of designated business operating units;

– A systematic review of the financial and business processes in order to provide management on the adequacy and effectiveness of internal controls. Where weaknesses are identified in the system of internal controls, management will evaluate and take necessary measures to ensure that improvements are implemented; and

– Code of ethics is established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices.

Principal Risks

During the year ended 31 March 2025, the following principal risks of the Group were identified and classified into strategic risks, operational risks, financial risks and compliance risks:

Risk Areas	Principal Risks
Strategic risks	Market competition
Operational risks	Employee commitment and satisfaction, warehouse disruption
Financial risks	Credit risk of customers, fund investments and returns
Compliance risks	Change in relevant food safety regulation, company and tax regulations and ordinances, updates in accounting standards and listing rules

The Board reviewed that the risk management and internal control system adopted by the Group for the year ended 31 March 2025 and considered that it was effective and adequate.

I. PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has approved and adopted the Inside Information Policy for monitoring inside information to ensure compliance with the GEM Listing Rules and the Securities and Futures Ordinance. The procedures and internal controls for handling and dissemination of inside information as set out in the Inside Information Policy are summarised below:

Handling of Inside Information

1. Inside information shall be announced as soon as reasonably practicable after it becomes known to the Board and/or is the subject of a decision by the Board in accordance with the GEM Listing Rules. In cases where a decision by the Board is pending or in cases of incomplete negotiations, the Group shall implement the procedures set out in the Inside Information Policy to maintain the confidentiality of information. Until an announcement is made, the Directors and the management should ensure that such information is kept strictly confidential. If the confidentiality cannot be maintained, an announcement shall be made as soon as practicable.

2. Each department shall keep inside information on transactions confidential. If there is a leakage of inside information, they shall inform the Directors and the Company Secretary immediately so that remedial actions, including making an inside information announcement, can be taken at the earliest opportunity.

3. The Group's finance department shall keep track of the Group's threshold levels for disclosure pursuant to the size tests under the GEM Listing Rules, so that an announcement can be made as soon as practicable should a notifiable transaction arises.

Dissemination of Inside Information

Inside information is announced promptly through the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.agdl.com.hk). The electronic publication system of the Stock Exchange is the first channel of dissemination of the Group's information before any other channel.

J. SHAREHOLDERS' RIGHTS

Pursuant to Articles of Association, any shareholder(s) 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 to vote at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the said date of deposit of the requisition.

Pursuant to Articles of Association, if a Shareholder wishes to propose a person other than retiring Directors for election as a Director at a general meeting of the Company, the Shareholder should deposit a written notice of nomination which shall be given to the principal place of business of the Company in Hong during the period, which shall be at least 7 days, commencing the day after the despatch of the notice of the meeting and ending no later than 7 days prior to the date of such meeting.

Shareholders may at any time send their enquiries and concerns, in writing, to the Board by addressing them to the Company Secretary. Contact details are as follows:

Address:	The Whole of Upper Ground Floor, Mai Tong Industrial Building, No.22 Sze Shan Street, Kowloon, Hong Kong
Fax:	(852) 2389 1612
E-mail:	fax@hfh.com.hk

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch registrar and transfer office, namely, Union Registrars Limited, whose contact details are stated in the section headed "Corporate Information" of this annual report.

K. COMMUNICATION WITH SHAREHOLDERS AND 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 recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company has adopted the shareholders communication policy which sets out the Group's commitment of and channels for maintaining an effective ongoing dialogue with shareholders. The Company has reviewed the implementation and effectiveness of such policy during the year ended 31 March 2025 and considered that it is sufficient and effective.

In order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company, the Company has established a number of channels for maintaining on-going dialogue with the Shareholders as follows:

(a) corporate communications such as annual reports, quarterly reports, interim reports and circulars are issued in printed form and are available on the websites of the Stock Exchange and of the Company;

(b) latest information on the Group is available on the respective websites of the Stock Exchange and of the Company;

(c) general meetings of the Company provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(d) the Company's share registrars serve the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

L. CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2025, there had been no change in the constitutional documents of the Company. The Articles of Association are available on the websites of the Stock Exchange and of the Company.

ABOUT THE GROUP

Asia Grocery Distribution Limited (the "Company", and its subsidiaries collectively referred to as the "Group") is an established food and beverage grocery distributor in Hong Kong with over 40 years of experience in the food and beverage grocery distribution industry. The Group's customers include restaurants, non-commercial dining establishments, hotels and private clubs, food processing operators and wholesalers in Hong Kong.

The Group also offers product sourcing, repackaging, quality assurance, warehousing and storage, transportation as well as other value-added services to provide one-stop food and beverage grocery distribution solutions to the customers. The Group's product portfolio ranges from food commodities and specialty food ingredients to kitchen products which can be broadly categorised into (i) commodities and cereal products; (ii) packaged food; (iii) sauce and condiments; (iv) dairy products and eggs; (v) beverage and wine; and (vi) kitchen and hygiene products.

While promoting sound business growth, the Group is also committed to being an environmentally-friendly corporation with high-quality products and services. The Group considers social and environmental responsibilities as one of the core values in business operations to strive for greater sustainability and transparency, as well as to deliver services that foster a sustainable environment for the future generation.

The Group has signed the "ESG+ Pledge Scheme" to make improvements in the performances related to environment, social responsibility and governance by making action commitments and working together to create a sustainable future.

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the "Report") provides an annual update of the Group's sustainability performances, achievements and challenges from 1 April 2024 to 31 March 2025 (the "Reporting Period"). Based on the evaluation of the reporting scope, the Report covers all of the principal operating activities of the Group in Hong Kong, including the offices and warehouses in Yau Tong and Tuen Mun. The reporting scope is the same as the previous Reporting Period and covers the Group's total revenue during the Reporting Period. Unless otherwise indicated, the Report covers the Company and its subsidiaries.

For the Group's information on corporate governance practice, please refer to the section of "Corporate Governance Report" in this Annual Report.

Environmental, Social and Governance Report

Reporting Principles

The preparation and presentation of related information in this ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules (the "GEM Listing Rules") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has prepared this Report to meet the "Comply or Explain" provisions, of which mandatory Key Performance Indicators (KPIs) are disclosed. The four reporting principles, namely the principles of materiality, quantitative, balance and consistency, form the backbone of this ESG Report.

- Materiality: ESG issues that have major impacts on investors and other stakeholders must be set out in this Report.
- Quantitative: If the key performance indicators (KPIs) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.
- Balance: This Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgement of the readers.
- Consistency: This Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the Report.

Data in this Report are extracted from the Group's internal management system and statistics, and part of the data collected in previous years. This Report shall be uploaded and published both in Chinese and English on the websites of the Group at www.agdl.com.hk and The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Comments and Feedback

The Group hopes that this Report would inform the stakeholders of the performances of the Group on aspects besides financial results and business operations. We welcome all sorts of comments and suggestions from our stakeholders with respect to this Report or our ESG performance.

Your feedback is valuable for the Group's continuous improvement. Please feel free to offer your comments and suggestions via email at fax@hfh.com.hk.

BOARD STATEMENT OF ESG GOVERNANCE

Board's Oversight of ESG Issues

The Group believes that good ESG governance strategies and practices are inseparable from corporate success. The Board aims at establishing an effective ESG risk management mechanism and shoulders the responsibility of supervising the Group's ESG governance. Our ESG Governance structure is divided into three main components, the board (the "Board") of directors of the Company (the "Directors"), the ESG Working Group and the dedicated ESG representatives in different departments and subsidiaries.

The Board

- Approving ESG strategies, action plans and targets;
- Approving the resources required to implement ESG-related measures;
- Ensue proper and effective risk management and internal control systems are in place;
- Supervise and lead the ESG-related issues; and
- Review and approve the ESG reports.

ESG Working

- Identify and manage potential ESG risks in the business operations;
- Provide assistance to the Board by monitoring the implementation of the ESG-related measures;
- Report to the Board for the ESG performances regularly;
- Manage the ESG risks and opportunities in the daily operations; and
- Coordinate and prepare the ESG Report.

Functional Department

- Coordinate and implement specific ESG policies and measures;
- Report to the ESG Working Group on the ESG issues; and
- Collect ESG-related information and data.

The Board is responsible for developing the Group's ESG strategies. It holds ultimate accountability for the Group's ESG strategies, performance, and reporting, including the identification, monitoring, assessment, and evaluation of ESG-related risks and issues. The Board ensures that effective ESG risk management and internal control systems are in place. Each year, the Board reviews the Group's ESG Report, discusses the key risks, and provides recommendations for the upcoming year. Additionally, the Board takes necessary actions to mitigate the primary ESG risks during regular Board meetings.

To reinforce the Group's commitment to transparency and accountability, the Board has established an ESG Working Group, comprising executive directors and senior management of the Group, to support and advise on the development and execution of the Group's ESG strategies, policies, and practices.

The ESG Working Group plays a key role in reviewing ESG performance and targets. It is responsible for gathering data from various departments and business operations, analyzing and verifying ESG data, ensuring compliance with relevant ESG laws and regulations, and preparing ESG reports in accordance with reporting standards. The ESG Working Group will update the Board at least once a year during the annual meetings, providing reports on ESG matters, including progress on ESG goals and targets, to ensure the successful achievement of the Group's ESG objectives.

Board's ESG Management Approach and Strategy

The Group recognizes the significance of stakeholder engagement in understanding the concerns and expectations of various stakeholders, as well as the impact of sustainability trends in the broader business landscape. This enables us to make progress in our sustainability strategies, actions, and performance. Our approach involves maintaining ongoing and consistent dialogue with both internal and external stakeholders to identify, prioritize, and address material sustainability issues.

During the Reporting Period, the ESG Working Group conducted an internal review of the materiality assessment to evaluate its findings and assess how megatrends, stakeholder expectations, and business priorities may influence the business. The Group validates, determines, and prioritizes key ESG issues based on the outcomes of this assessment. This process enhances the Group's understanding of the importance stakeholders place on various ESG issues, allowing for a more comprehensive approach in shaping the future direction of our sustainable development.

Board Review Progress against ESG-related Goals and Targets

The progress of implementation and the performance of the goals and targets should be closely reviewed by the Group from time to time. If the progress falls short of expectations or changes in business operations, it may be necessary to make changes and communicate the goals and targets with key stakeholders such as employees, customers and suppliers.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

As part of the business strategies, the Group communicates with the stakeholders in an open, honest and proactive way. To achieve this objective and improve transparency, we take active measures to promote investor relations and communication. In addition, we have developed the investor relations policy to ensure that investors have fair and timely access to the information of the Group. Understanding stakeholders' views allow the Group to better fulfill their needs and expectations with its business practice and manage different stakeholders' opinions. The following table shows the expectations and concerns of the major stakeholders as identified by the Group and the communication channels.

Major Stakeholder	Expectations and Concerns	Communication Channels
Stock Exchange	• Compliance with listing rules	• Announcements on the Stock Exchange website • Discussions and meetings as necessary • Emails and other correspondences
Government and regulatory bodies	• Laws and regulations • Taxation	• Site visits and audits • Public notice of new laws and regulations
Shareholders and investors	• Return on investment • Information disclosure • Protection of rights and interests of shareholders • Fair treatment of shareholders • Operating risk management	• Annual general meetings • Annual reports, announcements and other disclosures/publications • Company website/Disclosures on the Stock Exchange website
Employees	• Salaries and welfares • Protection of employee's rights and interest • Healthy and safe working environment • Equal promotion opportunities	• Regular meetings • Employee training • Regular employee activities
Customers	• Product safety and quality • Customer satisfaction • After-sales services	• Website
Suppliers	• Long-term and sustainable business relationship • Transparent and fair procurement process • Supplier evaluation	• Supplier contracts • Business meetings, emails and telephone calls
Community	• Environmental protection • Contribution to the community	• Voluntary activities • Donation

Environmental, Social and Governance Report

Identifying the material ESG issues that matter the most to the Group is a prerequisite for setting the framework for the ESG Report and formulation of ESG management strategies. As such, the Group regularly conducts internal materiality assessments to determine the sustainability issues that matter the most to the Group, which will become the main focus of our sustainability strategy and facilitate the implementation of relevant initiatives. The Group has adopted a three-step process for the internal materiality assessment as described below to prioritise relevant sustainability areas that would have a material impact on the Group's operations and reputation.

Step 1: Identification

With reference to the ESG Reporting Guide, the Group has identified a list of sustainability issues that are relevant to the Group's business operations for the Reporting Period.

Step 2: Prioritisation

Ranking the identified topics with reference to the respective level of interest, risk and importance to the Group through internal review and generating a list of prioritised material topics based on the Group's understanding of the stakeholders' concerns and business operation.

Step 3: Validation

The Board has regularly reviewed, validated and endorsed the list of material sustainability topics to ensure that they are relevant and material to the Group for further action and disclosure as appropriate. The Group has been able to prioritise issues from the environmental and social aspects specified in the ESG Reporting Guide to be the material focus of this Report. The material issues are listed below.

Aspects	Material ESG Issues
A. Environmental Aspect	
A1. Emissions	• Air emissions
A2. Use of Resources	• Energy consumption and efficiency • Use of packaging materials
B. Social Aspect	
B1. Employment	• Employee welfare • Inclusion and equal opportunities • Talent attraction and retention
B2. Health and Safety	• Occupational health and safety • Safe working environment
B3. Development and Training	• Development and training

Aspects	Material ESG Issues
B4. Labour Standards	• Prevention of child and forced labour
B5. Supply Chain Management	• Supply chain management • Green procurement • Environmental and social risks of suppliers
B6. Product Responsibility	• Quality of products and services • Customer satisfaction • Protection of intellectual property rights • Protection of customer privacy
B7. Anti-corruption	• Corporate governance • Anti-corruption
B8. Community Investment	• Community investment

The Group will continue to engage in open communication with stakeholders to gain an understanding of their expectations and viewpoints regarding the Group's ESG approach. Additionally, the Group will continue to identify areas for improvement and allocate resources to manage these areas proactively.

The Group is proud to share that it has signed the ESG pledge to make improvement in performance related to environment, social responsibility and governance by making action commitments and working together to create a sustainable future organized jointly by The Chinese Manufacturers' Association of Hong Kong and Hong Kong Brand Development Council in July 2024.

ENVIRONMENTAL ASPECTS

The Group offers distribution solutions for food and beverage groceries to its customers, with a focus on minimizing emissions and waste generation during its operations. The Group aims to reduce the environmental impact of its activities by targeting emissions that may harm the environment. During the Reporting Period, the Group had no material non-compliance with relevant laws and regulations concerning air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste in Hong Kong. This includes, but is not limited to, compliance with the Air Pollution Control Ordinance (Cap. 311), Waste Disposal Ordinance (Cap. 354), Water Pollution Control Ordinance (Cap. 358), and Noise Control Ordinance (Cap. 400).

The Group promotes energy conservation and emission reduction throughout its procurement, inventory management, repackaging, sales, and delivery processes. By streamlining inventory management and delivery, the Group has reduced transportation frequency, leading to a decrease in carbon emissions from diesel and gasoline consumption. As part of its commitment to environmental improvement in Hong Kong, the Group actively participates in the Hong Kong Green Organisation Certification Scheme. The Group's achievements in environmental protection have been recognized and commended by the Federation of Hong Kong Industries (FHKI) at the BOCHK Enterprise Low Carbon Environmental Leadership Award Ceremony.

Energywi$e Certificate

- The Group was awarded the "Energywi$e Certificate" by the Hong Kong Green Organization Certification and contributes to environmental protection through energy conservation.

Wastewi$e Certificate

- The Group attaches great importance to environmental protection by demonstrating good practices in waste management. The Group was awarded the "Wastewi$e Certificate" by the Hong Kong Green Organization Certification.

Hong Kong Green Organization

- The Group is recognised as the Hong Kong Green Organisation by the Environmental Campaign Committee.

BOC Hong Kong Enterprise Low Carbon Environmental Leadership Award

- The Group was recognized as a Eco Partner in the BOCHK Corporate Low-Carbon Environmental Leadership Award Ceremony.

Emissions

Air Emissions

The primary sources of air emissions are the Group's owned vehicles. For product delivery, the Group engages third-party transportation companies to handle deliveries to its customers. To minimize air pollutant emissions in logistics operations, the Group carefully selects these third-party transportation partners. However, there is no direct calculation of the emission figures associated with the transportation services provided by these companies.

Air emissions	**2025**	2024	2023	**Unit**
Nitrogen oxides (NO_X)	**223.64**	808.57	836.83	kg
Sulphur oxides (SO_X)	**0.42**	0.45	0.47	kg
Respirable suspended particles (RSP)	**21.71**	50.60	51.76	kg

Greenhouse Gas Emissions

During the Reporting Period, the total greenhouse gas emissions were about 740.3 tonnes of CO_2-equivalent ("CO_2-e") and the total greenhouse gas intensity was 2.447 tonnes of CO_2-e per million HKD revenue.

Direct emissions from owned vehicles (Scope 1 emissions) collectively made up around 9% of the total greenhouse gas emissions. The indirect emissions from purchased electricity (Scope 2) accounted for about a third of total emissions. This year, the company has started accounting for scope 3 emissions which ended up amounting to roughly 60% of the emissions. Cardboard, tape and plastic bags are used to calculate the scope 3 (Category 1) emissions.

To ensure the Group has made ongoing efforts on mitigating the environmental impacts and climate change during operation, the Group has initiated a target of 5% emission reduction in terms of intensity in scope 1 and 2 emissions by 2028, compared with the baseline year of 2023 (0.729 tonnes CO_2-e per million HKD revenue). For detailed strategies for greenhouse gas reduction and energy reduction, please refer to the "Use of Resources" section.

Greenhouse gas emissions	2025	2024	2023	Unit
Scope 1 emissions	**66.5**	86.3	83.9	tonnes CO_2-e
Scope 2 emissions	**235.9**	212.3	124.6	tonnes CO_2-e
Scope 3 emissions	**437.9**	0.3	0.3	tonnes CO_2-e
Total greenhouse gas emissions	**740.3**	298.9	208.8	tonnes CO_2-e
Intensity (by revenue)	**2.447**	1.022	0.729	tonnes CO_2-e/million HKD revenue

Waste Management

The Group upholds the principles of waste management and is committed to the proper handling and disposal of all wastes from our business activities. Due to our business nature, the Group does not produce any hazardous waste, while the key non-hazardous wastes generated by us mainly include daily rubbish, such as stationeries, paper and domestic wastes.

Through the "4R Principles — Reduce, Reuse, Replace and Recycle", the Group strives to achieve the target of reducing the amount of non-hazardous waste generated and aims at waste management from the source. While educating our employees on the significance of sustainable development, we constantly encourage all employees to reduce paper usage through duplex printing, paper recycling and frequent use of electronic information systems for material sharing or internal administrative documents. The Group encourages the use of reusable products and better separation of waste streams for recycling. We encourage minimal consumption of single-use products in the workplace to avoid waste generation.

During the Reporting Period, the total non-hazardous wastes produced were 0.61 tonnes and the non-hazardous waste intensity is 0.002 tonnes per million HKD revenue. The Group has set a target of reducing non-hazardous waste intensity by 5% by 2028 compared to the baseline year in 2023 and maintain zero generation of hazardous waste in the next five years.

Non-hazardous waste	2025	2024	2023	Unit
Total non-hazardous waste produced	**0.61**	0.61	0.62	tonnes
Intensity (by revenue)	**0.002**	0.002	0.002	tonnes/million HKD revenue

Use of Resources

During the business operation, apart from the use of electricity, the Group also consumes other resources, such as water, paper and packaging materials.

The Group places a strong emphasis on the effective use of paper, promoting the use of recycled paper for casual printing and drafting, and implementing paper-saving signs to encourage employees to use paper more efficiently. By raising awareness of resource conservation among employees and implementing effective initiatives and programs, the Group is taking proactive steps to promote waste reduction.

The Group encourages the use of electronic media as internal and external communication channels to reduce paper consumption. The Group will continue to encourage the employees to use electronic documents rather than paper copies and use double-sided printing method. Recycling boxes near office photocopiers are also placed to collect paper that can be reused.

Energy Consumption

The Group recognizes the need to reduce energy consumption and minimize environmental impacts during operation. In order to address climate change and reduce carbon emissions, the Group has established a target to reduce 10% of the energy intensity in the next 5 years (in 2027) with 2022 as the base year.

The use of petrol by company-owned vehicles and electricity contributed to the direct and indirect energy consumption respectively. In order to enhance the energy efficiency, the Group has imposed several policies aiming at energy reduction including:

- Appointing a representative to coordinate internal energy-saving plans;
- LED lighting systems are widely set up in the office and warehouse;
- Arranging for regular cleaning of light transmission covers, bulbs and reflectors to ensure their lighting performance;
- Providing zoning control of lighting and ventilation system in the office and warehouse according to the operation schedule;
- Maintaining the indoor temperature at a reasonable level and regular maintenance of the ventilation system;
- Regular maintenance and continuous replacement of the aged air ventilation system by more energy-efficient ones;
- Encouraging employees to switch off unnecessary electrical appliances, such as lighting, computers and monitors, when not in use;
- Giving priority to energy-efficient electrical appliances, such as those with Grade 1 energy labels, during procurement;
- Encouraging employees to make the best use of virtual meetings or telecommunication system to avoid unnecessary travel arrangement wherever possible; and
- Promoting environmental awareness among employees.

Direct and indirect energy consumption by type	2025	2024	2023	Unit
Direct energy consumption	**998.8**	1,427.9	1,111.7	GJ
Indirect energy consumption	**357.5**	573.8	319.5	MWh
Total energy consumption	**634.94**	970.43	628.3	MWh-e
Intensity (by revenue)	**2.099**	3.318	2.195	MWh-e/ million HKD revenue

Water Consumption

The Group understands the importance of environmental protection through efficient water management in the office and warehouse. The Group has imposed water-saving policies to reduce water consumption. The Group encourages water conservation and reminds employees to reduce water wastage whenever possible. Besides educating its employees, the Group also engages in regular assessments of its utility services. In particular, the Group regularly checks for water seepage or leaking pipelines. If such problems are identified, the Group will ensure that the defective parts causing the seepage or leakage are replaced and repaired on a timely basis. The Group did not have any issue with sourcing water that is fit for purpose during the Reporting Period. The Group endeavours to conserve water resources and has set up a 5-year water efficiency target of reducing water consumption intensity by 5% by 2028, compared to 2023 baseline (1.32 m^3/million HKD revenue).

Water consumption in total and intensity	2025	2024	2023	Unit
Water consumption	**311.0**	221.5	378.0	m^3
Intensity (by revenue)	**1.03**	0.76	1.32	m^3/million HKD revenue

Use of Raw Materials and Packaging Materials

The Group encourages its employees to use double-sided paper for printing and photocopying, reduce waste and adopt waste separation for further reuse and recycling. Product repackaging is part of our core business and packaging materials are another resource that we consume. The Group understands the importance of waste reduction. Therefore, we choose materials that are environmentally friendly and reusable, such as reusable cartons and plastic bags. During the Reporting Period, the major packaging materials purchased by the Group are as follows:

Packaging material used for finished products	2025	2024	2023	Unit
Plastic bag	**90.9**	99.9	3.4	tonnes
Carton box	**112.5**	49.7	47.4	tonnes
Adhesive tape	**1.7**	3.7	2.6	tonnes
Total packaging material used	**205.1**	153.3	53.4	tonnes
Intensity (by revenue)	**0.678**	0.524	0.187	tonnes/million HKD revenue

The Environment and Natural Resources

The Group's operation does not have a significant impact on the environment. Nevertheless, the Group recognizes that its performance in respect of emissions, waste produced, and use of resources may bring about negative impacts on the environment. The Group strives to contribute to environmental protection and minimise the environmental impacts associated with our business activities. During the packaging process, we reduce carbon emissions by reusing cartons and other packaging materials. In the day-to-day operation, the Group motivates its employees to save energy and create a green working environment.

We will continue to assess the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations.

Climate Change

Climate change is a global environmental issue for the international community. The Group also recognizes the impacts of climate-related risks on our business operation. Climate change presents immediate and long-term risks to the Group, its consumers and business partners.

Supported by our ESG Working Group, the Board oversees climate-related issues and risks regularly during the board meetings and ensures that they are incorporated into our strategy. The ESG Working Group works closely with the Group's different operation departments, with an aim to develop consistent and enhanced approaches to addressing ESG risk issues and report to the Board. The Group has started to work on identifying potential risks and opportunities associated with climate change so that we could improve our capabilities to manage those risks.

For the acute physical risks, the increase in the frequency and intensity of extreme weather events, such as typhoons, rainstorms, flooding and heatwaves, may hinder the daily operation of our business and cause delays in the delivery. In order to safeguard the safety of all employees and the logistic team, the Group will closely monitor the weather forecast during the extreme weather event and strictly comply with the labour laws and regulations on adverse weather management. Our IT team will ensure the online order processing and delivery procedures are functioning properly.

Besides, the change in the long-term climate pattern, such as the temperature and precipitation level, may cause higher energy usage and thus the operating costs to ensure the freshness of our products. The Group will seek opportunities to decarbonize our business.

Apart from the physical risks, transitional risks, like market risks, may also affect the profitability of the business. As the environmental awareness of the customers is raising, the customers would prefer choosing green and environmentally friendly products. The Group will analyze customer demand and better prepare for the transition by including environmental considerations during the procurement processes.

The Group continues to raise awareness of climate change in regard to monitoring carbon and energy footprint in its daily operation. However, the gaps in understanding how such climate risks and opportunities may impact the Group's operations, assets and profits. The Group assesses how the business addresses climate change risks and opportunities by adapting existing enterprise risk management processes to take account of climate risk and takes the initiative to integrate climate change into key governance processes.

The Group adopts the key metrics to assess and manage climate-related risks and opportunities. The energy consumption and greenhouse gas emissions indicators are the key metrics used to assess and manage relevant climate-related risks where we consider such information as material and crucial for evaluating the impact of our operation on global climate change during the Reporting Period. The Group regularly tracks our energy consumption and greenhouse gas emissions indicators to assess the effectiveness of emission reduction initiatives, as well as set targets to contribute our effort to have minimal impact on global warming.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

We are committed to building a harmonious working atmosphere for employees by encouraging mutual respect which ultimately promotes work creativity, flexibility and commitment. During the Reporting Period, the Group has been recognised as the "Happy Company 5 Years+", "Good MPF Employer", "Supportive Family-friendly Employer", and "Good Employer Charter".

Happy Company 5 Years+

- The Group is pleased to receive the "Happy Company 5 Years+" logo from the Promoting Happiness Index Foundation. It recognizes our commitment to providing a friendly and caring work environment. As a caring employer, the Group will continue to craft a caring and happy workplace that motivates productivity.

Good MPF Employer Award

- The Group is honoured as a Good MPF Employer and presented with the e-Contribution Award and MPF Support Award. The Group realises the importance of providing sufficient retirement benefits for the employees and strives to enhance the retirement protection of the employees.

Supportive Family-friendly Employer

- The Group is pleased to receive the "Supportive Family-friendly Good Employer" logo which demonstrates its commitment to policies and practices that help employees balance work and family responsibilities leading to increased job satisfaction, retention, and overall business success.

Good Employer Charter

- The Group is honoured as a Good MPF Employer which shows how it cares about its employees, provides better benefits and working environment for them, helps them strike a work-life balance and maintains good communication with them.

We review our human resources policies regularly and ensure that they are in compliance with Hong Kong's Employment Ordinance (Cap. 57) and other applicable laws and comparable to the general practice and benchmark of the industry.

Recruitment, Promotion and Dismissal

In order to cope with our continuously growing business scale, we acquire talents from different countries and backgrounds to join our team. The Group strictly complies with the relevant laws and regulations in our employment and labour process such as recruitment, dismissal, promotion and remuneration of employees regardless of where we operate. The legitimate rights and interests of employees are protected in accordance with laws and regulations. Any appointment, promotion or termination of the employment contract would be based on reasonable, lawful grounds and internal policies. The Group strictly prohibits any kind of unfair or unreasonable dismissals. All dismissal procedures strictly follow the applicable laws and internal guidelines.

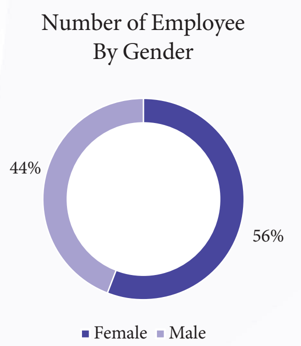
Remuneration and Work-life Balance

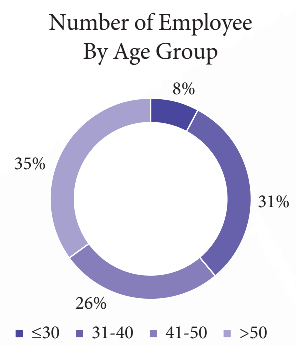
We have implemented a comprehensive remuneration, incentive, and performance management system designed to attract and retain talent for our long-term and sustainable growth. This system includes base salary, mandatory and additional benefits (such as mandatory provident fund, medical and other insurance, annual leave, sick leave, and other allowances), as well as both monetary and non-monetary rewards (including discretionary bonuses and sales commissions). We strive to foster a culture that promotes a healthy work-life balance. All working hours are in compliance with national laws and industry standards, with overtime work being voluntary.

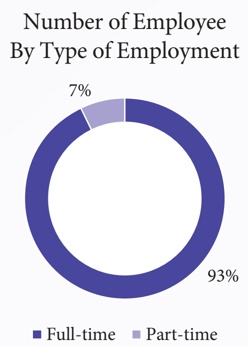
Equal Opportunity, Diversity and Anti-discrimination

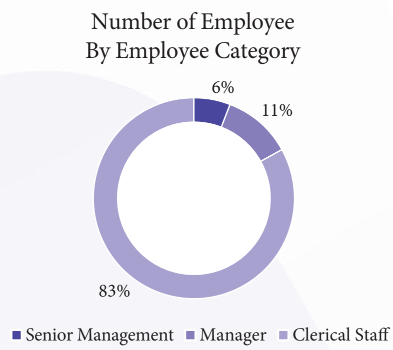
The Group aims to protect the employees from any discrimination, including racial, religious, age and disability discrimination. If any improper or illegal conduct is discovered, the Group will investigate, punish or dismiss the relevant employees. The Group will further improve the mechanism against illegal behaviour when necessary.

As at the end of the Reporting Period, the Group had an aggregate of 72 employees in Hong Kong (2024: 76). The following charts shows the bifurcation of employees at the end of the Reporting Period.

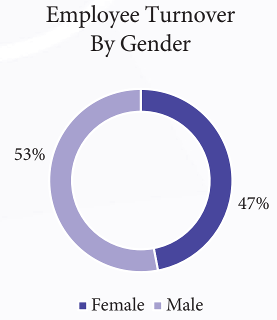


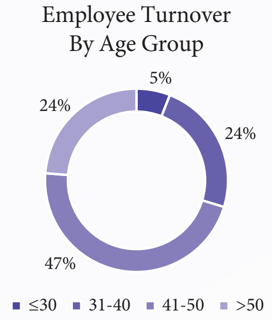






The Group has been providing more employee welfare and benefits in an effort to retain an optimal workforce. The total employee turnover rate during the Reporting Period was 24%. The charts below show the distribution of employee turnover by gender and age group during the Reporting Period.





During the Reporting Period, the Group did not have any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare and no violations were reported. The laws and regulations include but are not limited to the Employment Ordinance (Cap. 570), Disability Discrimination Ordinance (Cap. 487), Sex Discrimination Ordinance (Cap. 480), Minimum Wage Ordinance (Cap. 608), Employees' Compensation Ordinance (Cap. 282) and Mandatory Provident Fund Scheme Ordinance (Cap. 485), etc.

Labour Standards

The Group has implemented human resource policies to ensure that no child labour or forced labour is employed within its operations. Our labour standards are primarily focused on compliance with local labour laws and regulations. We have a strict policy against the use of child and forced labour in any of our operations or production processes. A rigorous hiring protocol is in place, where candidates are screened to ensure they meet the minimum age requirements based on their respective work locations.

To prevent the unlawful use of child or forced labour, the Group's human resource department requires candidates to provide valid identification certification before their employment is confirmed, ensuring they are legally eligible to work. In the event of any discovery of forced labour, child labour, or illegal immigrant labour, the employment contracts of these individuals will be immediately terminated. The Group will also take responsibility for conducting investigations and following up on these cases.

The Group strictly adheres to the Employment Ordinance (Cap. 57) of Hong Kong, ensuring that all required labour protections, safety, and health conditions are in place to safeguard employee well-being. We also ensure that wages, salaries, benefits, and compensation are paid on time.

During the Reporting Period, the Group had no instances of material non-compliance with relevant labour laws and regulations related to the prevention of child and forced labour, including, but not limited to, the Employment Ordinance (Cap. 57) and Immigration Ordinance (Cap. 115).

Health and Safety

Occupational safety remains the Group's top priority in designing and implementing business operations. We have established workplace health and safety policies in full compliance with relevant laws. To ensure workplace safety, we provide employees with various safety equipment, such as hand pallet trucks, to prevent injuries while handling heavy items. Any injury, accident, or potential hazard must be reported, and corrective actions will be taken to improve workplace safety.

Maintaining a healthy and productive environment requires the enforcement of health and safety protocols. Smoking is strictly prohibited in office areas. The replacement and management of first-aid kits and medical supplies are overseen by designated personnel. Ensuring good hygiene in both the office and restrooms is vital to prevent the spread of germs and bacteria.

Additionally, the Group displays safety posters in key areas of the warehouse and office to raise awareness about health and safety. We also host discussions on stress management in the workplace to promote mental well-being. The Group encourages employees to undergo regular health check-ups to maintain good health and prevent potential illnesses.

Over the past three years, including the Reporting Period, the Group has not reported any casualties or accidents, nor have we identified any violations of laws and regulations concerning workplace safety and the protection of employees from occupational hazards. This includes, but is not limited to, compliance with the Employees' Compensation Ordinance (Cap. 282) and the Occupational Safety and Health Ordinance (Cap. 509).

	2025	2024	2023
Number of work-related fatalities	**0**	0	0
Rate of work-related fatalities	**0%**	0%	0%
Lost days due to work injury	**0**	0	0

Development and Training

To maintain the competitiveness of the Group and our employees, training courses are organised by our human resource team, aiming at employees' individual growth and sustainable development. All directors, company secretary and senior management attend the training courses and receive up-to-date information on corporate governance and listing regulations.

As the regulations on food safety are rapidly changing, comprehensive training courses are provided to our procurement employees, warehouse employees and other relevant employees. We also encourage our employees to attend seminars, workshops and conferences related to business management, system operation, communication skills and workforce safety.

The Group also offers opportunities for internal promotion for employees in recognition of their outstanding performance and effort. We aspire to retain talents and develop their strengths and potential. During the Reporting Period, apart from on-the-job training, the Group sponsored and organised a total of 39 hours of training for 13 employees (2 senior management, 3 managerial employees and 8 clerical employees).

The following table shows the details of training provided across employee categories.

Development and Training		**2025**	2024	2023	**Unit**
Percentage of trained employees					
Percentage of total employees trained		**18**	18	17	%
By gender	Female	**25**	25	62	%
	Male	**13**	13	38	%
By employee category	Senior management	**50**	25	8	%
	Managerial	**38**	38	23	%
	Clerical	**13**	16	69	%
By function	Executive	**50**	25	8	%
	Administrative	**16**	18	92	%
Average training hours completed					
Average training hours per employee		**0.5**	1.1	1.1	hour/employee
By gender	Female	**0.7**	1.9	2.1	hour/employee
	Male	**0.5**	0.3	0.3	hour/employee
By employee category	Senior management	**1.5**	1.5	1.5	hour/employee
	Managerial	**1.1**	3.3	3.4	hour/employee
	Clerical	**0.4**	0.8	0.7	hour/employee
By function	Executive	**3.8**	1.5	1.5	hour/employee
	Administrative	**0.4**	1.1	1.0	hour/employee

Operating Practices and Social Investment

Supply Chain Management

The Group attaches great importance to building and maintaining sustainable and reliable relationships with our suppliers. As one of the intermediate suppliers in the food and beverage groceries supply chain, we procure food and beverage groceries from upper-tier suppliers (for example, food importers, wholesalers, brand owners, producers, agents and distributors). During the Reporting Period, the Group had a total of 206 suppliers from Hong Kong, China, Greece and Italy. With the aim of reducing carbon emissions and transportation cost, we give priority to purchasing general supplies within Hong Kong. 94% of the suppliers were located in Hong Kong.

Since environmental and social risks along the supply chain are also key concern of the Group, we will continue to review the updates of supply chain-related local policies to identify and minimize the associated environmental and social risks. Suppliers with non-compliance regarding respect for human rights, prohibited use of forced or child labour, and anti-corruption and legal compliance will be terminated.

Before entering partnerships with any supplier or contractor, the Group will evaluate the reliability, product safety, and product quality of the supplier or contractor. The Group will also consider their track record of compliance with laws and regulations, including the ability to provide their employees with a healthy and safe working environment and to reduce the negative impact on the environment and society. When selecting suppliers or contractors, we will require them to provide their business registration certificates or business licenses, necessary permits and government licenses (if applicable), qualification certificates, production safety permits and other management system certifications to ensure that they comply with relevant social and environmental laws and regulations.

Environmental-friendly requirements, such as using more environmentally preferable products, are set for the selection of suppliers. Priority is also given to suppliers with environmental and social certification or international recognition regarding aspects such as environmental management, energy conservation, human rights, occupational safety and anti-corruption.

To ensure our product quality, we have established an extensive procurement network with reliable suppliers that have proven business records and high integrity. We perform regular verification of product quality against the information provided by the suppliers. Suppliers that do not meet our quality requirement standards will be replaced in due course.

Product Responsibility

Quality Assurance

The principal activities of the Group include food packaging, warehouse storage and logistics. As a responsible food distributor, we strictly follow registration schemes for food importers and food distributors.

On top of the requirements by law, we highly emphasise the source and quality of our products. During product selection, besides economic considerations, we also take into account the products' origin, nutrition values, freshness and food safety. The Group adheres to the standard preservation method for each category of food and the recommended shelf life. For example, products are well kept in freezers to preserve their freshness when necessary.

Our procurement manager regularly reviews the internal control manual to ensure the careful execution of the suggested procedures laid down by the relevant authorities. Examples of the suggested procedures are to:

1. register as a food importer and distributor;

2. update the main food categories and classifications applicable to us when there are changes in food types; and

3. renew and update the registrations, when necessary, to ensure our food safety measures are up to the latest standard.

Complaint Management

The Group has implemented after-sales services to handle customers' complaints and product recalls. Upon receiving any complaints, we investigate and identify the causes and take rectification measures. During the Reporting Period, there were no products sold or shipped subject to recalls for safety and health reasons and the Group was not aware of any violation of the laws and regulations in relation to food safety.

Protection of Intellectual Property Rights

The Group has registered trademarks that are material to its business, and to manage these registered trademarks, the Group has established a set of regulating procedures. The Group closely monitors its trademarks' expiry status and renews the trademarks whenever necessary. As part of the Group's regulating procedures, it also carries out regular monitoring to see whether its trademarks are infringed. If the Group discovers any infringement of its trademarks, it will engage professional parties, such as lawyers, and take legal action against such infringements in order to protect the Group and its stakeholders' rights and benefits.

Protection of Customer Privacy

The Group is committed to protecting customer data and privacy, as well as intellectual property rights. As stated in the Employee Handbook, employees should protect information defined as confidential by the Group and respect intellectual property. Confidential information must not be disclosed to third parties on any platform without prior approval from the senior management, otherwise investigation and disciplinary actions will be conducted. Employees are requested not to disclose any confidential information pertaining to the Company at any time during or after the period of their employment with the Company.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations related to intellectual property rights and data privacy, such as the Personal Data (Privacy) Ordinance (Cap. 486).

Anti-Corruption

The Group has formulated an anti-corruption policy to promote and support anti-corruption laws and regulations. We require employees to strictly conform to the code of business ethics and put any corruption or bribery behaviour to an end as stipulated in the employment contracts and the relevant policies of the Group. We adopt our zero-tolerance policy for misconduct. In the case of conflict of interest, it must be reported to the Group's management. Employees who engage in business operations and represent the Group are strictly prohibited to use business opportunities or power inherent in their position for personal interest or benefit.

The Group is committed to working with suppliers who operate honestly and transparently. We also request our business partners to follow our anti-corruption policies. To promote anti-corruption, the Group provides comprehensive training courses and reference materials prepared by Independent Commission Against Corruption (ICAC) to our Directors and employees. The Group has provided training on 'Ethics Legacy' to all the Directors and select employees to strengthen the anti-corruption practice and enhance its employees' awareness on conflicts of interest and integrity issues. A total of 5 hours of training was provided to 3 directors and 2 employees.

We have formulated a whistleblowing policy to enable our employees to raise concerns and report information confidentially when the employees have reasonable grounds to believe malpractice or impropriety. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

During the Reporting Period, the Group did not identify any non-compliance or legal cases in relation to corruption, fraud, money laundering and bribery, such as the Prevention of Bribery Ordinance (Cap. 201) and other national or regional laws and regulations.

Community Investment

The Group upholds the philosophy of "Take from society, give back to society" that we play an active role in community affairs. Besides making regular donations to various charitable organisations, the Group takes an active role in promoting voluntary activities such that we can offer help and care to the underprivileged.

Caring Company

- The Group is honored to be recognized as a "Caring Company" by the Hong Kong Council of Social Services for eight consecutive years. The award recognizes our effort in demonstrating good corporate citizenship and developing a sustainable society.

Heart-to-Heart Company

- The Group is recognized as the "Heart-to-Heart Company 2015–2025" by the Hong Kong Federation of Youth Groups for seven consecutive years. The Group aims to support the promotion of youth volunteering and exhibit our spirit of corporate citizenship by the sponsorship of Heart to Heart Neighbourhood Teams to serve the community.

Carer Friendly Employer

- As Carer Friendly Employers, we are committed to raising awareness of the caring role, supporting the Carers in our workforce, communicating the support available for Carers, empowering Carers to access support and engaging with others to make our communities Carer Friendly

Social Capital Builder Logo Award

- Being one of the awardees proved the Group's achievement in building social capital and caring society. The Group is devoted to integrating social capital concepts into our operation by developing its social networks, social participation, information and communication, trust and solidarity, mutual help and reciprocity, and social cohesion and inclusion.

The Group always cares about the society and participated in the "Side by Side Against Epidemic" support plan organized by the Chinese Manufacturers' Association of Hong Kong. The Group also support our employees to provide 18 hours of volunteering hours on the "Neighbourhood First • Rice-Giving Scheme" project organised by the Hong Kong Federation of Youth Groups to relieve the living burden of low-income family. Our volunteers assisted in the distribution of rice and give mental support and care to those in need.

Besides, the Group donated HKD4,000 to The Hong Kong Federation of Youth Groups for supporting the youth services and projects during the Reporting Period. The Group always seeks to promote community service and contribute to the local community.

SUMMARY OF KEY PERFORMANCE INDICATORS

Environmental Aspects[2]		2025	2024	2023	Unit
Aspect A1: Emissions					
A1.1	**The types of emissions and respective emissions data**				
	Nitrogen oxides (NO_X)	**223.64**	808.57	836.83	kg
	Sulphur oxides (SO_X)	**0.42**	0.45	0.47	kg
	Respirable suspended particles (RSP)	**21.71**	50.60	51.76	kg
A1.2	**Greenhouse gas emissions in total and intensity**				
	Scope 1 emissions	**66.5**	86.3	83.9	tonnes CO_2-e
	Scope 2 emissions	**235.9**	212.3	124.6	tonnes CO_2-e
	Scope 3 emissions	**437.9**	0.3	0.3	tonnes CO_2-e
	Total greenhouse gas emissions	**740.3**	298.9	208.8	tonnes CO_2-e
	Intensity (by revenue)[3]	**2.447**	1.022	0.729	tonnes CO_2-e/ million HKD revenue
A1.4	**Non-hazardous waste**				
	Total non-hazardous waste produced	**0.61**	0.61	0.62	tonnes
	Intensity (by revenue)	**0.002**	0.002	0.002	tonnes/million HKD revenue
Aspect A2: Use of Resources					
A2.1	**Direct and/or indirect energy consumption by type**				
	Direct energy consumption	**998.8**	1,427.9	1,111.7	GJ
	Indirect energy consumption	**357.5**	573.8	319.5	MWh
	Total energy consumption	**634.94**	970.43	628.3	MWh-e
	Intensity (by revenue)	**2.099**	3.318	2.195	MWh-e/million HKD revenue
A2.2	**Water consumption in total and intensity**				
	Total water consumption	**311.0**	221.5	378.0	m^3
	Intensity (by revenue)	**1.03**	0.76	1.32	m^3/million HKD revenue
A2.5	**Packaging material used for finished products**				
	Total packaging material used	**205.1**	153.3	53.4	tonnes
	Intensity (by revenue)	**0.678**	0.524	0.187	tonnes/million HKD revenue

2 The environmental KPIs are calculated in accordance with the "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

3 Intensity of total greenhouse gas emissions = Total greenhouse gas emissions ÷ Total revenue during the Reporting Period

Social Aspects[4]			**2025**	2024	2023	**Unit**
Aspect B1: Employment						
B1.1	**Total workforce**					
	Total number of employees		**72**	76	76	employee
	By gender	Female	**32**	36	32	employee
		Male	**40**	40	44	employee
	By employment type	Full-time	**67**	75	75	employee
		Part-time	**5**	1	1	employee
	By age group	30 years old or below	**6**	3	8	employee
		31-40 years old	**22**	35	24	employee
		41-50 years old	**19**	27	26	employee
		Over 50 years old	**25**	11	18	employee
	By employee category	Senior Management	**4**	4	4	employee
		Managerial	**8**	8	8	employee
		Clerical	**60**	64	64	employee
	By function	Executive	**4**	4	4	employee
		Administrative	**68**	72	72	employee
	By geographical region	Hong Kong	**72**	76	76	employee
B1.2	**Employee turnover rate**					
	Total employee turnover rate		**24**	26	25	%
	By gender	Female	**25**	25	22	%
		Male	**23**	28	27	%
	By employment type	Full-time	**25**	26	25	%
		Part-time	**0**	0	0	%
	By age group	Under 30 years old	**6**	67	25	%
		31-40 years old	**24**	29	25	%
		41-50 years old	**47**	19	27	%
		Over 50 years old	**24**	27	22	%
	By employee category	Senior management	**0**	0	25	%
		Managerial	**13**	0	0	%
		Clerical	**27**	31	28	%
	By geographical region	Hong Kong	**24**	26	25	%
Aspect B2: Health and Safety						
B2.1	Number of work-related fatalities		**0**	0	0	no.
	Rate of work-related fatalities		**0%**	0%	0%	%
B2.2	Lost days due to work injury		**0**	0	0	day

[4] The social KPIs are calculated in accordance with the "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Social Aspects[4]			2025	2024	2023	Unit
Aspect B3: Development and Training						
B3.1	**Percentage of trained employees[5]**					
	Percentage of total employees trained		**18**	18	17	%
	By gender	Female	**25**	25	62	%
		Male	**13**	13	38	%
	By employee category	Senior management	**50**	25	8	%
		Managerial	**38**	38	23	%
		Clerical	**13**	16	69	%
	By function	Executive	**50**	25	8	%
		Administrative	**16**	18	92	%
B3.2	**Average training hours completed**					
	Average training hours per employee		**0.5**	1.1	1.1	hour/employee
	By gender	Female	**0.7**	1.9	2.1	hour/employee
		Male	**0.5**	0.3	0.3	hour/employee
	By employee category	Senior management	**1.5**	1.5	1.5	hour/employee
		Managerial	**1.1**	3.3	3.4	hour/employee
		Clerical	**0.4**	0.8	0.7	hour/employee
	By function	Executive	**3.8**	1.5	1.5	hour/employee
		Administrative	**0.4**	1.1	1.0	hour/employee
Aspect B5: Supply Chain Management						
B5.1	**Number of suppliers by geographical region**					
	Total number of suppliers		**206**	207	199	supplier
	By geographical region	Hong Kong	**194**	194	194	supplier
		China	**10**	10	2	supplier
		Greece	**0**	1	1	supplier
		Italy	**2**	2	2	supplier
Aspect B6: Product Responsibility						
B6.1	Percentage of total products sold or shipped subject to recalls		**0%**	0%	0%	%
B6.2	Number of products and service-related complaints received		**0**	0	0	no.

[5] Due to rounding, numbers may not add up precisely to the totals provided and percentages may not reflect the absolute figures.

Social Aspects[4]			**2025**	2024	2023	**Unit**
Aspect B7: Anti-corruption						
B7.1	Number of concluded legal cases regarding corruption		**0**	0	0	case
B7.3	**Anti-corruption training**					
	Number of anti-corruption training sessions		**1**	1	1	no.
	Total number of training hours related to anti-corruption		**5**	6	6	hour
	Number of employees received training	Directors	**3**	3	3	no.
		Employees	**2**	3	3	no.
	Number of training hours	Directors	**3**	3	3	hour
		Employees	**2**	3	3	hour
Aspect B8: Community Investment						
B8.2	**Resources contributed**					
	Total amount of donation in cash		**4,000**	4,000	19,150	HKD
	Total voluntary hours		**18**	18	18	hour

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TO THE SHAREHOLDERS OF ASIA GROCERY DISTRIBUTION LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Asia Grocery Distribution Limited (the "Company") and its subsidiaries (the "Group") set out on pages 81 to 133, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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.

Independent Auditor's Report

KEY AUDIT MATTERS

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

1. Valuation of inventories

2. Impairment assessment on trade receivables

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories	
Refer to notes 4 and 5 to the consolidated financial statements of material accounting policy information, critical accounting judgements and key estimates. As at 31 March 2025, the Group had inventories of merchandises of food and beverage grocery products of approximately HK$16,849,000 which are subject to perishability and expiration, that was material to the consolidated financial statements. The management of the Group reviewed the ageing analysis and estimated net realisable value of the items of inventory at the end of the reporting period to identify slow-moving and obsolete inventory items. Further, allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves significant estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. We identified the valuation of inventories as a key audit matter due to the significance of the balance of the inventories to the consolidated financial statements and the use of significant estimates by the management of the Group in identifying slow-moving and obsolete inventories and estimating the allowance for inventories.	Our procedures in relation to the valuation of inventories included: – Obtaining an understanding of Group's internal control on allowance for inventories and how net realisable value and allowance of inventories are estimated by the management; – Attending physical inventory counting to identify and assess any slow-moving and obsolete inventories by observing the physical conditions of inventories; – Evaluating the accuracy of the ageing analysis of the inventories, on a sample basis, by agreeing the ageing date to goods receipt notes to identify any slow-moving items of inventory; – Evaluating the reasonableness of net realisable value of the inventories assessed by management, on a sample basis, with reference to the selling prices subsequent to year end, against the sales invoices and reference to current market conditions of the inventories; and – Evaluating the reasonableness and adequacy of the Group's inventory allowance by comparing, on a sample basis, the carrying value of inventories with net realisable value.

KEY AUDIT MATTERS (continued)

Key audit matter

Impairment assessment on trade receivables

Refer to notes 4, 5, 6 and 19 to the consolidated financial statements of material accounting policy information, critical accounting judgements and key estimates and relevant disclosure.

The carrying amount of the Group's trade receivables was approximately HK$33,450,000 as at 31 March 2025 which is material to the consolidated financial statements.

The measurement of forward-looking expected credit loss ("ECL") approach for impairment assessment requires the application of significant judgements and assumptions primarily including the following:

– Trade debtors with significant balances are assessed for ECL individually. Except for trade debtors that are subject to individual evaluation, the remaining trade debtors, selection of appropriate approach by grouping the debtors with same credit risk characteristics and determination of relevant key measurement parameters, including probability of default and exposure at default; and

– Economic indicator for forward-looking measurement, and the application of economic scenarios and weightings.

Due to the significant amount of trade receivables to the consolidated financial statements and the corresponding uncertainty inherent in such estimates, we consider this as a key audit matter.

How our audit addressed the key audit matter

Our procedures in relation to management's assessment of ECL on the trade receivables included:

– Obtaining an understanding of and evaluating the Group's credit policies and internal control on ECL assessment;

– Recalculating the amounts of the ECL on trade receivables and assessing the appropriateness and adequacy of the ECL as at 31 March 2025;

– Testing the integrity of information used by management to develop the provision matrix, including trade receivables ageing analysis on a sample basis, by comparing individual items in the analysis with the relevant invoices and other supporting documents;

– With the assistance of auditor's expert, assessing the reasonableness of the Group's ECL models by examining the model input used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and assessing whether there was an indication of management bias; and

– Reviewing the appropriateness of the disclosure of the Group credit risk exposure and ECL assessment in the consolidated financial statements.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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 responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors 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 activities 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 purpose of group audit. We remain solely responsible for our audit opinion.

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.

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

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

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

Ho Wai Kuen
Audit Engagement Director
Practising Certificate Number: P05966

24/F, Siu On Centre,
188 Lockhart Road,
Wanchai,
Hong Kong

26 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Revenue	8	**302,544**	292,476
Cost of sales		**(231,138)**	(226,363)
Gross profit		**71,406**	66,113
Other income	9	**4,555**	4,797
Other losses, net	10	**(3,739)**	(252)
Selling and distribution expenses		**(35,680)**	(35,376)
Administrative and other expenses		**(33,992)**	(32,525)
Profit from operations		**2,550**	2,757
Finance costs	12	**(533)**	(879)
Profit before tax	13	**2,017**	1,878
Income tax expense	14	**(956)**	(14)
Profit and total comprehensive income for the year		**1,061**	1,864
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**1,061**	1,864
Earnings per share			
Basic and diluted (HK cent)	16	**0.091**	0.160

Consolidated Statement of Financial Position

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	17	**2,139**	2,316
Right-of-use assets	18	**4,046**	12,471
Rental and other deposits	20	**1,496**	1,767
		7,681	16,554
Current assets			
Inventories – merchandise at cost		**16,849**	24,502
Trade receivables	19	**33,450**	36,894
Other receivables, deposits and prepayments	20	**5,704**	6,078
Tax recoverable		**–**	670
Pledged bank deposits	21	**576**	576
Cash and cash equivalents	21	**60,873**	47,030
		117,452	115,750
Current liabilities			
Trade payables	22	**12,549**	12,673
Other payables and accrued charges	23	**6,858**	6,775
Contract liabilities	24	**474**	363
Tax liabilities		**558**	–
Lease liabilities	25	**4,017**	6,783
		24,456	26,594
Net current assets		**92,996**	89,156
Total asset less current liabilities		**100,677**	105,710
Non-current liabilities			
Lease liabilities	25	**745**	6,839
NET ASSETS		**99,932**	98,871
Equity and reserves			
Equity attributable to owners of the Company			
Share capital	26	**11,620**	11,620
Reserves		**88,312**	87,251
TOTAL EQUITY		**99,932**	98,871

Approved and authorised for issue by the board of directors on 26 June 2025 and signed on its behalf by:

Mr. Wong Siu Man
Director

Mr. Wong Siu Wa
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company				
	Share capital HK$'000	Share premium HK$'000 (note i)	Other reserves HK$'000 (note ii)	Retained profits HK$'000	Total equity HK$'000
At 1 April 2023	11,620	62,742	5,584	17,061	97,007
Profit and total comprehensive income for the year	–	–	–	1,864	1,864
Changes in equity for the year	–	–	–	1,864	1,864
At 31 March 2024 and 1 April 2024	11,620	62,742	5,584	18,925	98,871
Profit and total comprehensive income for the year	–	–	–	1,061	1,061
Changes in equity for the year	–	–	–	1,061	1,061
At 31 March 2025	11,620	62,742	5,584	19,986	99,932

Note:

(i) Under the Companies Law of the Cayman Islands, share premium of the Company are available for distribution 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 business.

(ii) Other reserves represented the difference between acquisition of additional interests in subsidiaries and the share capital of subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,017**	1,878
Adjustments for:			
Interest income		**(295)**	(189)
Gain on termination of lease		**(9)**	–
Depreciation of property, plant and equipment		**1,924**	1,614
Depreciation of right-of-use assets		**6,357**	6,255
Bad debts written off		**417**	252
Finance costs		**533**	879
Loss on disposal of a subsidiary		**3,331**	–
Operating profit before working capital changes		**14,275**	10,689
Decrease in inventories		**6,432**	7,610
Decrease in trade receivables		**5**	2,549
Decrease/(increase) in other receivables, deposits and prepayments		**1,311**	(1,798)
Increase in trade payables		**1,156**	684
Increase in other payables and accrued charges		**369**	342
Increase/(decrease) in contract liabilities		**117**	(23)
Cash generated from operations		**23,665**	20,053
Income tax refunded/(paid)		**277**	(539)
Net cash generated from operating activities		**23,942**	19,514
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**225**	107
Purchases of property, plant and equipment		**(2,362)**	(502)
Net cash outflow from disposal of a subsidiary	32(b)	**(646)**	–
Placement of pledged bank deposits		**–**	(24)
Net cash used in investing activities		**(2,783)**	(419)

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease liabilities paid		(6,783)	(6,167)
Interest expenses on lease liabilities paid		(533)	(879)
Net cash used in financing activities		(7,361)	(7,046)
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,843	12,049
CASH AND CASH EQUIVALENTS AT 1 APRIL		47,030	34,981
CASH AND CASH EQUIVALENTS AT 31 MARCH		60,873	47,030
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	21	60,873	47,030

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Asia Grocery Distribution Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (2016 Revision) of the Cayman Islands on 29 September 2016. The shares of the Company (the "Shares") are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 April 2017. In the opinion of the directors of the Company, as at 31 March 2025, Sky Alpha Investments Limited ("Sky Alpha"), an entity incorporated in the British Virgin Islands (the "BVI"), is considered to be the ultimate and immediate holding company of the Company, and Mr. Wong Siu Man is considered to be the ultimate controlling shareholder of the Company. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and principal place of business is The Whole of Upper Ground Floor, Mai Tong Industrial Building, No. 22 Sze Shan Street, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in trading and distribution of food and beverage grocery products. The details of the subsidiaries are set out in note 31 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong Dollars ("HK$") unless otherwise stated, which is also the functional and presentation currency of the Company.

2. BASIS OF PREPARATION

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") and accounting principles generally accepted in Hong Kong. HKFRS Accounting Standards comprise all individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standard ("HKASs") 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 ("GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policy information adopted by the Group are set out in note 4 below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards and interpretations 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. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretations 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 HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 ("HK 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 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards and interpretations in the current year has had no material impact on the Group's consolidated financial position and performance for the current and prior years and/or on the disclosures set out in this consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied any new and amendments to HKFRS Accounting Standards and interpretation that have been issued but are not yet effective for the financial year beginning on or after 1 April 2024. These new and amendments to HKFRS Accounting Standards and interpretation include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature – dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

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 presented in the statement of profit or loss, which will affect how the Group presents and discloses 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, 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

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

The preparation of consolidated 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 information applied in the preparation of these consolidated financial statements are set out below.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(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 deconsolidated 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.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is accounted for at cost less impairment, if any. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(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 the profit or loss during the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less its estimated useful lives on straight-line basis. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over shorter of lease terms or four years
Plant and machinery	30%
Furniture and fixtures	20%
Motor vehicles	30%

The gain or loss on disposal or retirement 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 the profit or loss in the year the asset is derecognised.

(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

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. 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.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by all of the subsidiaries, which does not have recent third-party financing.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Leases (continued)

The Group as a lessee (continued)

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

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

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.

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group's 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. 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)

(f) 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.

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.

(g) Inventories

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

(h) 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.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) 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.

(j) 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.

(k) 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.

(l) Revenue and other income

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

Revenue is recognised at a point in time when the customer obtains control of the distinct good.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to a contract are accounted for an presented on a net basis.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Revenue and other income (continued)

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

Sale of goods

Revenue from sales of food and grocery products are recognised when control of the products has transferred, being when the products are delivered and the customers have inspected and accepted the products.

Handling fee income

Handling fee income is recognised when the services are rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the services. Provision of services mainly comprised (i) warehouse services; (ii) consultancy services; and (iii) logistics services.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(m) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(m) Employee benefits (continued)

(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.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(n) Share-based payments

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Options which are cancelled prior to their exercise date or lapse are deleted from the register of outstanding options. When the share options are forfeited or lapsed after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits as a movement in reserves.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(o) 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.

(p) 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 ("CGU").

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

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. 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)

(q) Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, trade receivables, other receivables and deposits, pledged bank deposits and cash and cash equivalents. 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)

(q) 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; and

– 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)

(q) 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 are 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Impairment of financial assets (continued)

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.

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. 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) Impairment of financial assets (continued)

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. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group uses a practical expedient in estimating ECL on trade receivables using a provisional matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without under cost or effort.

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

– Nature of financial instruments (i.e. the Group's trade receivables are assessed for ECL on an individual basis);

– Past-due status;

– Nature, size and industry of debtors; and

– External credit ratings where available.

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

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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

(a) Valuation of inventories

The management of Group reviewed the ageing analysis and estimated net realisable value of items of inventory at the end of the reporting period to identify slow-moving and obsolete inventory items. Allowance for slow-moving inventories is made based on the ageing analysis to and estimated net realisable value of inventories. The assessment of the allowance amount involves significant estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

No allowance for inventories are recognised during the year ended 31 March 2025 (2024: Nil) and the carrying amount of inventories, which are food and beverage grocery products, are approximately HK$16,849,000 (2024: HK$24,502,000) as at 31 March 2025.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(b) Allowance for ECL of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected loss calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6 to the consolidated financial statements.

As at 31 March 2025, the carrying amount of trade receivables were approximately HK$33,450,000 (2024: HK$36,894,000). No allowance for ECL of trade receivables was recognised during the year ended 31 March 2025 (2024: Nil).

6. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

Categories of financial instruments at 31 March:

	2025 HK$'000	2024 HK$'000
Financial assets measured at amortised cost		
Trade receivables	33,450	36,894
Other receivables and deposits	3,387	2,593
Pledged bank deposits	576	576
Cash and cash equivalents	60,873	47,030
	98,286	87,093
Financial liabilities at amortised cost		
Trade payables	12,549	12,673
Other payables and accrued charges	4,193	4,136
	16,742	16,809

6. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, pledged bank deposits, cash and cash equivalents, trade payables, other payables and accrued charges. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The management manages and monitors these risk exposures to ensure appropriate measures implemented on a timely and effective manner. The policies on how to mitigate these risks are set out below.

Foreign currency risk

The Group entities mainly operated in Hong Kong with most of the business transactions, assets and liabilities principally denominated in their functional currency and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange risk exposure closely and will consider hedging significant foreign currency risk exposure should the need arises.

No sensitivity analysis of change in exchange rate of HK$ against other currencies is presented, as a reasonably possible change in exchange rate would have no significant impact on the profit or loss of the Group.

Interest rate risk

As at 31 March 2025 and 2024, the Group is exposed to cash flow interest rate risk in relation to bank balances. These bank balances bear interests at variable rates that vary with the then prevailing market condition.

The Group's lease liabilities, time deposits and pledged bank deposits bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate risk exposure closely and will consider interest rate hedging should the need arise.

No sensitivity analysis of interest rate risk is presented since the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate pledged bank deposit, time deposit and bank balances is limited due to their short maturities or insignificant amounts involved.

6. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, pledged bank deposits, and cash and cash equivalents.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period.

Trade receivables

In order to minimise the credit risk of trade receivables, the management of the Group adopted a policy on providing credit facilities to customers. The level of credit granted must not exceed a predetermined level set by the management. Credit evaluation is performed on a regular basis. Management of the Group has delegated a team responsible for monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of all receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group applies the provision matrix to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. Trade debtors with significant balances are assessed for ECL individually. Except for trade debtors that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on certain common credit risk characteristics by reference to the Group's ageing of outstanding balances.

The Group has a policy for allowance of ECL which is based on the evaluation of collectability and ageing analysis of trade receivables and on management's judgement including the creditworthiness, past collection history of each customers and supportive forward-looking information.

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of the HK$10,673,000 (2024: HK$13,686,000) which are past due as at the reporting date and out of the past due balance of HK$134,000 (2024: HK$14,000) is past due 90 days or more. During the year ended 31 March 2025, no provision of ECL on trade receivables was recognised as the amounts of ECL as at 31 March 2025 (2024: Nil) are insignificant.

As at 31 March 2025 and 2024, the Group has no significant concentration of credit risk in trade receivables, with exposure spread over a number of counterparties.

6. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Other receivables and deposits

For other receivables and deposits, the Group recognised the provision for ECL by assessing the credit risk characteristics of debtor, discount rate, the likelihood of recovery, the prevailing economic conditions and supportive forwarding-looking information.

At 31 March 2025 and 2024, none of the other receivables and deposits are past due with a minimal expected loss rate, and have no material impact on the consolidated financial statements. Accordingly, no provision of ECL on other receivables and deposits was recognised for the years ended 31 March 2025 and 2024.

Pledged bank deposits and cash and cash equivalents

The credit risk arising for pledged bank deposits and cash and cash equivalents are limited as the counterparties are banks with good high credit-rating assigned by international credit agencies, for which the Group considers to have low credit risk.

Liquidity risk

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

The following table details the Group's liquidity analysis for its non-derivative financial liabilities. The table has been drawn up based on the contractual undiscounted cash flows of Group's financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities at the end of the reporting period are based on the agreed repayment dates.

6. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

As at 31 March 2025

	Weighted average effective interest rate %	Within 1 year or on demand HK$'000	Between 1 to 2 years HK$'000	Between 2 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	N/A	12,549	–	–	12,549	12,549
Other payables and accrued charges	N/A	4,193	–	–	4,193	4,193
Lease liabilities	5.34	4,161	754	–	4,915	4,762
		20,903	754	–	21,657	21,504

As at 31 March 2024

	Weighted average effective interest rate %	Within 1 year or on demand HK$'000	Between 1 to 2 years HK$'000	Between 2 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	N/A	12,673	–	–	12,673	12,673
Other payables and accrued charges	N/A	4,136	–	–	4,136	4,136
Lease liabilities	5.32	7,316	6,141	919	14,376	13,622
		24,125	6,141	919	31,185	30,431

6. FINANCIAL RISK MANAGEMENT (continued)

Fair value of financial instruments

Management of the Group considers that the carrying amounts of financial assets and financial liabilities as at 31 March 2025 and 2024 recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of equity of the Group, comprising issued share capital, other reserves and retained profits.

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through issuance of new shares and the raise of borrowings.

No change was made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

The only externally imposed capital requirement for the Group is that in order to maintain its listing on GEM of the Stock Exchange, it has to have a public float of at least 25% (2024: 25%) of the shares.

The Company has maintained a sufficient public float to comply with the GEM Listing Rules throughout for the years ended 31 March 2025 and 2024.

8. REVENUE AND SEGMENTAL INFORMATION

Disaggregation of revenue from contracts with customers by major products line is as follows:

	2025 HK$'000	2024 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Disaggregated by types of products line:		
Commodities and cereal products (note a)	**95,842**	87,142
Packaged food (note b)	**58,404**	59,862
Sauce and condiment	**62,592**	60,893
Dairy products and eggs	**34,284**	35,357
Beverage and wine	**26,180**	24,974
Kitchen and hygiene products (note c)	**25,242**	24,248
	302,544	292,476
Time of revenue recognition within the scope of HKFRS 15:		
At a point in time	**302,544**	292,476

The customers of the Group are solely located in Hong Kong.

Note:

(a) Commodities and cereal products include rice, wheat flour, noodle products such as ramen and pasta, edible oil as well as sugar and salt.

(b) Packaged food includes processed products such as meat and vegetables in preserved, canned, frozen and other forms, as well as snacks and pre-packaged food items.

(c) Kitchen and hygiene products include food wrap and food related products such as cling film, baking sheet, foil, cleaning products such as detergent, bleach, liquid soap and others such as tissue paper, toothpick and towel, hygiene products such as face masks and gloves.

8. REVENUE AND SEGMENTAL INFORMATION (continued)

Segment information

The Group's operation is principally derived from sales of goods in Hong Kong for both years. For the purposes of resources allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) (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 only entity-wide disclosures, geographical information and major customers are presented.

Geographical information

The Group's revenue are all derived from Hong Kong based on the location of transactions and the Group's property, plant and equipment and right-of-use assets amounting to approximately HK$2,139,000 (2024: HK$2,316,000) and HK$4,046,000 (2024: HK$12,471,000) respectively as at 31 March 2025 are all located in Hong Kong based on the physical location of assets.

Information about major customers

For both years, no single customer contributed 10% or more of the Group's total revenue and no information about major customers is presented accordingly.

9. OTHER INCOME

	2025 **HK$'000**	2024 HK$'000
Handling fee income (note)	**3,472**	4,171
Interest income	**295**	189
Sundry income	**788**	437
	4,555	4,797

note:

Handling fee income represents revenue from contracts with customers within the scope of HKFRS 15 which recognised at a point in time.

10. OTHER LOSSES, NET

	2025 HK$'000	2024 HK$'000
Bad debts written off	**(417)**	(252)
Loss on disposal of a subsidiary	**(3,331)**	–
Gain on termination of lease	**9**	–
	(3,739)	(252)

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' emoluments

The emoluments paid or payable to the directors of the Company (including emoluments for services as employee/directors of the Group entities) by the entities comprising the Group during the year, were as follows:

For the year ended 31 March 2025

	Mr. Wong Siu Man (Chairman) (note i) HK$'000	Mr. Wong Siu Wa (Chief Executive Officer) (note i) HK$'000	Mr. Yip Kam Cheong (Compliance Officer) (note i) HK$'000	Mr. Shum Ching Hei (note iii & v) HK$'000	Mr. Wang Zhaobin (note iii) HK$'000	Ms Chan Hoi Yee (note iii) HK$'000	Mr. Ng Fan Kay Frankie (note iii & vi) HK$'000	Total HK$'000
Fees	-	-	168	36	96	120	135	555
Other emoluments	320	280	45	-	-	-	-	645
Salaries and allowances	4,130	3,624	646	-	-	-	-	8,400
Retirement scheme contributions	18	18	28	-	-	-	-	64
Total emoluments	4,468	3,922	887	36	96	120	135	9,664

For the year ended 31 March 2024

	Mr. Wong Siu Man (Chairman) (note i) HK$'000	Mr. Wong Siu Wa (Chief Executive Officer) (note i) HK$'000	Mr. Yip Kam Cheong (Compliance Officer) (note i) HK$'000	Mr. Wong Chun Hung, Hanson (note ii & iv) HK$'000	Mr. Wang Zhaobin (note iii) HK$'000	Ms Chan Hoi Yee (note iii) HK$'000	Mr. Ng Fan Kay Frankie (note iii & vi) HK$'000	Total HK$'000
Fees	-	-	168	46	96	120	180	610
Other emoluments	280	250	40	-	-	-	-	570
Salaries and allowances	3,360	3,000	630	-	-	-	-	6,990
Retirement scheme contributions	18	18	27	-	-	-	-	63
Total emoluments	3,658	3,268	865	46	96	120	180	8,233

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

(i) The emoluments of executive directors were mainly for their services in connection with management of the affairs of the Company and its subsidiaries.

(ii) The emoluments of non-executive director's emoluments shown above were for his services as director of the Company and its subsidiary.

(iii) The emoluments of the independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(iv) Mr. Wong Chun Hung, Hanson resigned as non-executive director of the Company on 29 February 2024.

(v) Mr. Shun Ching Hei was appointed as independent non-executive director of the Company on 1 January 2025.

(vi) Mr. Ng Fan Kay Frankie resigned as independent non-executive director of the Company on 1 January 2025.

During both years, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company received any termination benefits and waived any remuneration during both years.

The remuneration of directors of the Company including the discretionary bonus is determined having regard to the performance and market trend by the remuneration committee of the Company.

Save as disclosed in note 27 to the consolidated financial statements, no other significant transactions, arrangements and contracts 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) Five highest paid individuals

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

	2025 **HK$'000**	2024 HK$'000
Salaries and other benefits	**1,885**	3,261
Retirement benefit scheme contributions	**36**	54
	1,921	3,315

Their emoluments were within the following bands:

	2025 **Number of employee**	2024 Number of employee
Nil to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**1**	2

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

12. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest expense on lease liabilities	**533**	879

13. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2025 HK$'000	2024 HK$'000
Directors' emoluments (note 11)	**9,664**	8,233
Other staff costs		
Salaries and other benefits	**18,715**	19,663
Retirement scheme contributions	**783**	819
Total staff costs (including directors' emoluments)	**29,162**	28,715
Auditor's remuneration		
– audit service	**600**	600
Depreciation of property, plant and equipment	**1,924**	1,614
Depreciation of right-of-use assets	**6,357**	6,255
Expenses relating to short-term lease	**282**	771
Cost of inventories recognised as an expense	**231,138**	226,363

14. INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Hong Kong Profits Tax:		
– Current tax	**956**	45
– Over-provision in prior years	**–**	(31)
	956	14

Under the two-tiered Hong Kong Profits Tax rates regime, the first HK$2,000,000 of assessable profits of qualifying group entity established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and assessable profits above HK$2,000,000 will be taxed at 16.5% (2024: 16.5%). The assessable profits of group entities not qualifying for the two-tiered Hong Kong Profits Tax rate regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%). The tax reduction for Hong Kong profit tax was capped at HK$1,500 (2024: HK$3,000) during the year ended 31 March 2025.

14. INCOME TAX EXPENSE (continued)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiaries registered in the Cayman Islands and the BVI are not subject to any income tax in the Cayman Islands and the BVI, respectively.

The reconciliation between income tax expense and the profit before tax multiplied by the applicable tax rates is as follows:

	2025 HK$'000	2024 HK$'000
Profit before tax	2,017	1,878
Tax at the Hong Kong Tax rate of 16.5% (2024: 16.5%)	333	309
Tax effect of income not taxable for tax purpose	(43)	(18)
Tax effect of expenses not deductible for tax purpose	941	296
Tax effect of temporary differences not recognised	(3)	67
Tax effect of unused tax losses not recognised	–	34
Tax effect of utilisation of tax losses not previously recognised	(104)	(592)
Tax reduction	(3)	(3)
Over-provision in prior years	–	(31)
Income tax on concessionary rates	(165)	(48)
Income tax expense	956	14

As at 31 March 2025, the Group has unused estimated tax losses of approximately HK$1,829,000 (2024: HK$2,832,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused estimated tax losses due to the unpredictability of future profit steams and unrecognised tax losses may be carried forward indefinitely.

15. DIVIDEND

The board of directors does not recommend the payments of any dividend in respect of the years ended 31 March 2025 and 2024.

16. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2025 HK$'000	2024 HK$'000
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	**1,061**	1,864

	2025 '000	2024 '000
Number of ordinary share:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	**1,162,000**	1,162,000
Basic earnings per share (HK cent)	**0.091**	0.160

(b) Diluted earnings per share

No adjustment has been made to the basic earnings per share for the years ended 31 March 2025 and 2024 as the Company has no outstanding potential ordinary share during the years.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost					
At 1 April 2023	5,025	1,965	3,016	4,004	14,010
Additions	–	111	64	327	502
At 31 March 2024 and 1 April 2024	5,025	2,076	3,080	4,331	14,512
Additions	–	102	11	2,249	2,362
Disposal of a subsidiary (note 32(b))	(311)	(270)	(350)	(942)	(1,873)
At 31 March 2025	4,714	1,908	2,741	5,638	15,001
Accumulated depreciation					
At 1 April 2023	4,567	1,522	2,629	1,864	10,582
Charged for the year	154	266	225	969	1,614
At 31 March 2024 and 1 April 2024	4,721	1,788	2,854	2,833	12,196
Charged for the year	125	246	90	1,463	1,924
Disposal of a subsidiary (note 32 (b))	(311)	(265)	(329)	(353)	(1,258)
At 31 March 2025	4,535	1,769	2,615	3,943	12,862
Carrying amount					
At 31 March 2025	179	139	126	1,695	2,139
At 31 March 2024	304	288	226	1,498	2,316

18. RIGHT-OF-USE ASSETS

	Lease properties and warehouse HK$'000
Cost	
At 1 April 2023, 31 March 2024 and 1 April 2024	34,527
Termination of leases (note)	(5,322)
Disposal of a subsidiary (note 32(b))	(6,443)
At 31 March 2025	22,762
Accumulated depreciation	
At 1 April 2023	15,801
Charged for the year	6,255
At 31 March 2024 and 1 April 2024	22,056
Charged for the year	6,357
Termination of lease (note)	(3,254)
Disposal of a subsidiary (note 32(b))	(6,443)
At 31 March 2025	18,716
Carrying amount	
At 31 March 2025	4,046
At 31 March 2024	12,471

note: During the year ended 31 March 2025, the Group terminated certain lease. The carrying amount of right-of-use asset of the terminated lease was approximately HK$5,322,000, and relevant accumulated depreciation was approximately HK$3,254,000.

For both years, the Group leases office properties and warehouse for operating use. Lease contracts are entered into for fixed term of 2 to 5 years (2024: 2 to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

18. RIGHT-OF-USE ASSETS (continued)

Lease liabilities of approximately HK$4,762,000 (2024: HK$13,622,000) are recognised with the related right-of-use assets of approximately HK$4,046,000 (2024: HK$12,471,000) as at 31 March 2025. The lease agreements do not impose any covenants and leased assets are not used as security for borrowing purposes.

	2025 **HK$'000**	2024 HK$'000
Depreciation expenses of right-of-use assets	**6,357**	6,255
Interest expense on lease liabilities (included in finance costs)	**533**	879
Expenses relating to short-term leases (included in administrative and other expenses)	**282**	771
Gain on lease termination	**(9)**	–

Details of total cash outflow for leases is set out in the note 32(a) to the consolidated financial statements.

19. TRADE RECEIVABLES

	2025 **HK$'000**	2024 HK$'000
Trade receivables	**33,450**	36,894

The Group grants credit terms of 0 – 90 days to its customers from the date of invoices. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits of customer. Credit limits attributable to customers are reviewed regularly.

An ageing analysis of the trade receivables is presented based on the invoice date, which approximates the date of delivery of goods, at the end of the reporting periods.

	2025 **HK$'000**	2024 HK$'000
0–30 days	**20,073**	20,224
31–60 days	**10,314**	11,129
61–90 days	**1,858**	4,215
91–180 days	**1,205**	1,326
	33,450	36,894

The carrying amounts of the Group's trade receivables are denominated in Hong Kong dollars.

A trade receivable of approximately HK$417,000 (2024: HK$252,000) recognised as bad debts during the year ended 31 March 2025, as the directors of the Company considered that its collectability of these trade debt are in doubt. The loss has been recorded in "other losses" and included in the consolidated statement of profit or loss and other comprehensive income.

The Group applies simplified approach as permitted by HKFRS 9 to measure ECL which uses a lifetime ECL for all trade receivables. The details of the ECL assessment of trade receivables are set out in note 6 to the consolidated financial statements.

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
Rental and utilities deposits	2,141	2,066
Prepayments to suppliers	2,938	4,646
Other prepayments	875	606
Other receivables	346	527
Consideration receivables from disposal of a subsidiary (note 32(b))	900	–
	7,200	7,845
Presented as:		
Non-current assets	1,496	1,767
Current assets	5,704	6,078
	7,200	7,845

The carrying amounts of the Group's other receivables, deposits and prepayments are denominated in Hong Kong dollars.

The details of the ECL assessment of other receivables and deposits are set out in note 6 to the consolidated financial statements.

21. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 HK$'000	2024 HK$'000
Pledged bank deposits	576	576
Cash and cash equivalents	60,873	47,030
	61,449	47,606

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 29 to the consolidated financial statements. These deposits are subject to regulatory restrictions and are therefore not available for general use by the Group. The short-term time deposits of HK$30,000,000 (2024: Nil) included in cash and cash equivalents and pledged bank deposits are interest bearing at fixed rate ranged from 2.9% to 3.6% (2024: 3.68%) per annum. A short-term time deposit included in cash and cash equivalents is made for a period of one month; and earns interest at the short-term time deposit rate.

Cash at banks as at 31 March 2025 and 2024 carry interest at floating rates based on daily bank deposits rate per annum.

21. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (continued)

The carrying amounts of pledged bank deposits, time deposits, bank and cash balances are denominated in HK$, US$ and Euro dollars ("EUR").

	2025 HK$'000	2024 HK$'000
HK$	**60,582**	47,446
US$	**13**	14
EUR	**854**	146
	61,449	47,606

22. TRADE PAYABLES

The average credit period for purchases of goods is 0 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2025 HK$'000	2024 HK$'000
0–30 days	**12,462**	12,579
31–60 days	**–**	6
Over 60 days	**87**	88
	12,549	12,673

The carrying amounts of the Group's trade payables are denominated in Hong Kong dollars.

23. OTHER PAYABLES AND ACCRUED CHARGES

	2025 HK$'000	2024 HK$'000
Accrued charges	**4,193**	3,941
Salaries and bonus payables	**2,665**	2,639
Amount due to a related company (note 27(b))	**–**	195
	6,858	6,775

The amount due to a related company was unsecured, interest-free and repayable on demand.

The carrying amounts of the Group's other payables and accrued charges are denominated in Hong Kong dollars.

24. CONTRACT LIABILITIES

	2025 **HK$'000**	2024 HK$'000
Receipts in advance from customers	**474**	363

Movements in contract liabilities:

	2025 **HK$'000**	2024 HK$'000
Balance at 1 April	**363**	386
Disposal of a subsidiary (note 32(b))	**(6)**	–
Decrease in contract liabilities as a result of recognising revenue during the year which was included in the contract liabilities at the beginning of the year	**(357)**	(386)
Increase in contract liabilities as a result of consideration received in advance from customers during the year	**474**	363
Balance at 31 March	**474**	363

The contract liabilities represent consideration received in advance from customers for the Group's obligation to transfer good or services to customers. The contract liabilities will be recognised as revenue when the Group transferred the control of the goods or services underlying the particular performance obligation to customers. The contract liabilities as at 31 March 2025 and 2024 is expected to be recognised within one year.

The increase (2024: decrease) in contract liabilities as at 31 March 2025 was mainly due to the Group received more (2024: less) advance payment from customers for ordering food and beverage grocery products near the end of this year.

25. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**4,161**	7,316	**4,017**	6,783
More than one year, but not exceeding two years	**754**	6,141	**745**	5,930
More than two years, but not more five years	**–**	919	**–**	909
	4,915	14,376	**4,762**	13,622
Less: Future finance charges	**(153)**	(754)	**–**	–
Present value of lease obligations	**4,762**	13,622	**4,762**	13,622
Less: Amount due for settlement within one year classified as current liabilities			**(4,017)**	(6,783)
Amount due for settlement after one year classified as non-current liabilities			**745**	6,839

The Group entered into lease arrangements with independent third parties in relation to certain properties. The lease terms ranged from 2 to 5 years (2024: 2 to 5 years). Incremental borrowing rates of underlying lease liabilities at the date of inception ranged from 5% to 5.67% and (2024: 5% to 5.67%) per annum as at 31 March 2025.

As at 31 March 2025 and 2024, no lease liabilities are secured by the lessor's charge over the leased assets. All lease liabilities are denominated in Hong Kong dollars.

26. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Authorised:		
Ordinary share of HK$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	2,000,000	20,000
Issued and fully paid:		
Ordinary share of HK$0.01 each		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	1,162,000	11,620

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

27. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

(a) Material transactions with related party during the year

Nature of transaction	2025 HK$'000	2024 HK$'000
Sales of goods to a related company (note)	246	395
Purchase from a related company (note)	5,032	3,605
Handling fee income received from a related company (note)	98	64
Sundry income received from a related company (note)	294	294

Note: A related company of the Group named Treasure Go Catering Limited ("Treasure Go"), which was 100% owned by Wong Siu Man, the executive director and the ultimate controlling shareholder of the Company. On 12 November 2024, Mr. Wong Siu Man disposed entire equity interest in Treasure Go to the independent third parties of the Group. Thus, Treasure Go ceased to be a related party of the Group thereafter.

Aforementioned related party transactions were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors of the Company, were determined with reference to the market price of the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Balance with related party

	2025 HK$'000	2024 HK$'000
Other payables and accrued charges (note 23)		
Treasure Go	–	195

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 31 March 2025 and 2024 were as follows:

	2025 HK$'000	2024 HK$'000
Short-term employee benefits	13,138	12,909
Retirement benefit scheme contribution	147	171
	13,285	13,080

28. RETIREMENT BENEFITS SCHEMES

The Mandatory Provident Fund Scheme (the "MPF Scheme") is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme as a defined contribution scheme is available to reduce the contribution payable in future years. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is capped at HK$1,500 (2024: HK$1,500) per month.

The retirement benefits schemes contributions 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 schemes.

The contributions paid and payable to the MPF Scheme by the Group are disclosed in note 13 to the consolidated financial statements.

29. SETTLEMENT GUARANTEE

As at 31 March 2025, settlement guarantee facility of approximately HK$552,000 (2024: HK$552,000) was granted by a bank in favour of a supplier. If the Group failed to settle its trade payables to the supplier, such supplier may demand the bank to pay to it the sum or sum stipulated in such demand. The Group will become liable to compensate the bank accordingly. The settlement guarantee will be released only if the Group (i) settled all its trade payables outstanding to the supplier or (ii) submitted a request to cancel the settlement guarantee to the bank.

As at 31 March 2025 and 2024, the settlement guarantee facility granted by the bank was secured by the Group's pledged bank deposits (note 21).

30. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") for the purpose of attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group. The Share Option Scheme was adopted on 27 March 2017 and, unless otherwise terminated by ordinary resolution in general meeting or the board of directors, will remain in full force for ten years from that date.

(a) Purposes

The purpose of the Share Option Scheme is to enable the Group to grant share options to the eligible persons as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain and reward the eligible persons that are valuable to the Group or any entity which is an associated company of any member of the Group (the "Invested Entity").

(b) Eligible participants

Subject to the provisions in the Share Option Scheme, the board of directors shall be entitled at any time and from time to time within the period of 10 years after the adoption date of the Share Option Scheme to make an offer to any of the following classes of persons (the "Eligible Person"):

(i) any employees (including full time and part time employee) of the Company or its subsidiaries;

(ii) any directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries;

(iii) any executive or officers of the Company or its subsidiaries; and

(iv) any service providers that provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, but excluding (i) placing agents, (ii) financial advisers, or (iii) professional advisors or experts who provide assurance or are required to perform their services with impartiality and objectivity.

30. SHARE OPTION SCHEME (continued)

(b) Eligible participants (continued)

The basis of eligibility of any of the Eligible Person to the grant of share options shall be determined by the board of directors from time to time on the basis of their contribution or potential contribution to the development and growth of the Group.

(c) Maximum number of Shares

(i) The total number of ordinary shares of the Company (the "Shares") which may be issued upon exercise of all outstanding share options to be granted under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme (the "General Mandate Limit").

(ii) The Company may seek approval of the shareholders in general meeting to refresh the General Mandate Limit every three years such that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company as "refreshed" shall not exceed 10% of the total number of shares in issue as at the date of the approval of the shareholders on the refreshment of the General Mandate Limit provided that options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as "refreshed".

(iii) The Company may seek separate approval of the shareholders in general meeting for granting options beyond the General Mandate Limit provided that the proposed grantee(s) of such option(s) must be specifically identified by the Company before such approval is sought.

(d) Maximum entitlement of each eligible person

The total number of Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Person (including exercised, cancelled and outstanding options) under the Share Option Scheme in any 12-month period must not exceed 1% of the issued share capital of the Company unless approved by the shareholders of the Company in general meeting with such Eligible Person and his/her close associates abstaining from voting.

30. SHARE OPTION SCHEME (continued)

(e) Subscription price of share option

The subscription price of the share options shall be a price determined by the board of directors and shall be at least the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the offer date; (ii) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; or (iii) the nominal value of the share.

(f) Time of acceptance and exercise of an option

There is no general requirement on the minimum period for which a share option must be held or the performance targets which must be achieved before a share option can be exercised under the terms of the Share Option Scheme.

The amount payable by the grantee to the Company on acceptance of the offer shall be a non-refundable payment of HK$1.00 (or such other sum in any currency as the board of directors may determine).

During the years ended 31 March 2025 and 2024, no share option were granted, cancelled, lapsed or exercised.

At 31 March 2025 and 2024, the Company had no share options outstanding under the Share Option Scheme.

During the years ended 31 March 2025 and 2024, there were no share option expense were recognised in the consolidated statement of profit or loss.

The number of options available for grant under the Share Option Scheme at 31 March 2024 and 31 March 2025 and the date of this report were 116,200,000, 116,200,000 and 116,200,000, which represented 10%, 10% and 10% of the total number of share in issue of the Company respectively.

31. SUBSIDIARIES OF THE COMPANY

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

Name of subsidiary	Class of shares held	Place of incorporation/ registration and business	Issued and fully paid share capital	Percentage of ownership/ voting power 2025	2024	Principal activities
Direct						
Hung Fat Ho Holdings Limited	Ordinary	BVI, limited liability company	US$20,000	100%	100%	Investment holding
Indirect						
Perfect Epoch Enterprises Limited	Ordinary	BVI, limited liability company	US$50,000	100%	100%	Dormant
Hung Fat Ho Food Limited	Ordinary	HK, limited liability company	HK$5,000,000	100%	100%	Trading and distribution of food and beverage grocery products
Ongo Food Limited	Ordinary	HK, limited liability company	HK$500,000	100%	100%	Trading and distribution of food and beverage grocery products
Eagle Food Limited* ("Eagle Food") (note (a))	Ordinary	HK, limited liability company	HK$500,000	–	100%	Trading and distribution of food and beverage grocery products
Lofty Idea Investments Limited	Ordinary	BVI, limited liability company	US$10,000	100%	100%	Holding of trademark and other intellectual property rights for the Group
Food Boy Restaurants Limited	Ordinary	HK, limited liability company	HK$10,000	100%	100%	Inactive
Food Boy Holdings Limited	Ordinary	HK, limited liability company	HK$10,000	100%	100%	Investment holding

note:

(a) Eagle Food was disposed to third parties on 31 March 2025. Details refer to note 32(b).

(b) None of the subsidiaries has issued any debt securities at the end of the years.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 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 flow as cash flows from financing activities.

	Lease liabilities (note 25) HK$'000
At 1 April 2023	19,789
Repayment of lease liabilities	(6,167)
Interest paid	(879)
Finance costs (note 12)	879
At 31 March 2024 and 1 April 2024	13,622
Repayment of lease liabilities	(6,783)
Interest paid	(533)
Finance costs (note 12)	533
Termination of lease	(2,077)
At 31 March 2025	4,762

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 **HK$'000**	2024 HK$'000
Within operating cash flows	**282**	771
Within financing cash flows	**7,316**	7,046
	7,598	7,817

These amounts relate to the following:

	2025 **HK$'000**	2024 HK$'000
Lease rental paid	**7,598**	7,817

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Disposal of a subsidiary

On 29 November 2024, Hung Fat Ho Holdings Limited, a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with two independent third parties, pursuant to which Hung Fat Ho Holdings Limited agreed to dispose of its 100% equity in Eagle Food ("Disposal") at a total consideration of HK$1,500,000. The Disposal was completed on 31 March 2025.

The net assets of Eagle Food at the date of Disposal were as follows:

	HK$'000
Property, plant and equipment	615
Inventories	1,221
Trade receivables	3,022
Other receivables, deposits and prepayments	304
Cash and cash equivalents	1,246
Trade payables	(1,280)
Other payables and accrued changes	(286)
Contract liabilities	(6)
Tax liabilities	(5)
Net assets disposed of	4,831
Loss on disposal of a subsidiary	(3,331)
Total consideration	1,500

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Disposal of a subsidiary (continued)

	HK$'000
Consideration satisfied by:	
Cash consideration received	600
Considerations receivables included in other receivables	900
Total consideration	1,500
Net cash outflow arising on Disposal:	
Cash consideration received	600
Cash and cash equivalents disposed of	(1,246)
	(646)

33. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group regularly entered into a short-term leases for warehouse. As at 31 March 2025, there was no future minimum undiscounted lease payments relating to warehouse (2024: future minimum undiscounted lease payments within one year of approximately HK$140,000).

At 31 March 2025, the Group as tenant entered into new lease agreement with Mr. Wong Siu Man (the executive director and ultimate controlling shareholder of the Company) and Mr. Wong Siu Wa (the executive director and controlling shareholder of the Company) as landlord for the lease of office premises that have not yet commenced, with a non-cancellable period of two years (2024: nil). The total future undiscounted cash flows for the non-cancellable period of new leases are approximately HK$4,800,000 (2024: nil).

34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2025 HK$'000	2024 HK$'000
Non-current assets			
Investment in subsidiaries		32,510	32,510
Current assets			
Prepayments, deposits and other receivables		117	117
Amounts due from subsidiaries		43,565	44,151
Cash and cash equivalents		1,361	1,458
		45,043	45,726
Current liabilities			
Other payables and accrued charges		2,468	2,382
Amounts due to subsidiaries		21,159	19,617
		23,627	21,999
Net current assets		21,416	23,727
NET ASSETS		53,926	56,237
Capital and reserves			
Share capital	26	11,620	11,620
Reserves	34(b)	42,306	44,617
TOTAL EQUITY		53,926	56,237

Approved and authorised for issue by the board of directors on 26 June 2025 and signed on its behalf by:

Mr. Wong Siu Man
Director

Mr. Wong Siu Wa
Director

34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

(b) Reserves movements of the Company

	Share premium HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	57,060	29,966	(40,657)	46,369
Loss and total comprehensive loss for the year	–	–	(1,752)	(1,752)
At 31 March 2024 and 1 April 2024	57,060	29,966	(42,409)	44,617
Loss and total comprehensive loss for the year	–	–	(2,311)	(2,311)
At 31 March 2025	57,060	29,966	(44,720)	42,306

Financial Summary

The following is a summary of the published consolidated results and of the assets and liabilities of the Group for the five years ended 31 March 2021, 2022, 2023, 2024 and 2025:

RESULTS

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Consolidated results summary					
Revenue	**302,544**	292,476	286,244	241,372	227,709
Profit/(loss) before tax	**2,017**	1,878	(3,940)	(1,538)	(14,376)
Income tax expense	**(956)**	(14)	(468)	(599)	(242)
Profit/(loss) and total comprehensive income/(loss) for year	**1,061**	1,864	(4,408)	(2,137)	(14,618)

ASSETS AND LIABILITIES

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**7,681**	16,554	23,991	11,707	13,363
Current assets	**117,452**	115,750	111,613	111,456	110,700
Current liabilities	**(24,456)**	(26,594)	(24,975)	(16,438)	(16,616)
Non-current liabilities	**(745)**	(6,839)	(13,622)	(5,310)	(3,895)
Total equity	**99,932**	98,871	97,007	101,415	103,552