i.century Holding Limited
愛世紀集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8507

2025
ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

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*This annual report, for which the directors (collectively the "**Directors**" and each the "**Director**") of i.century Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**", "**we**", "**our**" or "**us**") 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 annual 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 annual report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Leung Kwok Hung Wilson
(Chairman and Chief Executive Officer)
Ms. Tam Shuk Fan

Independent non-executive Directors

Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

COMMITTEES

Audit Committee

Mr. Lau Yau Chuen Louis *(Chairman)*
Ms. Cheung Wai Man
Mr. Lee Kwun Ting

Nomination Committee

Mr. Leung Kwok Hung Wilson *(Chairman)*
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

Remuneration Committee

Mr. Lee Kwun Ting *(Chairman)*
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis

COMPANY SECRETARY

Mr. Kwok Chi Yin

COMPLIANCE OFFICER

Mr. Leung Kwok Hung Wilson

AUTHORISED REPRESENTATIVES

Ms. Tam Shuk Fan
Mr. Kwok Chi Yin

AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
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11 Pedder Street
Central
Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6/F., Orient International Tower
No. 1018 Tai Nan West Street
Lai Chi Kok
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Corporate Markets Pty Limited
Suite 1601, 16/F., Central Tower
28 Queen's Road Central
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

COMPANY WEBSITE

www.icenturyholding.com

STOCK CODE

8507

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of i.century Holding Limited (the "**Company**"), I hereby present the annual report for the year ended 31 March 2025 (the "**Reporting Period**").

OVERVIEW

2025 was a year of both progress and challenge for our Group. As a trusted apparel manufacturing partner to our customers, we delivered solid financial performance, supported by the continued recovery in our key markets – the U.S., Europe and Australia. Our ability to provide high-quality, cost-competitive products while maintaining stringent quality standards has been fundamental to our success.

For the Reporting Period, our revenue was increased by 38.7% to HK$164.8 million as compared with the year ended 31 March 2024 (the "**Corresponding Period**"). Following the increased in revenue, the Group achieved a turnaround from loss attributable to owners of the Company of approximately HK$17.6 million for the Corresponding Period to profit attributable to owners of the Company of approximately HK$0.6 million for the Reporting Period.

OUTLOOK

However, the changing trade landscape, particularly the U.S. tariff adjustments implemented in April 2025, has created new market uncertainties. While these developments present challenges, our decades of industry experience and strong customer relationships position us well to navigate this evolving environment.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deeply sincere gratitude to our management and employees for their contribution and dedication, extending my appreciation to our shareholder, customers, suppliers and correspondent banks and other professional institutions for their support during the year.

Mr. Leung Kwok Hung Wilson
Chairman and Chief Executive Officer

13 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an apparel supply chain management services provider and its services range from products development, sourcing and procurement of raw materials, production management and quality control to logistics management. The Group's major customers comprise of apparel retail brands based predominately in the U.S., Europe and Australia, the products of which are marketed and sold under their own brands. The styles and functions of the products for the Group's key customers are generally casual lifestyle for the general consumers and outdoor performance for outdoor activities.

All the Groups' products are manufactured in accordance with the specifications and requirements provided by the Group's customers. The Group proposes suggestions to the Group's customers regarding design and specification such as choices of raw materials, styling and pattern in order to meet the brand's requirements and budgets.

The Group's products were manufactured by our manufacturer suppliers or other manufacturers engaged by our trading company suppliers, which are located in the People's Republic of China ("**PRC**").

During the Reporting Period, the Group recorded revenue of approximately HK$164.8 million, representing an increase of approximately 38.7% compare with that of approximately HK$118.8 million for the Corresponding Period. The increase in revenue was mainly derived from the Group allocating more resources on prospecting new customers to achieve the business growth. The gross profit increased from approximately HK$27.2 million for the Corresponding Period to approximately HK$37.9 million for the Reporting Period. While the gross profit margin maintain at approximately 22.9% for the Reporting Period and Corresponding Period.

The Group achieved a turnaround from loss attributable to owners of the Company of approximately to HK$17.6 million for the Corresponding Period to profit attributable to owners of the Company of approximately HK$0.6 million for the Reporting Period. The turnaround mainly attributable to the increase in revenue for the year ended 31 March 2025 and the decrease in impairment loss on trade receivables and deposits and other receivables related to one of the of the customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code for the year ended 31 March 2024.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly derived from the sales of our key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, skirts, tank top, vests and accessories, such as cap and poncho through the provision of apparel SCM services to our customers. During the Reporting Period, the Group recorded a revenue of approximately HK$164.8 million, representing an increase of approximately 38.7% comparing with that of approximately HK$118.8 million for the Corresponding Period.

The increase in revenue mainly derived from the Group allocated more resources on prospecting new customers to achieve the business growth.

The following table set out a breakdown of the Group's revenue by product categories for the years ended 31 March 2025 and 2024:

	For the year ended 31 March			
	2025		2024	
Product category	**HK'000**	**%**	HK'000	%
Jackets	**42,257**	**25.7**	18,103	15.2
Woven shirts	**22,603**	**13.7**	22,915	19.3
Pullover	**21,804**	**13.2**	23,905	20.1
Pants and shorts	**44,308**	**26.9**	29,151	24.5
T-shirts	**14,523**	**8.8**	9,424	8.0
Other products (note)	**19,318**	**11.7**	15,331	12.9
	164,813	**100.0**	118,829	100.0

Note: Other products include, for example, dress, skirt, tank top, vest and other accessories, such as cap and poncho.

During the Reporting Period, the sales volume of the Group amounted to 1,174,590 units of finished products. Set out below are the total sales quantities of each product category for each of the years ended 31 March 2025 and 2024:

	For the year ended 31 March			
	2025		2024	
Product category	**Unit sold**	**%**	Unit sold	%
Jackets	**172,426**	**14.7**	71,325	7.6
Woven shirts	**148,918**	**12.6**	160,259	17.1
Pullover	**137,362**	**11.7**	166,837	17.8
Pants and shorts	**330,776**	**28.2**	232,027	24.7
T-shirts	**211,477**	**18.0**	138,380	14.8
Other products (note)	**173,631**	**14.8**	168,613	18.0
	1,174,590	**100.0**	937,441	100.0

Note: Other products include, for example, dress, skirt, tank top, vest and other accessories, such as cap and poncho.

The selling price of each of the product categories depends primarily on, among other things, overhead expenses, purchase cost, as well as our expected profit margin. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below are the average selling price per unit of finished product sold to our customers for each product category for the years ended 31 March 2025 and 2024:

	For the year ended 31 March		
Product category	**2025 Average selling price HK$ (note i)**	2024 Average selling price HK$ (note i)	Rate of change %
Jackets	**245.1**	253.8	(3.4)
Woven shirts	**151.8**	143.0	6.2
Pullover	**158.7**	143.3	10.8
Pants and shorts	**134.0**	125.6	6.6
T-shirts	**68.7**	68.1	0.8
Other products (note ii)	**111.3**	90.9	22.4
Overall	**140.3**	126.8	10.7

Notes:

i. The average selling price represents the revenue for the year divided by the total sales quantities for the year.

ii. Other products include, for example, dress, skirt, tank top, vest and other accessories, such as cap and poncho.

Cost of sales

Cost of sales primarily consist of cost of goods sold, raw materials and consumable used, freight and transportation, laboratory test and inspection fee, declaration and license charges and other charges. The cost of sales increased by approximately 38.6% from approximately HK$91.6 million for the Corresponding Period to approximately HK$126.9 million for the Reporting Period. Such increase was in line with the increase in total sales volume.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 39.1% from approximately HK$27.2 million for the Corresponding Period to approximately HK$37.9 million for the Reporting Period. The increase in gross profit mainly attributable to increase in sales volume and resulting in increase in revenue. The Group's gross profit maintain at 22.9% for the Reporting Period and Corresponding Period.

Other income

Other income mainly consists of (i) bank interest income and (ii) sundry income. The Group's other income increased by approximately 111.2% from approximately HK$0.5 million for the Corresponding Period to approximately HK$1.1 million for the Reporting Period. The increase was mainly attributable to the increase in sundry income in the Reporting Period.

Other losses and gains, net

Other losses and gains, net consist of (i) net foreign exchange gains/losses, (ii) impairment loss recognised in respect of trade receivables, (iii) impairment loss recognised in respect of deposits and other receivables, (iv) written off of inventory and (v) bad debts recovered. The decrease in other losses was mainly attributable to the impairment loss recognised in respect of trade receivables and deposits and other receivables from one customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code and written off of inventory during the Corresponding Period.

Selling and distribution expenses

Selling and distribution expenses mainly consist of (i) commission paid, (ii) marketing expenses and (iii) salaries and mandatory provident fund for merchandising staff. The selling and distribution expenses increased by approximately 30.5% from approximately HK$9.9 million for the Corresponding Period to approximately HK$13.0 million for the Reporting Period. The significant increase mainly due to commission paid to sales agent whose selling activities resulted in new customers entering into contracts with the Group.

Administrative expenses

Administrative expenses primarily comprise of (i) Directors' remuneration; (ii) staff costs and benefits for general and administrative staff; (iii) legal and professional fee, accountancy fee and compliance costs; (iv) rent and rates expenses; and (v) depreciation of property, plant and equipment.

Administrative expenses decreased by approximately 6.9% to approximately HK$24.0 million for the Reporting Period as compared to those of approximately HK$25.8 million for the Corresponding Period. Such decrease was mainly due to decrease in staff costs and benefits for general and administrative staff for the Reporting Period.

Finance costs

Finance costs mainly consist of (i) bank borrowings and (ii) lease liabilities.

The Group's finance costs maintain at HK$1.1 million for the Reporting Period and the Corresponding Period.

Income tax credit/(expense)

Income tax credit for the Reporting Period was approximately HK$81,000 as compared with income tax expense of approximately HK$197,000 for the Corresponding Period.

Profit/(loss) attributable to owners of the Company

Profit attributable to owners of the Company was approximately HK$0.6 million for the Reporting Period and loss attributable to owners of the Company of approximately HK$17.6 million for the Corresponding Period. The turnaround from loss to profit mainly attributable to the significant growth in revenue and decreased in impairment loss on trade receivables and deposits and other receivables as discussed above.

Dividend

The Board does not recommend the payment of final dividend for the Reporting Period.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the Reporting Period, the Group's operations were generally financed through internally generated cash flows and borrowings from banks. As at 31 March 2025 and 2024, the Group had net current liabilities of approximately HK$4.0 million and approximately HK$7.1 million respectively, including cash and bank balances of approximately HK$14.5 and HK$10.2 million, respectively. The pledged bank deposits of HK$1.4 million as at 31 March 2025 and 2024. The Group's current ratio increased from approximately 0.8 times as at 31 March 2024 to approximately 0.9 times as at 31 March 2025. Such increase was mainly due to increase in cash and bank balances.

Gearing ratio is calculated based on the total debts (include lease liabilities and bank borrowings) divided by total equity at the respective reporting date. As at 31 March 2025 and 2024, the Group's gearing ratio was approximately 119.7% and 157.9%, respectively. The Group principally relied on bank borrowings as at the source of funding to operate its business and prudently maintained the gearing position at a reasonable level.

PLEDGE OF ASSETS

As at 31 March 2025, the bank borrowings of the Group were secured by a building with a carrying value of approximately HK$14.7 million (31 March 2024: approximately HK$15.0 million) and bank deposits of HK$1.4 million (31 March 2024: HK$1.4 million).

FOREIGN EXCHANGE EXPOSURE

The Group's operation mainly in Hong Kong with majority of the transactions being settled in Hong Kong dollars ("**HK$**"), United States dollars ("**US$**") and Renminbi ("**RMB**"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK$ against the US$ as long as this currency is pegged.

The Group currency does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign exchange exposure, if necessary.

TREASURY POLICIES

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

CONTINGENT LIABILITIES

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

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Reporting Period (31 March 2024: Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2025, the Group did not have other plans for material investments and capital assets.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 16 April 2018 (the "**Listing Date**"). There has been no change in the capital of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2025, the Company's issued share capital was HK$4.0 million and the number of issued ordinary shares was 400,000,000 of HK$0.01 each. Details of the Group's share capital are set out in note 30 to the consolidated financial statement in this annual report.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have other material capital commitments (31 March 2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed a total of full time 41 employees (31 March 2024: 43). The total staff costs, including Directors' emoluments, salaries, other staff benefits and contributions to retirement schemes were approximately HK$20.5 million for the Reporting Period (Corresponding Period: approximately HK$20.8 million).

KEY PERFORMANCE INDICATORS

The Company has defined the following key performance indicators which are closely aligned with the performance of the Group.

	2025	2024
Revenue	**HK$164,813,000**	HK$118,829,000
Gross profit	**HK$37,877,000**	HK$27,227,000
Profit/(loss) for the year attributable to owners of the Company	**HK$604,000**	-HK$17,599,000
Gross profit margin	**22.9%**	22.9%
Net profit margin	**0.37%**	n/a
Return on total assets	**0.9%**	n/a
Return on equity	**3.5%**	n/a
Current ratio	**0.9 times**	0.8 times
Quick ratio	**0.9 times**	0.8 times

FUTURE PROSPECTS

As we look toward the coming year, we recognise both the challenges and opportunities presented by the evolving global apparel landscape. The recent changes in U.S. trade policy have undoubtedly created headwinds for our industry, yet we remain confident in our ability to adapt and thrive. Our decades of experience in serving our customers have equipped us with the resilience needed to navigate such market fluctuations.

The foundation of our confidence lies in our established relationships with our customers. We will continue to strengthen these relationships through enhanced collaboration, working closely with our customers to develop mutually beneficial solutions to the new tariff environment. This includes more strengthen cost management and supply chain optimization that maintain our competitive edge while addressing changing market conditions.

Geographic diversification remains a key pillar of our strategy. While maintaining our business in the U.S. market, we are actively cultivating opportunities with European and Australia brands where demand for quality apparel manufacturing continues to grow. This balanced approach to market development helps mitigate concentration risk while positioning us for sustainable, long-term growth.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Leung Kwok Hung Wilson (梁國雄, "Mr. Leung"), aged 56, is the chairman of the Board, an executive Director, and chief executive officer of the Group. Mr. Leung is also chairman of the nomination committee of the Company. Mr. Leung was appointed as the Director on 20 June 2017 and was re-designated as an executive Director and the chairman of the Group on 26 September 2017. Mr. Leung is also a director of certain subsidiaries of the Group. Mr. Leung has over 30 years of sales and merchandising experience in the apparel industry. After completing his secondary education in Hong Kong in 1986, he commenced his merchandising career in the apparel industry and worked as an assistant merchandiser in Dodwell Hong Kong Buying Office Limited, a merchant firm from May 1988 to May 1990. From June 1990 to July 1991, he was an assistant merchandiser of Innova Limited, a U.S. company trading in knitted shirts. From July 1991 to February 1992, he was a merchandiser of Hilpop Fashion Limited, an apparel design and development company. From April 1992 to April 1999, he was a merchandiser of Kasmen Limited, an apparel manufacturing and exporting company and he was a senior merchandiser from May 1999 to February 2005. Having spent more than 13 years in the merchandising field, Mr. Leung cofounded Majestic City Limited in 2001 and Majestic City International Limited in August 2008 with Ms. Tam Shuk Fan. He is primarily responsible for the overall corporate strategies, management and business development of the Group. In addition to his experience in the apparel industry, Mr. Leung has been serving the Hong Kong Auxiliary Police Force since 1994 and is currently a station sergeant.

Mr. Leung is the husband of Ms. Tam Shuk Fan, the executive Director of the Company.

Ms. Tam Shuk Fan (譚淑芬, "Ms. Tam"), aged 54, was appointed as a Director on 20 June 2017 and was re-designated as an executive Director on 26 September 2017. Ms. Tam is responsible for overseeing the management and administration of the Group's business operations. Ms. Tam is also a director of certain subsidiaries of the Group. Ms. Tam completed her secondary education in Hong Kong in 1987 and one-year post-secondary secretarial studies at Chu Hai College in July 1988. From April 1989 to April 1999, she worked in Kasmen Limited, an apparel manufacturing and exporting company, and her last position was shipping officer. In April 1999, she left Kasmen Limited and worked as a shipping and account officer of Mikura Limited, an electrical and electronic manufacturing company, from 1999 to 2001. Prior to co-founding the Group in August 2008, she was a clerk in the finance department of Quality Healthcare Medical Centre Limited, a healthcare company from December 2001 to February 2006.

Ms. Tam is the wife of Mr. Leung, the chairman and an executive Director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Cheung Wai Man (張慧敏, "Ms. Cheung"), aged 56, was appointed as an independent non-executive Director on 20 March 2018. Ms. Cheung is also a member of the audit committee (the "**Audit Committee**"), a member of the remuneration committee (the "**Remuneration Committee**") and a member of the nomination committee (the "**Nomination Committee**"). Ms. Cheung is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct. Ms. Cheung has approximately 29 years of experience in merchandising field. After completion of her post-secondary education, she worked in Associated Merchandising Corporation Hong Kong Office, a retail merchandising sourcing services provider, from August 1988 and March 1993 and her last position was assistant merchandise representative. She was an assistant merchandiser of Liz Claiborne International Limited, a company engaged in buying and sourcing of fabrics and raw materials for apparel and garments, and was promoted to merchandiser in July 1994 until she left in May 1995. From June 1995, she was an associate merchandiser of Gap International Sourcing Limited, an apparel manufacturer and provider, and subsequently was promoted to merchandise manager in accessories category until her departure in January 2017. Since then, Ms. Cheung has not been engaged in any employment or business as she wishes to devote more time to her other personal commitments.

Mr. Lau Yau Chuen Louis (劉友專, "Mr. Lau"), aged 48, was appointed as an independent non-executive Director on 20 March 2018. Mr. Lau is also the chairman of the Audit Committee, member of the Remuneration Committee and member of the Nomination Committee. Mr. Lau is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct. After graduated from City University of Hong Kong, Mr. Lau obtained a MBA from the University of Greenwich in United Kingdom and is a member of the Association of Chartered Certified Accountants. Mr. Lau has over 25 years of financial reporting, audit and compliance experiences gained from international certified public accounting firms and listed companies. Mr. Lau was formerly an executive director and financial controller of Artini China Co. Ltd. (stock code: 789); the deputy chief financial officer and company secretary of China Innovative Financial Group Limited (stock code: 412); the independent non-executive director of IAG Holding Limited (stock code: 8513); the chief financial officer of Millennium Pacific Group Holdings Limited (stock code: 8147) and the chief financial officer and company secretary of China Wantian Holdings Limited (stock code: 1854).

Mr. Lee Kwun Ting (李冠霆, "Mr. Lee"), aged 38, was appointed as an independent non-executive Director on 8 August 2018. Mr. Lee is also a member of the Audit Committee, chairman of the Remuneration Committee and member of the Nomination Committee. Mr. Lee is responsible for providing independent judgement of the Group's strategy, performance, resources and standard of conduct. Mr. Lee is a practicing solicitor in Hong Kong. After graduating from The University of Hong Kong with a Bachelor of Laws (LLB), Mr. Lee obtained a Postgraduate Certificate in Laws (PCLL) and a Master in Laws (LLM) from the University of Hong Kong.

Mr. Lee was an Associate of Messrs. W.K. To & Co. from August 2012 to June 2018. From June 2018 to August 2019, Mr. Lee was a consultant of Messrs. Fongs. In November 2019, Mr. Lee commenced practice in Messrs. Ivan Lee & Co. Mr. Lee is currently a member on the Domestic Violence Panel of the Law Society of Hong Kong. Moreover, Mr. Lee serves as a Legal Aid Panel Solicitor of the Legal Aid Department and a Chief Inspector of the Hong Kong Auxiliary Police Force.

SENIOR MANAGEMENT

Ms. Chan Sheung Ping (陳湘萍, "Ms. Chan"), aged 56, has been appointed as the chief operating officer of the Group on 26 September 2017. Ms. Chan is in primarily responsible for assisting the chairman in managing the Group's business operation and offering advice on the corporate direction and strategic development of the Group. In addition, Ms. Chan also assists the executive Directors in managing customer relationship and marketing activities of the Group. Ms. Chan has over 30 years of experience in the merchandising field of the apparel industry. Over the years, Ms. Chan worked as a merchandiser and was responsible for managing the production in factories and quality control in several garment related companies since 1987, such as Fook Tin Garment Manufactory, Fortuna Garment Factory and Mikura Limited. Ms. Chan joined the Group in 2008.

Mr. Kwok Chi Yin (郭志賢, "Mr. Kwok"), aged 57, joined the Group on 26 September 2017 as the company secretary. Mr. Kwok is responsible for company secretarial matters of the Group. Mr. Kwok obtained a bachelor of commerce with double major in accounting and finance from Deakin University of Australia in September 1997. He has been a member of Hong Kong Institute of Certified Public Accountants since July 2001 and a member of Certified Practising Accountant Australia since June 2001.

Mr. Kwok has over 25 years of accounting and finance experience. Mr. Kwok is the chief financial officer of MCM Global Limited, an OEM manufacturing of electrical and mechanical consumer goods company since June 2013. Mr. Kwok served as the financial controller of Choong Nang Energy Equipment Manufactory Limited, an energy equipment manufacturing company, between June 2006 to June 2013. From 25 April 2014 to 7 January 2016, Mr. Kwok was the company secretary of Baofeng Modern International Holdings Company Limited, a company involved in manufacture and sale of slippers, sandals, casual footwear and graphene-based ethylene-vinyl acetate foam material and slippers (stock code: 1121), whose shares are listed on the Stock Exchange. In addition, he served as accounting manager in several companies in different industries including garment manufacturing and trading, marketing and promotion businesses from March 1999 to June 2006.

CORPORATE GOVERNANCE REPORT

The Board recognises that transparency and accountability are important to a listed company. The Company is committed to establishing and maintaining good corporate governance policy and procedures, as our Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture and in return is beneficial to the Company's shareholders as a whole.

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules. During the Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions of the CG Code, except for the deviation from code provision C.2.1 of the CG Code as set out in "Chairman and Chief Executive Officer" and code provision D.2.5 of the CG Code as set out in "Risk Management and Internal Control" in this corporate governance report.

CORPORATE PURPOSE, VALUES AND STRATEGY

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

Integrity

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook, the anti-corruption policy and the whistleblowing policy of the Group. Training are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets of tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

BOARD OF DIRECTORS

Composition of the Board

The composition of the Board during the Reporting Period and up to the date of this annual report is set out below:

Executive Directors
Mr. Leung Kwok Hung Wilson *(Chairman and chief executive officer)*
Ms. Tam Shuk Fan

Independent non-executive Director
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. Save as disclosed in the section, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board and senior management.

Board meetings and attendance

During the Reporting Period, the Board meets regularly to review the financial and operating performance of the Group, to make important decisions and to approve future strategies. Attendances of these meetings by Directors are set out below:

	Number of meeting attended/held				
	Annual General Meeting In number	**Board** In number	**Audit Committee** In number	**Remuneration Committee** In number	**Nomination Committee** In number
Total number of meetings held	1/1	4/4	4/4	1/1	1/1
Executive Directors					
Mr. Leung Kwok Hung Wilson *(Chairman)*	1/1	4/4	N/A	1/1	1/1
Ms. Tam Shuk Fan	1/1	4/4	N/A	1/1	1/1
Independent non-executive Directors					
Ms. Cheung Wai Man	1/1	4/4	4/4	1/1	1/1
Mr. Lau Yau Chuen Louis	1/1	4/4	4/4	1/1	1/1
Mr. Lee Kwun Ting	1/1	4/4	4/4	1/1	1/1

Responsibilities of and delegation by the Board

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors and the senior management of the Company in discharging its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by any of the executive Directors and the senior management. The Board also assumes the responsibilities of maintaining a high standard of corporate governance including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of the Board functions. The Board had also delegated various responsibilities to the three board committees of the Company (the "**Board Committees**").

Compliance with rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules

During the Reporting Period, the Board at all times met the requirements set out in Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors (representing at least one-third) of the Board with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Independence of independent non-executive Directors

The Company has received from each INED an annual confirmation of his/her independence, and the Company considers such INED to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Relationship between Board members

Save and except Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan are husband and wife relationship, there are no other relationships (including financial, business, family or other material/relevant relationships) between the other members of the Board.

Directors' continuous professional development

To assist the Directors' continuous professional development, the Company recommends the Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmed such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors understand the importance of continuous professional development and are committed to participate any suitable training to develop and refresh their knowledge and skills.

The individual training record of each Director received for the Reporting Period is summarised below:

	Course/Seminar/ Workshop organized by professional body	Reading materials
Executive Directors		
Mr. Leung Kwok Hung Wilson	✓	✓
Ms. Tam Shuk Fan	✓	
Independent Non-Executive Directors		
Ms. Cheung Wai Man	✓	✓
Mr. Lau Yau Chuen Louis	✓	✓
Mr. Lee Kwun Ting	✓	✓

Independent views and input to the Board

The Company has established mechanisms to ensure independent views and input are available to the Board and such mechanism are reviewed annually. The mechanisms currently in place include:

(a) three out of five Directors are INEDs, which exceeds the requirement of the GEM Listing Rules that at least one-third of the Board are independent non-executive directors;

(b) INEDs have an equal status to other Board members;

(c) INEDs share their views and opinions through regular meetings;

(d) annual meeting between the Chairman and all INEDs without presence of other Directors, providing effective platform for the Chairman to listen independent views on various concerning the Group;

(e) interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors;

(f) independent professional advice would be provided to INEDs upon reasonable request to assist them to perform their duties to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Considering that Mr. Leung Kwok Hung Wilson has been operating and managing the Group since 2008, the Board believes that Mr. Leung Kwok Hung Wilson would provide a strong and consistent leadership to the Group. Therefore, the Board considers that the derivation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

BOARD COMMITTEES

The Board established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee specific aspects of the Group's affairs and help it in the execution of its responsibilities. Each of the Board Committee have specific written terms of reference which clearly outline the committees' authority and duties and require the Board Committees to report back on their decisions or recommendations to the Board. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit committee

The Company established the Audit Committee on 20 March 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three INEDs, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting. Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the INED with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, and to oversee the risk management and internal control procedures of the Company.

Summary of the work performed by the Audit Committee during the Reporting Period is as follows:

- reviewed the audit plan, terms of engagement, independence and qualification of the external auditor and the remuneration paid to the external auditor;
- reviewed and discussed the quarterly, interim and annual financial statements of the Group and the related documents before submission to the Board for approval;
- reviewed the management letters and reports issued by the external auditor;
- reviewed the accounting principles and practices adopted by the Group and the potential impacts of the change in accounting standards to the Group's financial statements;
- review of Company's continuing connected transactions for the Reporting Period pursuant to the GEM Listing Rules;
- review the effectiveness of the risk management and internal control systems of the Group; and
- reviewed the internal audit reports in respect of the effectiveness of the financial, operational and compliance controls and risk management of the Groups;
- perform other duties assigned by the Board.

During the Reporting Period, the Audit Committee held four meetings. Individual attendance records of each member of the Audit Committee are set out on page 18 of this annual report.

Remuneration committee

The Company established the Remuneration Committee on 20 March 2018 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the CG Code. The Remuneration Committee currently consists of three members, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting. Mr. Lee Kwun Ting has been appointed as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, and to ensure that none of the Directors determine their own remuneration.

Summary of the work performed by the Remuneration Committee during the Reporting Period included but were not limited to:

- reviewed and made recommendation on the remuneration policy and structure of the executive Directors and senior management of the Company and determined their specific remuneration package;

- assessed the performance of the executive Directors and approved the terms of the executive Directors' service contracts;

- ensured that no Directors or any of his/her associates was involved in deciding his/her own remuneration.

During the Reporting Period, the Remuneration Committee held one meeting. Individual attendance records of each member of the Remuneration Committee are set out on page 18 of this annual report.

Remuneration policy

The Company has adopted a directors' remuneration policy aiming to set out the overall guiding principles and structure for remuneration packages of directors. The directors' remuneration policy comprises remuneration guiding principles and remuneration structure. The remuneration of executive directors is determined based on, among others, their scope of duties, responsibilities, skills, and experience required, corporate and individual performances, prevailing market practice, and general economic situation. The remuneration of independent non-executive directors is determined based on, among others, the number of Board committees served, experience and level of responsibilities undertaken, and prevailing market practice. In the remuneration structure for directors, independent non-executive directors are not entitled to reward with equity-based remuneration.

Nomination committee

The Company established the Nomination Committee on 20 March 2018 with written terms of reference in compliance with code provision B.3.1 of the CG Code. The Nomination Committee currently consists of four members, namely Mr. Leung Kwok Hung Wilson, Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting. Mr. Leung Kwok Hung Wilson has been appointed as the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, to identify individuals suitably qualified to become members of the Board, to assess the independence of the INEDs, and to make recommendations to the Board on relevant matters relating to appointments of Directors.

Summary of the work performed by the Nomination Committee during the Reporting Period is as follows:

- reviewed the structure, size, composition and diversity of the Board, and Board Diversity Policy;
- reviewed the nomination policy and procedures for directorship during the Reporting Period;
- assessed the independence of the INEDs; and
- made recommendations to the Board on relevant matters relating to the re-election of Directors.

During the Reporting Period, the Nomination Committee held one meeting. Individual attendance records of each member of the Nomination Committee are set out on page 18 of this annual report.

Nomination Policy

The Company has adopted a nomination policy for the Nomination Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

Selection criteria

In evaluating and selecting any candidate for directorship to the Board, the following criteria should be considered:

(a) character and integrity;

(b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(c) diversity aspects under the Company's board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity of the Board;

(d) for INEDs, whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;

(e) willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and

(f) such other perspectives that are appropriate to the Company's business and succession plan and where applicable may be adopted and/or amended by the Board and/or Nomination Committee from time to time for nomination of directors and succession planning.

Procedures for appointment of new directors

(a) if the Board determines that an additional or replacement director is required, it will deploy multiple channels for identifying suitable director candidates, including referrals from Directors, shareholders, management, advisors of the Company and external executive search firms.

(b) upon compilation and interview of the list of potential candidates, the relevant Nomination Committee will shortlist candidates for consideration by the Nomination Committee/Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.

(c) any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge with the Company Secretary of the Company within the lodgement period specified in the relevant shareholder circular (a) a written nomination of the candidate, (b) written confirmation from such nominated candidate of his willingness to stand for election, and (c) biographical details of such nominated candidate as required under the GEM Listing Rules. Particulars of the candidate so proposed will be sent to all shareholders for information by a supplementary circular.

Procedures for re-appointment of directors

Where a retiring Director, being eligible, offers himself/herself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

Appointment and re-election of directors

All Directors are appointed for a specific term. Upon expiry of the existing term, the Company has entered into a director's service agreement with each of the executive Directors, namely Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan, for a term of three years.

Each of the INEDs has accepted an appointment with the Company for an initial term of three years. After expiry, the INEDs entered into an agreement for one year together with automatically renewable successive term until terminated by either party giving at least one month written notice.

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association of the Company ("**Article**"). At each annual general meeting (the "**AGM**"), 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) will retire from office by rotation provided that every Director will be subject to retirement at the AGM at least once every three years. A retiring Director will be eligible for re-election and will continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) by determined by lot.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

COMPANY SECRETARY

The Company Secretary supports the Chairman, the Board and the Board Committees by ensuring good information flow within the Board and the board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on governance matters.

Mr. Kwok Chi Yin was appointed as the company secretary of the Company on 26 September 2017. The biographical details are set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Mr. Kwok Chi Yin is an employee of the Company and has day-to-day knowledge of the Group affairs. Mr. Kwok Chi Yin reports to the Chairman and is responsible for advising the Board through the Chairman on corporation governance matters. During the Reporting Period, Mr. Kwok had undertaken more than 15 hours of relevant professional training.

COMPLIANCE OFFICER

Mr. Leung Kwok Hung Wilson is the compliance officer of the Company. Please refer to his biographical details as set out in the section headed "Biographical Details of Directors and Senior Management"of this annual report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had also made specific enquiry to each of the Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions and the Company was not aware of any non-compliance with the Model Code by the Directors during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board had overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. 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 misstatements or losses.

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluation a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation.

The Group does not have an internal audit function as the Board has reviewed the effectiveness of the internal control system of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Group had engaged an external consulting firm as the Group's internal control adviser, Infinity Concept Ripple Limited (the "**Internal Control Adviser**"), to conduct independent internal control review for the Reporting Period.

Such review is conducted annually and cycles reviewed are under a rotation basis. The scope of review was previously determined and approved by the Board. The Internal Control Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and Audit Committee are of the view that there are no material internal control defeats noted. All recommendations from the Internal Control Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

WHISTLEBLOWING POLCY

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the company secretary of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the consolidated financial statements of the Group. As at 31 March 2025, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern.

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 statements by external auditors, HLB Hodgson Impey Cheng Limited, about their reporting responsibility on the consolidated financial statement of the Group are set out in the section headed "Independent Auditor's Report" in this annual report.

AUDITOR'S REMUNERATION

The remuneration paid to external auditors in respect of the Reporting Period is set out below:

Type of services	HK$'000
Audit services	600

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the Reporting Period is as follows:

Remuneration Bands	No. of individuals
HK$nil to HK$1,000,000	2

Details of the Directors' remuneration for the Reporting Period are set out in note 13 to the consolidated financial statements.

DIVERSITY

Diversity of the Board

The Company adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach of which the Board could achieve and maintain a high level of diversity. The Company recognises the benefits of having a diversified Board, as such the Group will ensure that members of the Board have the appropriate balance of skills, experience and diversity of perspectives that are required to support the Group's business strategies and sustainable development.

Pursuant to the Board Diversity Policy, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The ultimate decision will be based on the merit and contribution the selected candidates will bring to the Board. The Board Diversity Policy will be reviewed by the Board annually.

The Board currently comprises five members, including two executive Directors and three independent non-executive Directors, is which two of the existing board members of the Company is female, bring the female representation to about 40% of the Board and is of the opinion that it meets the diversity requirements under the GEM Listing Rules.

Diversity in workforce

The Group also continues to adopt employee diversity measures to promote the diversity at all levels of its workforce. As at 31 March 2025, Group employed a total of 41 employees (including Directors and senior management) (31 March 2024: 43), of which 24.4% (2024: 23.3%) were male and 75.6% (2024: 76.7%) were female. The Company will continue to take steps to promote diversity, including gender diversity, at workforce levels.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interest and rights, separate resolutions can be proposed at the shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the website of the Stock Exchange and the Company's website after the relevant shareholders' meeting.

Procedures for shareholders to convene an extraordinary general meeting ("EGM")

The following procedures for shareholders to convene an EGM are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

(a) any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company ("**Company Secretary**"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

(b) eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong at 6/F., Orient International Tower, No. 1018 Tai Nan West Street, Lai Chi Kok, Kowloon, Hong Kong for the attention of the Board and/or the Company Secretary.

(c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda. Together with a deposit of a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders.

(d) the Requisition will be verified with the Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Eligible Shareholders concerned have been failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.

(e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Procedures for putting forward proposals at shareholders' meetings

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to make proposals or move a resolution may, however, convene an EGM in accordance with the "Procedures for Shareholders to convene an EGM" set out above.

Procedures for shareholders to send enquires to the Board

Shareholders may send their enquiries and concerns to the Board and or Company Secretary by addressing them to the principle place of business of the Company in Hong Kong at 6/F., Orient International Tower, No. 1018 Tai Nan West Street, Lai Chi Kok, Kowloon, Hong Kong by post for the attention of the Board and/or the Company Secretary.

INVESTOR RELATIONS

Constitutional documents

During the Reporting Period, no amendments were made to the memorandum and articles of association of the Company.

Communication with shareholders

The Company has adopted a shareholders communication policy with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company has established a range of communication channels between itself and its shareholders, and investors. These include answering questions through the annual general meeting, the publication of annual and interim reports, notices, announcements and circulars, the Company's website at www.icenturyholding.com and meetings with investors and shareholders. News update of the Group's business development and operation are also available on the Company's website.

DIVIDEND POLICY

The Company has established a dividend policy (the "**Dividend Policy**") which was adopted by the Board to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits as dividends to the shareholders of the Company. Summary of which is set out below:

(a) In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

  (i) the general financial condition of the Group;

  (ii) capital and debt level of the Group;

  (iii) future cash requirements and availability for business operations, business strategies and future development needs;

  (iv) the contractual restrictions on the payment of dividends by the Company to its shareholders;

  (v) the general market conditions; and

  (vi) any other factors that the Board considers appropriate.

(b) The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles.

(c) The Board endeavours to strike a balance between the Shareholders' interests and prudent capital management with a sustainable Dividend Policy.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there were no changes in any of the Company's constitutional documents.

DIRECTORS' REPORT

The Directors present their report together with 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. The principal activities of its subsidiaries are set out in note 36 to the consolidated financial statement. The Group is principally engaged in provision of SCM services. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

SEGMENT INFORMATION

Details of the segment information of the Group for the Reporting Period are set out in note 7 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Reporting Period and an analysis of the likely future development of the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on page 4 to 5 and pages 6 to 12 of this annual report respectively.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 48 of this annual report.

The Board does not recommend the payment of a final dividend for the Reporting Period.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting ("**AGM**") to be held on Friday, 12 September 2025, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, MUFG Corporate Markets Pty Limited, at Suite 1601, 16/F., Central Tower, 28 Queen's Road Central, Hong Kong no later than 4:30 p.m. on Monday, 8 September 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposure and summarised as follow:

(i) the Group is exposed to credit risks of our customers;

(ii) the Group relies on several major customers and does not enter into long-term contracts with the customers. Any disruption in the business relationship with the Group's major customers may materially and adversely affect the business, prospects, financial condition and results of operations;

(iii) the Group is subject to intense competition from competitors engaging South and Southern Asian manufacturers, and if the Group fails to compete successfully against the competitors, the profitability and financial performance may be adversely affected;

(iv) risks relating to the Group's business operations involving the U.S., French and Australia customers;

(v) the Group is dependent on third parties for the production of apparel products, are any disruption in the relationships with our suppliers or their operations could adversely affect our business;

(vi) most of our suppliers are located in the PRC and any major adverse changes to the economic, political and social conditions of the PRC may adversely affect our business and results of operations;

(vii) most of the Group's products sold to U.S. are manufactured in the PRC, such that the PRC-U.S. trade dispute may have a material and adverse effect on our business, financial conditions and results of operations;

(viii) any failure to maintain an effective quality control system will have a material and adverse effect on our business, financial conditions and results of operations;

(ix) the reciprocal tariff imposed by the U.S. government may bring adverse impact on business operation in U.S.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements of this annual report.

BORROWINGS

Particulars of bank borrowings of the Group as at 31 March 2025 are set out in note 29 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movement in the Company's share capital during the Reporting Period are set out in note 30 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

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

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 51 and note 35(b) to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2025 and 2024, the Company did not have any reserves available for distribution to owners.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchase attributable to the major customers and suppliers respectively during the Reporting Period are as follows:

	Sales	Purchases
The largest customer	38.3%	N/A
Five largest customers in aggregate	74.6%	N/A
The largest supplier	N/A	24.4%
Five largest suppliers in aggregate	N/A	66.1%

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued shares of the Company) had any interest in any of these major customer or suppliers during the Reporting Period.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Mr. Leung Kwok Hung Wilson *(Chairman and Chief Executive Officer)*
Ms. Tam Shuk Fan

Independent Non-executive Directors

Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

Pursuant to article 84(1) of the Article, at each AGM, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election.

Accordingly, Ms. Tam Shun Fan and Mr. Lau Yau Chuen Louis will retire from office as Directors at the forthcoming AGM to be held on Friday, 12 September 2025 and are eligible and will offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 13 to 15 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Dates, respectively and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other party not less than six months' prior notice in writing.

Each of the INEDs had entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date or the date of appointment for whom appointed subsequent to the Listing Date, which may be renewable and terminated by either party giving not less than one month notice in writing.

None of the Directors has a service contract which is not determinable by the Group with one year without payment of compensation (other than statutory compensation).

INDEPENDENCE CONFIRMATION

The Company has received confirmation from each of the INEDs regarding his/her independence in accordance with Rule 5.09 of the GEM Listing Rules. The Company is of the view that all INEDs are independent.

COMPETING INTERESTS

During the Reporting Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, and their respective close associates (as defined under the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflict of interest which any such person has or may have with Group.

DEED OF NON-COMPETITION

A deed of non-competition dated 20 March 2018 was entered into by the controlling shareholders of the Company in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The INEDs have reviewed the implementation of the deed of non-competition and are of the view that the controlling shareholders of the Company have complied with their undertakings given under the deed of non-competition for the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 32(a) to the consolidated financial statements, there has been no other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisted during or at the end of the Reporting Period.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

EMOLUMENT POLICY

A Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

EMOLUMENTS OF THE DIRECTORS, CHIEF EXECUTIVE AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in notes 13 and 14 to the consolidated financial statements in this annual report.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit scheme are set out in note 37 to the consolidated financial statements in this annual report.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Group were entered into or existed during the Reporting Period.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**"), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required 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 in the shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Leung Kwok Hung Wilson ("**Mr. Leung**")	Interest in controlled corporation	280,000,000 (note)	70%
Ms. Tam Shuk Fan ("**Ms. Tam**")	Interest in controlled corporation	280,000,000 (note)	70%

Note: Such 280,000,000 shares are registered in the name of Giant Treasure Development Limited ("**Giant Treasure**"), a company beneficially owner as to 50% by Mr. Leung and 50% by Ms. Tam. Mr. Leung and Ms. Tam are husband and wife. Therefore, each of Mr. Leung and Ms. Tam is deemed to be interested in all the shares held by Giant Treasure under the SFO.

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2025, and so far as known to the Directors, the following entities or persons (other than the Directors or chief executive of the Company) had interests and short positions in the shares or underlying shares, which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Giant Treasure	Beneficial owner	280,000,000 (note)	70%

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any interests or short positions owned by any entities or persons (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company, which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws, rules and regulations and reviews regularly the existing staff benefits for any potential improvement. Apart from the remuneration package, the Group also offers medical insurance to its employees. The Group works closely with its customers in devising new product designs each season and delivering the products according to their requirements. The Group had maintained business relationships with its five largest customers for a period ranging from 1 to 7 years. Over the years, the Directors believe that the Group has fostered a trustworthy and reliable strategic partnership with its customers, which is built upon its proven track record of quality products, industry and product knowhow, market awareness, dedicated management team, and competitive pricing. The Group has also established a stable, close-working and long-term relationship with its suppliers. During the Reporting Period, there was no material dispute or disagreement with the employees, the customers and the suppliers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float (i.e. at least 25% of the issued shares were held by the public) as required by Rule 17.38A of the GEM Listing Rules during the Reporting Period and as at the date of this annual report.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions set out in note 32 to the consolidated financial statements. Such related party transactions constitute connected transactions for the Company under Chapter 20 of the GEM Listing Rules, but these transactions were fell under the de minimis threshold which are exempted from reporting, annual review, announcement, circular and independent shareholders' approval requirements. The Directors confirmed that the Company has complied with the disclosure obligations, where applicable, in accordance with Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out on pages 16 to 31 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to support environmental protection to ensure business development and sustainability. The Group implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

For details, please refer to a separate report on environmental, social and governance report ("**ESG Report**") will be published at the same time as the publication of this annual report. The ESG Report will be prepared in accordance with Appendix C2 to the GEM Listing Rules. The ESG Report will be available on the website of the Company at www.icenturyholding.com. The Company will provide a shareholder with an ESG Report in printed form upon its specific request.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries during the Reporting Period.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of Group for the last five years is set out on page 118 of this annual report.

REVIEW BY AUDIT COMMITTEE

This annual report including the audited consolidated financial statements for the Reporting Period have been reviewed by the audit committee. The audit committee is of the opinion that the consolidated financial statements of the Group for the Reporting Period comply with applicable financial reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 March 2025 and up to the date of this annual report.

AUDITOR

The consolidated financial statements for the Reporting Period have been audited by HLB Hodgson Impey Cheng Limited, who will retire in the forthcoming AGM of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Leung Kwok Hung Wilson
Chairman and Chief Executive Officer

Hong Kong, 13 June 2025

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
I.CENTURY HOLDING LIMITED
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of i.century Holding Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 48 to 117, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 in the consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by approximately HK$4,038,000 and, as of that date, the Group has bank borrowings of approximately HK$19,749,000 and the Group had bank balance and cash of approximately HK$14,532,000 which is insufficient to fully repay the bank borrowings expiring within twelve months or contain a repayment on demand clause. As stated in note 3, these events or conditions, along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. In addition to the matter described in the material uncertainty related to going concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses of trade receivables *Refer to note 21 to the consolidated financial statements.*	
The Group had trade receivables with gross carrying amount of approximately HK$13,694,000 and allowance for expected credit losses of approximately HK$278,000, respectively. In general, the trade receivable credit terms granted by the Group to the customers up to 90 days. Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers, aging of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses.	Our procedures in relation to management's allowance for expected credit losses assessment of trade receivables including but not limited to: – obtaining an understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk; – checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2025 to the underlying financial records and post year-end settlements to bank receipts; – inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of credit profile of selected customers, understanding ongoing business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers;

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses of trade receivables *Refer to note 21 to the consolidated financial statements.*	
We focused on this area due to the allowance for expected credit losses of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.	– for individually assessed expected credit losses, assessing the estimated loss rates with reference to the individual customers' historical observed default rates and checking the settlement history and changes in the forward-looking information; and – assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses with support of Auditor' valuation experts. We found that the management judgement and estimates used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.

OTHER INFORMATION

The directors 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 auditors' report thereon (the "**Other information**").

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' 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 auditors' report that includes our opinion, solely to you, as a body, 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.

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

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

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

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

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

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

We also provide those charged with governance 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 those charged with governance, 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 auditors' 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.

The engagement director on the audit resulting in this independent auditors' report is Fong Ka Yiu.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Fong Ka Yiu
Practising Certificate Number: P08080

Hong Kong, 13 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025 HK$'000**	2024 HK$'000
Revenue	8	**164,813**	118,829
Cost of sales		**(126,936)**	(91,602)
Gross profit		**37,877**	27,227
Other income	9	**1,071**	507
Other losses and gains, net	10	**(297)**	(8,271)
Selling and distribution expenses		**(12,962)**	(9,931)
Administrative expenses		**(24,016)**	(25,784)
Finance costs	11	**(1,150)**	(1,150)
Profit/(loss) before tax	12	**523**	(17,402)
Income tax credit/(expense)	15	**81**	(197)
Profit/(loss) for the year		**604**	(17,599)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**220**	76
Other comprehensive income for the year		**220**	76
Total comprehensive income/(loss) for the year		**824**	(17,523)
Profit/(loss) for the year attributable to owners of the Company		**604**	(17,599)
Total comprehensive income/(loss) for the year attributable to owners of the Company		**824**	(17,523)
Earnings/(loss) per share			
Basic and diluted (HK cents)	17	**0.15**	(4.40)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	18	**20,785**	23,096
Right-of-use assets	19(a)	**607**	1,005
		21,392	24,101
Current assets			
Inventories	20	**–**	108
Trade receivables	21	**13,416**	9,757
Deposits paid, prepayments and other receivables	22	**9,321**	8,681
Amounts due from related companies	23(a)	**2,998**	3,270
Amounts due from related party	23(b)	**1,977**	2,437
Pledged bank deposits	24	**1,400**	1,400
Bank balances and cash	25	**14,532**	10,189
		43,644	35,842
Current liabilities			
Trade payables	26	**14,666**	7,307
Other payables and accruals	27	**5,726**	2,502
Contract liabilities	28	**7,139**	8,176
Bank borrowings	29	**19,749**	24,558
Lease liabilities	19(b)	**306**	362
Tax payable		**96**	–
		47,682	42,905
Net current liabilities		**(4,038)**	(7,063)
Total assets less current liabilities		**17,354**	17,038

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Equity attributable to owners of the Company			
Share capital	30	**4,000**	4,000
Reserves		**13,025**	12,201
Total equity		**17,025**	16,201
Non-current liabilities			
Lease liabilities	19(b)	**329**	660
Deferred tax liabilities	31	**–**	177
		329	837
		17,354	17,038

The consolidated financial statement on pages 48 to 117 were approved and authorised for issue by the board of directors on 13 June 2025 and are signed on its behalf by:

Leung Kwok Hung Wilson *Director*	**Tam Shuk Fan** *Director*

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company					
	Share capital HK$'000 (note 30)	**Share premium** HK$'000	**Contribution reserve** HK$'000 (note (i))	**Exchange reserve** HK$'000 (note (ii))	**Accumulated losses** HK$'000	**Total** HK$'000
At 1 April 2023	4,000	43,238	–*	70	(13,584)	33,724
Loss for the year	–	–	–	–	(17,599)	(17,599)
Other comprehensive income:						
Exchange difference arising on translation of foreign operations	–	–	–	76	–	76
Total comprehensive Income/(loss) for the year	–	–	–	76	(17,599)	(17,523)
At 31 March 2024 and at 1 April 2024	**4,000**	**43,238**	**–***	**146**	**(31,183)**	**16,201**
Profit for the year	**–**	**–**	**–**	**–**	**604**	**604**
Other comprehensive income:						
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**220**	**–**	**220**
Total comprehensive income for the year	**–**	**–**	**–**	**220**	**604**	**824**
At 31 March 2025	**4,000**	**43,238**	**–***	**366**	**(30,579)**	**17,025**

* The amount is less than HK $1,000.

Notes:

(i) Contribution reserve of the Group represents the differences between the aggregated share capital of the subsidiaries and one nil paid share of the Company issued as fully paid pursuant to the reorganisation for transfer of the subsidiaries to the Company. The balance was approximately HK$4.

(ii) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to retained earnings/(accumulated losses) on the disposal of the foreign operations.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Operating activities			
Profit/(Loss) before tax		**523**	(17,402)
Adjustments for:			
Interest income	9	**(81)**	(92)
Finance costs	11	**1,150**	1,150
Depreciation of property, plant and equipment	18	**2,324**	2,022
Depreciation of right-of-use assets	19(a)	**374**	206
Loss on disposal of property, plant and equipment	10	**–**	50
Written-off of inventory	10	**160**	1,414
Impairment losses recognised in respect of deposits and other receivables	10	**–**	3,495
(Reversal of impairment loss)/impairment losses recognised in respect of trade receivables	10	**(13)**	3,590
(Reversal of impairment loss)/impairment losses recognised in respect of amounts due from related companies/ party	10	**(39)**	126
Operating cash flows before movements in working capital		**4,398**	(5,441)
Increase in inventories		**(52)**	(400)
Increase in trade receivables		**(3,646)**	(2,308)
(Increase)/Decrease in deposits paid, prepayments and other receivables		**(640)**	3,772
Increase in amounts due from related companies		**(1,351)**	(382)
Increase in trade payables		**7,359**	2,254
Increase in other payables and accruals		**5,346**	79
(Decrease)/increase in contract liabilities		**(1,037)**	2,614
Net cash generated from operating activities		**10,377**	188
Investing activities			
Interest received		**81**	92
Purchase of property, plant and equipment		**(13)**	(9,221)
Net cash generated from/(used in) investing activities		**68**	(9,129)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Financing activities			
Interest paid for bank borrowings		**(1,090)**	(1,103)
Proceeds from bank borrowings		**–**	8,000
Repayments of bank borrowings		**(4,809)**	(4,733)
Repayments of lease liabilities		**(420)**	(223)
Net cash (used in)/generated from financing activities		**(6,319)**	1,941
Net increase/(decrease) in cash and cash equivalents		**4,126**	(7,000)
Cash and cash equivalents at the beginning of the reporting period		**10,189**	17,115
Effect of foreign exchange rate changes		**217**	74
Cash and cash equivalents at the end of the reporting period		**14,532**	10,189
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	25	**14,532**	10,189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong is 6/F., Orient International Tower, No. 1018 Tai Nan West Street, Lai Chi Kok, Kowloon, Hong Kong. The Company's immediate holding company and ultimate holding company is Giant Treasure Development Limited ("**Giant Treasure**"), a company incorporated in the British Virgin Islands (the "**BVI**") and controlled by Mr. Leung Kwok Hung Wilson ("**Mr. Leung**") and Ms. Tam Shuk Fan ("**Ms. Tam**") (the "**Controlling Shareholders**").

The Company is an investment holding company and its subsidiaries principally engaged in provision of apparel supply chain management ("**SCM**") services.

The shares of the Company (the "**Shares**") have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 April 2018.

The consolidated financial statements are presented in Hong Kong dollar ("**HK$**"), which is the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK$'000), except when otherwise stated.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretition (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Refreencing Nature – Dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2025.

[3] Effective for annual periods beginning on or after 1 January 2026.

[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern basis

As at 31 March 2025, the Group's current liabilities exceeded its current assets by approximately HK$4,038,000 and, as of that date, the Group has bank borrowings of approximately HK$19,749,000 and the Group had bank balance and cash of approximately HK$14,532,000 which is insufficient to fully repay the bank borrowings expiring within twelve months or contain a repayment on demand clause. These indicates that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and other sources.

In view of such circumstances, the directors have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of twelve months from 31 March 2025. They are of the opinion that, taking into account the plans and measures as stated below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 March 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(1) Substantial shareholders of the Company agreed to provide financial support for the continuing operation of the Group;

(2) The Group had bank borrowings of approximately HK$19,749,000 as at 31 March 2025, of which approximately HK$10,250,000 is repayable within one year. The remaining bank borrowings, amounting to approximately HK$9,499,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreement. The directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements;

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Going concern basis (continued)

(3) The Group had unutilised banking facility of HK$10,000,000 as at 31 March 2025;

(4) The Group has been taking active measures to collect trade receivables through various channels to improve operating cash flows and its financial position; and

(5) The Group will apply stringent cost control in administrative expenses and capital expenditures.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. The effect of these adjustments has not been reflected in the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of preparation (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. 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.

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

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Property, plant and equipment

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

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (continued)

Buildings	Over the lease term or 4%
Furniture and fixtures	20%
Leasehold improvements	20%
Computers	20-30%
Motor vehicle	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (the "**CGU**") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of property, plant and equipment and right-of-use assets (continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets are recognised immediately in profit or loss.

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.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits paid and other receivables, amounts due from related companies, amounts due from related party, pledged bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9 Financial Instruments. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done 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 conditions at the end of the reporting period as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

The Group always recognise lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for trade receivables and collectively for corporate customers using a provision matrix with past due status grouping.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument as 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.

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

- 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, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- 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; or
- 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.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk 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.

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

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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 borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and 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 provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue 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.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- 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.

Derecognition of financial assets

The Group derecognises a financial asset measured at amortised cost only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debts or equity

Debts and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables and accruals, lease liabilities and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

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 is recognised in profit or loss.

Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Derecognition/modification of financial liabilities (continued)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 on modification of a financial asset or a financial liability (see accounting policy above) to the additional changes to which the practical expedient does not apply.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Bank balance and cash

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Borrowings costs

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because 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.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxation (continued)

Deferred tax

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. 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 those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in a subsidiary, 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. Deferred tax assets arising from deductible temporary differences associated with such investment is only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit obligations

Payment to Mandatory Provident Fund Scheme (the "**MPF Scheme**") is recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Retirement benefit obligations (continued)

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK$30,000. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The retirement benefits scheme contributions arising from the MPF Scheme charged to profit or loss represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The employees employed by the Group's subsidiaries in the People's Republic of China (the "**PRC**") are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is to make the specified contributions under the schemes.

Revenue from contract with customers

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.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contract with customers (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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.

Sales of goods – apparel SCM services

The Group manufactures and sells a wide range of key apparel products to a number of owners or agents of global reputable brands. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales order and is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term up to 90 days, which is consistent with market practice.

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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 less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Contingent assets and contingent liabilities

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exception to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

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

Refundable rental deposits

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.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In the calculation of the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

The Group as a lessee (continued)

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Related parties

A party is considered to be related to the Group if:

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

A related party transaction is a transfer of resources, services or obligation between the Group and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Impairment on property, plant and equipment and right of-use assets

For the Group's property, plant and equipment and right-of-use assets, the Group has to exercise judgments in determining whether an asset is impaired or the event previously causing the asset impaired no longer exists, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of the asset can be supported by the recoverable amounts, in the case of value in use, the net present value of the future cash flows which are estimated based upon the continuing use of the asset or disposal; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions applied by management to determine the level of impairment, including the discount rates and the growth rate assumptions in the cash flow projections, could material affect the net present value result in the impairment test.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowance for ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 6 to the consolidated financial statements.

5. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of total borrowings and equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses as disclosed in the consolidated financial statements.

The directors review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and balance its overall capital structure through the payment of dividends and injection of capital.

The gearing ratio at the end of each reporting period was as follows:

	2025 **HK$'000**	2024 HK$'000
Total debts (note)	**20,384**	25,580
Equity attributable to owners of the Company	**17,025**	16,201
Gearing ratio	**119.7%**	157.9%

Note: Total debts include lease liabilities and bank borrowings in notes 19(b) and 29 to the consolidated financial statements respectively.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at amortised cost	**35,210**	27,949
Financial liabilities		
Financial liabilities at amortised cost	**40,776**	35,389

The management monitor and manage the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group's major financial instruments include trade receivables, deposits paid and other receivables, amounts due from related companies, amounts due from related party, pledged bank deposits and bank balances, trade payables, other payables and accruals, lease liabilities and bank borrowings. Details of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign exchange risk

The Group's operation mainly in Hong Kong with majority of the transactions being settled in HK$, United States dollar ("**US$**") and Renminbi ("**RMB**"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK$ against the US$ as long as this currency is pegged.

No sensitivity analysis is presented since the Group's exposure to RMB are insignificant because the carrying amounts denominated in RMB are insignificant.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Market risk (continued)

(ii) Fair value and cash flow interest rate risk

The Group's interest rate risk arises from pledged bank deposits, bank balances, lease liabilities and bank borrowings. Borrowings obtained at variable rates exposes the Group to cash flow interest rate risk. The Group is exposed to fair value interest rate risk in relation to pledged bank deposits and lease liabilities (see notes 24 and 19(b) for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balance (see notes 25 for details). The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("**IBORs**") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risk. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank balances are not expected to change significantly.

If there would be a general increase/decrease in the market interest rates by 50 basis points (2024: 50 basis points), with all other variables held constant, the Group's pre-tax profit would have increased/decreased by approximately HK$26,000 (2024: pre-tax loss would have increased/decreased by approximately HK$72,000) for the year ended 31 March 2025. The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred at the end of the reporting period and had applied the exposure to interest rate risk to those financial instruments in existence at those dates. The estimated 50 basis points increase or decrease represents management's assessment of a reasonably possible change in market interest rates over the period until the next reporting period.

Credit risk

The credit risk of the Group mainly arises from trade receivables, deposits paid and other receivables, amounts due from related companies, amounts due from related party, pledged bank deposits and bank balances and cash.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Credit risk (continued)

Deposits paid and other receivables

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of deposits paid and other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. The management of the Group believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL, expect for the following:

Other receivables with gross carrying amount of approximately HK$11,962,000 as at 31 March 2024 and allowance for expected credit losses of approximately HK$11,962,000 was long overdue with known insolvencies or non-response to collection activities that assessed individually for impairment assessment. The Group recognised impairment loss of approximately HK$2,495,000 in respect of other receivables for the year ended 31 March 2024 and fully written-off since there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the debtors has been placed under liquidation or has entered into bankruptcy proceedings. As at 31 March 2025, no impairment loss in respect of other receivables has been recognised.

Deposits paid with gross carrying amount of approximately HK$1,000,000 as at 31 March 2024 was long overdue with known insolvencies or non-response to collection activities that assessed individually for impairment assessment. The Group recognised impairment loss of approximately HK$1,000,000 in respect of deposits paid for the year ended 31 March 2024. The expected credit loss rate for such deposits paid is approximately 100%. During the year ended 31 March 2025, no impairment loss in respect of deposits paid has been recognised.

Amount due from related companies and related party

The directors continuously monitor the credit quality and financial positions of the counterparties and the level of exposure of related companies and related party to ensure that the follow-up action is taken to recover the debts. In this regard, the directors consider that the Group's credit risk on amounts due from related companies and related party are significantly reduced. In addition, the Group performs impairment assessment under ECL model on balances individually. The amounts due from related companies and related party with gross carrying amount of approximately HK$3,061,000 and HK$2,001,000 as at 31 March 2025 (2024: HK$3,333,000 and HK$2,500,000).

The Group recognised reversal on impairment loss of approximately HK$nil and HK$39,000(2024: impairment loss of approximately HK$63,000 and HK$63,000) in respect of amounts due from related companies and related party.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Credit risk (continued)

Pledged bank deposits and bank balances

Management considers the Group has limited credit risk with its bank which are leading and reputable and bank are assessed as having low credit risk. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances are considered to be insignificant and therefore no loss allowance was recognised.

Trade receivables

The Group has implemented a credit policy for its trade customers and credit terms given vary according to the length of business relationship with the customers, reputation and payment history. In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period that adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model on trade receivables based on provision matrix as appropriate. In the regard, the management of the Group considers that the Group's credit risk is significantly reduced.

As part of the Group's credit risk management, the Group uses provision matrix to assess the impairment for its customers because the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not distinguished between the Group's different customer bases.

The Group has concentration of credit risk as 36% (2024: 39%) and 87% (2024: 86%) of the total trade receivables was due from the Group's largest debtor and the five largest debtors respectively.

The following table provides information about the exposure to credit risk and ECL for trade receivables at 31 March 2025 and 2024 within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of approximately HK$248,000 as at 31 March 2025 (2024: HK$254,000) were assessed individually.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Credit risk (continued)

Trade receivables (continued)

As at 31 March 2025	**Average loss rate %**	**Gross amount HK$'000**	**Loss allowances HK$'000**
Neither past due nor impaired	**0.11**	**9,224**	**10**
1-30 days past due	**0.13**	**1,647**	**2**
31-60 days past due	**0.27**	**747**	**2**
61-90 days past due	**0.56**	**968**	**5**
91-180 days past due	**1.24**	**860**	**11**
Over 180 days past due	**100.00**	**248**	**248**
		13,694	**278**

As at 31 March 2024	Average loss rate %	Gross amount HK$'000	Loss allowances HK$'000
Neither past due nor impaired	0.17	6,295	10
1-30 days past due	0.20	378	1
31-60 days past due	0.41	695	3
61-90 days past due	0.85	2,208	19
91-180 days past due	1.89	218	4
Over 180 days past due	100.00	254	254
		10,048	291

As at 31 March 2025, the Group had approximately HK$30,000 (2024: HK$37,000) impairment allowance for trade receivables based on the provision matrix and impairment allowance of approximately HK$248,000 (2024: HK$254,000) were made on debtors with significant balances and credit-impaired debtors.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Credit risk (continued)

Trade receivables (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023	261	636	897
Transfer to credit-impaired	(80)	80	–
(Reversal of)/impairment losses recognised, net	(144)	3,734	3,590
Written-off	–	(4,196)	(4,196)
At 31 March 2024 and at 1 April 2024	**37**	**254**	**291**
Reversal of impairment losses recognised, net	**(7)**	**(6)**	**(13)**
At 31 March 2025	**30**	**248**	**278**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the debtors has been placed under liquidation or has entered into bankruptcy proceedings.

Liquidity risk

Cash flow is managed at group level by the management. The Group manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Liquidity risk (continued)

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

	Weighted average interest rate	On demand/ within 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2025						
Trade payables	**–**	**14,666**	**–**	**–**	**14,666**	**14,666**
Other payables and accruals	**–**	**5,726**	**–**	**–**	**5,726**	**5,726**
Lease liabilities	**6.2**	**342**	**249**	**99**	**690**	**635**
Bank borrowings	**3.5**	**21,916**	**–**	**–**	**21,916**	**19,749**
		42,650	**249**	**99**	**42,998**	**40,776**
At 31 March 2024						
Trade payables	–	7,307	–	–	7,307	7,307
Other payables and accruals	–	2,502	–	–	2,502	2,502
Lease liabilities	6.0	422	344	363	1,129	1,022
Bank borrowings	3.6	27,641	–	–	27,641	24,558
		37,872	344	363	38,579	35,389

6. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Liquidity risk (continued)

The following table summarises the maturity analysis of bank borrowings with repayable on demand clause based on agreed scheduled repayments set out in the loan agreements. The amount includes interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments					
	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2025						
Bank borrowings – secured and guaranteed	**10,552**	**1,175**	**3,443**	**6,746**	**21,916**	**19,749**
At 31 March 2024						
Bank borrowings – secured and guaranteed	14,221	1,592	3,641	8,187	27,641	24,558

Interest rate benchmark reform

As listed in note 29 to the consolidated financial statements, several of the Group's HIBOR bank loans may be subject to the interest rate benchmark reform. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

HIBOR

While the Hong Kong Dollar Overnight Index Average ("**HONIA**") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

Fair value of financial instruments

The carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost were not materially different from their fair values at 31 March 2025 and 2024.

7. SEGMENT INFORMATION

The Group is principally engaged in sales of apparel products with the provision of apparel SCM services to customers.

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess the performance. The information reported to the directors, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Information about major customers

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

	2025 **HK$'000**	2024 HK$'000
Customer A	**63,108**	38,015
Customer B	**27,899**	20,134

Except as disclosed above, no other single customers contributed 10% or more to the Group's revenue for both years.

Geographical information

The following tables set out information about geographic location of customers is based on the location to which the goods are delivered. The geographic location of non-current asset is based on the physical location of the assets.

7. SEGMENT INFORMATION (continued)

Geographical information (continued)

Revenue from external customers

	2025 HK$'000	2024 HK$'000
United states of America (the "**USA**")	**49,096**	34,732
France	**11,347**	3,594
Other European countries (note i)	**65,512**	38,117
Australia	**38,228**	40,554
Canada	**139**	367
Japan	**25**	1,099
Other locations (note ii)	**466**	366
	164,813	118,829

Notes:

(i) Other European countries mainly include Netherlands, Portugal and United Kingdom.

(ii) Other locations mainly include Indonesia, New Zealand and South Africa.

Non-current assets

The following is an analysis of the Group's non-current assets, excluding deferred tax assets, by their geographical location:

	2025 HK$'000	2024 HK$'000
Hong Kong	**20,777**	23,089
PRC, excluding Hong Kong	**19**	65
France	**89**	195
Australia	**507**	752
	21,392	24,101

8. REVENUE

Disaggregation of revenue from contracts with customers:

	2025 HK$'000	2024 HK$'000
Sales of goods – apparel SCM services	**164,813**	118,829

	2025 HK$'000	2024 HK$'000
Timing of revenue recognition		
At a point in time	**164,813**	118,829

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

9. OTHER INCOME

	2025 HK$'000	2024 HK$'000
Bank interest income	**81**	92
Staff welfare sponsorship	**60**	76
Sundry income	**930**	339
	1,071	507

10. OTHER LOSSES AND GAINS, NET

	2025 HK$'000	2024 HK$'000
Net foreign exchange (losses)/gains	**(271)**	101
Reversal of impairment loss/(impairment loss) recognised in respect of trade receivables, net	**13**	(3,590)
Bad debt recovered	**82**	303
Impairment loss recognised in respect of deposits and other receivables	**–**	(3,495)
Reversal of impairment loss/(impairment loss) recognised in respect of amounts due from related companies/party	**39**	(126)
Written-off of inventory	**(160)**	(1,414)
Loss on disposal of property, plant and equipment	**–**	(50)
	(297)	(8,271)

11. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank borrowings	**1,090**	1,103
Interest on lease liabilities (note 19(b))	**60**	47
	1,150	1,150

12. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	2025 **HK$'000**	2024 HK$'000
Auditors' remuneration and other services		
– Audit services	**600**	600
– Non-audit services	**–**	–
	600	600
Depreciation of property, plant and equipment	**2,324**	2,022
Depreciation of right-of-use assets	**374**	206
Rental expenses in respect of short-term leases	**2,643**	2,910
Commission expenses	**3,123**	82
Cost of inventories sold	**119,113**	87,275
Staff costs (excluding directors' remuneration) (note)		
– Salaries and wages	**12,270**	12,803
– Staff benefits	**220**	258
– Retirement benefit scheme contributions	**1,037**	716
	13,527	13,777

Note: Staff costs excluding directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK$7,172,000 (2024: HK$5,958,000) and retirement benefit scheme contributions of approximately HK$730,000 (2024: HK$425,000).

13. DIRECTORS' REMUNERATION

Director's remuneration for the year disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about benefits of Directors) Regulation, is as follows:

	Directors' fee	Salaries, allowances, and benefit in kind	Retirement benefit scheme contribution	Total
	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2025				
Executive directors:				
Mr. Leung	**–**	**4,800**	**36**	**4,836**
Ms. Tam	**–**	**1,800**	**36**	**1,836**
Independent non-executive directors:				
Ms. Cheung Wai Man	**100**	**–**	**–**	**100**
Mr. Lau Yau Chuen Louis	**132**	**–**	**–**	**132**
Mr. Lee Kwun Ting	**100**	**–**	**–**	**100**
	332	**6,600**	**72**	**7,004**
31 March 2024				
Executive directors:				
Mr. Leung	–	4,800	36	4,836
Ms. Tam	–	1,800	36	1,836
Independent non-executive directors:				
Ms. Cheung Wai Man	100	–	–	100
Mr. Lau Yau Chuen Louis	132	–	–	132
Mr. Lee Kwun Ting	100	–	–	100
	332	6,600	72	7,004

13. DIRECTORS' REMUNERATION (continued)

Mr. Leung is also the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

No directors have waived or agreed to waive any remuneration during the reporting period.

During the years ended 31 March 2025 and 2024, there were no amount paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 14 below as an inducement to join or upon joining the Group or as compensation for loss of office.

Save as disclosed in note 32 to the consolidated financial statements, no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

14. FIVE HIGHEST PAID EMPLOYEES

Among the five individuals with the highest emoluments are two (2024: two) directors, whose remuneration are set out in note 13 above. Details of the remuneration of the remaining three (2024: three) non-director highest paid employees are as follows:

	2025 HK$'000	2024 HK$'000
Salaries and other benefits	**2,242**	3,700
Retirement benefit scheme contributions	**54**	53
	2,296	3,753

The above individuals with the highest remuneration are within the following bands:

	2025 HK$'000	2024 HK$'000
Nil to HK$1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**–**	1
	3	3

15. INCOME TAX (CREDIT)/EXPENSE

	2025 **HK$'000**	2024 HK$'000
Current tax – Hong Kong Profits Tax		
– Charge for the year	**96**	–
Current tax – Overseas taxation		
– Charge for the year	**–**	–
	96	–
Deferred tax (note 31)		
– (Credit)/charge for the year	**(177)**	197
	(81)	197

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

No PRC Enterprise Income Tax had been made as the Group had no assessable profit for the years ended 31 March 2025 and 2024.

Taxation of other overseas subsidiary is calculated at the applicable rate prevailing in the jurisdictions in which the subsidiary operates.

15. INCOME TAX (CREDIT)/EXPENSE (continued)

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

	2025 **HK$'000**	2024 HK$'000
Profit/(loss) before tax	**523**	(17,402)
Tax at the rates applicable in the countries concerned	**(388)**	(3,197)
Tax effect of expenses not deductible for tax purpose	**632**	2,625
Tax effect of income not taxable for tax purpose	**(228)**	(977)
Tax effect of estimated tax losses not recognised	**334**	2,072
Utilisation of tax losses previously not recognised	**(431)**	(326)
Income tax (credit)/expense	**(81)**	197

16. DIVIDEND

No final dividend was paid or proposed during the year, nor has any dividend been proposed by the board of directors subsequent to the end of the reporting period.

17. EARNINGS/(LOSS) PER SHARE

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

	2025 **HK$'000**	2024 HK$'000
Profit/(loss)		
Profit/(loss) for the purpose of basic and diluted earnings/(loss) per share	**604**	(17,599)

	Number of shares	
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**400,000**	400,000

No diluted earnings/(loss) per share were presented as there were no potential ordinary shares in issue for both years ended 31 March 2025 and 2024.

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK'000	Furniture and fixtures HK'000	Leasehold improvements HK'000	Computers HK'000	Motor vehicle HK'000	Total HK'000
Cost						
At 1 April 2023	15,352	494	884	3,789	337	20,856
Additions	–	2,629	6,379	213	–	9,221
Disposal	–	(495)	(883)	(606)	–	(1,984)
Exchange alignment	–	–	–	(5)	–	(5)
At 31 March 2024 and at 1 April 2024	15,352	2,628	6,380	3,391	337	28,088
Additions	–	–	–	13	–	13
Exchange alignment	–	–	–	(1)	–	(1)
At 31 March 2025	**15,352**	**2,628**	**6,380**	**3,403**	**337**	**28,100**
Accumulated depreciation						
At 1 April 2023	51	455	842	3,537	22	4,907
Charge for the year	307	441	1,088	118	68	2,022
Disposal	–	(461)	(867)	(606)	–	(1,934)
Exchange alignment	–	–	–	(3)	–	(3)
At 31 March 2024 and at 1 April 2024	358	435	1,063	3,046	90	4,992
Charge for the year	307	525	1,277	148	67	2,324
Exchange alignment	–	–	–	(1)	–	(1)
At 31 March 2025	**665**	**960**	**2,340**	**3,193**	**157**	**7,315**
Carrying amount						
At 31 March 2025	**14,687**	**1,668**	**4,040**	**210**	**180**	**20,785**
At 31 March 2024	14,994	2,193	5,317	345	247	23,096

Note: As at 31 March 2025, building with net carrying amount of approximately HK$14,687,000 (2024: HK$14,994,000) was pledged to secure general banking facilities granted to the Group (note 29).

19. LEASES

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Leased office premises HK$'000
At 1 April 2023	110
Additions (note)	1,103
Depreciation charge	(206)
Exchange alignment	(2)
At 31 March 2024 and at 1 April 2024	**1,005**
Depreciation charge	**(374)**
Exchange alignment	**(24)**
At 31 March 2025	**607**

Note: Amount included right-of-use assets resulting from new leases entered.

For the years ended 31 March 2025 and 2024, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of two years to three years. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options and the amounts include future lease payments for extension options in which the Group is reasonably certain to exercise. 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.

19. LEASES (continued)

(b) Lease liabilities

The movements of lease liabilities in respect of the above leases are as follows:

	Leased office premises HK$'000
At 1 April 2023	101
New leases	1,103
Interest on lease liabilities (note 11)	47
Lease payments	(223)
Exchange alignment	(6)
At 31 March 2024 and at 1 April 2024	**1,022**
Interest on lease liabilities (note 11)	**60**
Lease payments	**(420)**
Exchange alignment	**(27)**
At 31 March 2025	**635**

19. LEASES (continued)

(b) Lease liabilities (continued)

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	**306**	362
Within a period of more than one year but not exceeding two years	**232**	316
Within a period of more than two year but not exceeding five years	**97**	344
	635	1,022
Less: Amount due for settlement with 12 months shown under current liabilities	**(306)**	(362)
Amount due for settlement after 12 months shown under non-current liabilities	**329**	660

The weighted average incremental borrowing rate applied to lease liabilities was approximately 6.2% (2024: 6.0%).

(c) The amounts recognised in the consolidated statement of profit or loss and other comprehensive income in relation to leases are as follows:

	2025 HK$'000	2024 HK$'000
Interest on lease liabilities	**60**	47
Depreciation of right-of-use assets	**374**	206
Expenses relating to short-term leases	**2,643**	2,910
Total amount recognised in profit or loss	**3,077**	3,163

The total cash outflow for leases for the year ended 31 March 2025 was approximately HK$3,063,000 (2024: HK$3,133,000).

20. INVENTORIES

	2025 HK$'000	2024 HK$'000
Goods-in-transit	–	105
Finished goods	–	3
	–	108

21. TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	13,694	10,048
Less: allowance for ECL	(278)	(291)
	13,416	9,757

As at 1 April 2023, trade receivables from contracts with customers approximately to HK$11,039,000.

At the end of the reporting period, aging analysis of trade receivables, based on the invoice dates (or date of revenue recognition, if earlier) and net of allowance for ECL, is as follows:

	2025 HK$'000	2024 HK$'000
0 – 30 days	8,874	3,955
31 – 60 days	340	2,271
61 – 90 days	–	59
Over 90 days	4,202	3,472
	13,416	9,757

The Group allows credit period up to 90 days (2024: 90 days) to its customers.

Details of impairment assessment of trade receivables are set out in note 6 to the consolidated financial statements.

22. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade deposits paid	**8,134**	7,465
Prepayment	**300**	320
Other deposits paid	**726**	667
Other receivables	**161**	229
	9,321	8,681

Details of impairment assessment of deposits paid and other receivables are set out in note 6 to the consolidated financial statements.

23. AMOUNTS DUE FROM RELATED COMPANIES/PARTY

(a) Amounts due from related companies

The related companies are controlled by Mr. Leung and/or Ms. Tam, who are the controlling shareholders and executive directors of the Company or Ms. Tam Suk Ching, Ms. Tam Wai Yee and Mr. Wong Wai Kwok, close family members of Ms. Tam.

During the year ended 31 March 2025, the maximum amounts due from related companies are approximately HK$3,270,000 (2024: HK$3,333,000).

Amounts due from related companies are unsecured, interest-free and repayable on demand.

(b) Amounts due from related party

The balance represents the amount receivable of HK$1,977,000 (2024: HK$2,437,000) from a daughter of Mr. Leung and Ms. Tam ("**Ms. Leung**") (note 29(ii)).

During the year ended 31 March 2025, the maximum amounts due from related party is approximately HK$2,437,000 (2024: HK$2,500,000).

The balance is non-trade in nature, interest-free and repayable on demand.

Details of impairment assessment of amounts due from related companies/party are set out in note 6 to the consolidated financial statements.

24. PLEDGED BANK DEPOSITS

	2025 **HK$'000**	2024 HK$'000
Pledged bank deposits	**1,400**	1,400

At 31 March 2025 and 2024, pledged bank deposits carry interest at 4.00% per annum. At 31 March 2025, pledged bank deposits have maturities of 2 months (2024: 3 months) at inception.

Pledged bank deposits are used as collaterals against certain trade finance facilities and short–term banking facilities granted by the bank to the Group.

25. BANK BALANCES AND CASH

	2025 **HK$'000**	2024 HK$'000
HK$	**3,019**	2,633
US$	**10,485**	6,423
AUD	**410**	366
RMB	**377**	351
EUR	**239**	414
GBP	**2**	2
	14,532	10,189

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default.

Included in the bank balances and cash were amounts in RMB to approximately HK$377,000 at 31 March 2025 (2024: HK$351,000), which are subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.

26. TRADE PAYABLES

	2025 HK$'000	2024 HK$'000
Trade payables	**14,666**	7,307

The following is ageing analysis of trade payables based on the invoice dates:

	2025 HK$'000	2024 HK$'000
0-30 days	**3,874**	2,670
31-60 days	**3,654**	1,467
61-90 days	**3,358**	1,692
Over 90 days	**3,780**	1,478
	14,666	7,307

The trade payables are non-interest-bearing and are generally settled on 30 days (2024: 30 days) terms.

27. OTHER PAYABLES AND ACCRUALS

	2025 HK$'000	2024 HK$'000
Accruals	**4,791**	1,522
Other payables	**935**	980
	5,726	2,502

28. CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Provision of apparel SCM services	**7,139**	8,176

As at 1 April 2023, the Group had contract liabilities of approximately HK$5,562,000.

When the Group receives a deposit before production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit on acceptance of contract.

All of the contract liabilities at the beginning of the years ended 31 March 2025 and 2024 have been recognised as revenue during the respective financial reporting period as the Group will normally deliver the goods to satisfy the remaining performance obligations of the relevant contract liabilities within one year or less.

The Group classifies these contract liabilities as current because the Group expects to them to be settled in its normal operating cycle which is within 12 months after the end of the reporting period.

29. BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Bank borrowings		
– Secured (note i and ii)	**16,495**	19,936
– Unsecured (note iii)	**3,254**	4,622
	19,749	24,558

29. BANK BORROWINGS (continued)

Notes:

(i) The secured borrowings consist of a revolving loan of HK$4,000,000(2024: HK$7,000,000) bear interest at variable interest rate at range from 6.00% to 7.65% per annum was guaranteed by Mr. Leung, Ms. Tam and HKMC Insurance Limited and pledged bank deposits of HK$1,400,000 (note 24).

As at 31 March 2025, unutilised banking facility available for draw down amounted to HK$3,000,000 (2024: HK$nil).

(ii) The secured borrowings consist of an outstanding balance of bank borrowings of approximately HK$7,495,000 (2024: HK$7,936,000) which include (i) an instalment loan with principal amount of HK$5,890,000 in relation to a property ("**Property A**") owned by the Group (note 18) which bearing variable interest rate at range from 3.00% to 3.63% per annum and is secured by the collateral of Property A and (ii) an instalment loan with principal amount of HK$2,500,000 in relation to a property ("**Property B**") owned by Ms. Leung (note 23(b) which bearing variable interest rate at range from 3.00% to 3.63 % per annum and is secured by the collateral of Property B.

The secured borrowings consist of a revolving loan of HK$5,000,000 bear interest at variable interest rate at range from 3.50% to 4.13% per annum was guaranteed by Mr. Leung and secured by the collateral of Property A and Property B.

The Group also obtained a banking facility of HK$12,000,000 with the guarantee made by Mr. Leung and secured by the collateral of Property A and Property B. As at 31 March 2025, unutilised banking facility available for draw down amounted to HK$7,000,000 (2024: HK$7,000,000).

(iii) The unsecured bank borrowings were guaranteed by Mr. Leung, Ms. Tam and the HKMC Insurance Limited under the Small and Medium Enterprise Guarantee Scheme as at 31 March 2025 and 2024.

29. BANK BORROWINGS (continued)

The carrying amounts of the above borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):

	2025 HK$'000	2024 HK$'000
Within one year	**10,250**	13,796
Within a period of more than one year but not exceeding two years	**902**	1,226
Within a period of more than two years but not exceeding five years	**2,791**	2,745
Within a period of more than five years	**5,806**	6,791
	19,749	24,558
Less: Amounts classified as current liabilities – carrying amounts of borrowings due within one year or contain a repayment on demand clause	**(19,749)**	(24,558)
Amounts classified as non-current liabilities	**–**	–

Bank borrowings due for repayment after one year which contain a repayment on demand clause are classified as current liabilities as at 31 March 2025 and 2024.

The Group's borrowings are denominated in HK$.

30. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares '000	**Carrying amount HK$'000**	Number of ordinary shares '000	Carrying amount HK$'000
Ordinary shares of HK$0.01 each				
Authorised:				
At 1 April and 31 March	**10,000,000**	**100,000**	10,000,000	100,000
Issued and fully paid:				
At 1 April and 31 March	**400,000**	**4,000**	400,000	4,000

31. DEFERRED TAX

	Accelerated tax depreciation HK$'000
At 1 April 2023	(20)
Credit to profit or loss (note 15)	197
At 31 March 2024 and 1 April 2024	**177**
Charge to profit or loss (note 15)	**(177)**
At 31 March 2025	**–**

As at 31 March 2025, the Group had unused estimated tax losses of approximately HK$28,137,000 (2024: HK$26,113,000) available for offset against future profits. No deferred tax asset has been recognised in respect of tax losses due to the unpredictability of future profit streams and unrecognised tax losses may be carried forward indefinitely.

32. MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party transactions

Save as disclosed elsewhere in the notes to the consolidated financial statements, the Group entered into the following related party transactions during the years ended 31 March 2025 and 2024:

	2025 HK$'000	2024 HK$'000
Rental expenses in respect of short-term leases to Joint Linker Investment Limited (note i)	–	2,400
Handling expenses to Rich Charm Corporation Limited (note ii)	1,662	625
Handling expenses to Joyful Harvest Corporation Limited (note iii)	1,299	–

Notes:

(i) The related companies are controlled by Ms. Tam, who are the controlling shareholder and executive director of the Company.

(ii) The related companies are controlled by Mr. Wong Wai Kwok, a close family member of Ms. Tam.

(iii) The related companies are controlled by Ms. Tam Suk Ching, Ms. Tam Wai Yee and Mr. Wong Wai Kwok, close family members of Ms. Tam.

The transactions were conducted at term and conditions mutually agreed between the relevant parties. The directors are of the opinion that those related party transactions were conducted in the normal ordinary course of business of the Group.

32. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) *Key management personnel compensation*

Remuneration for key management personnel of the Group, including amounts paid to the directors as disclosed in note 13 to the consolidated financial statements, is as follows:

	2025 **HK$'000**	2024 HK$'000
Short term employee benefits	**7,848**	7,888
Post-employment benefits	**107**	108
	7,955	7,996

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

(c) *Outstanding balances with related companies and related party*

Details of the balances with related companies and related party at the end of the reporting period are set out in note 23 to the consolidated financial statements.

33. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2024, the Group entered into several new leases agreement for the use of office premises. On the lease commencement, the Group recognised right-of-use asset and lease liability of approximately HK$1,103,000.

During the year ended 31 March 2025, the Group had handling expenses of approximately HK$499,000 and HK$1,623,000 had been settled through the amounts due from related party and amount due from related companies.

34. 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 as cash flows from financing activities in the Group's consolidated statement of cash flows.

	Lease liabilities HK$'000 (note 19(b))	**Borrowings** HK$'000 (note 29)	**Total** HK$'000
At 1 April 2023	101	21,291	21,392
New lease entered	1,103	–	1,103
Exchange alignment	(6)	–	(6)
Financing cash flows	(223)	2,164	1,941
Interest expenses (note 11)	47	1,103	1,150
At 31 March 2024 and at 1 April 2024	**1,022**	**24,558**	**25,580**
Exchange alignment	**(27)**	**–**	**(27)**
Financing cash flows	**(420)**	**(5,899)**	**(6,319)**
Interest expenses (note 11)	**60**	**1,090**	**1,150**
At 31 March 2025	**635**	**19,749**	**20,384**

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2025 HK$'000	2024 HK$'000
Non-current asset			
Investment in a subsidiary		**1**	1
Current assets			
Amounts due from fellow subsidiaries		**1,114**	1,573
Amount due from a related company		**24**	24
Bank balances and cash		**117**	811
		1,255	2,408
Current liability			
Accruals		**281**	148
Net current assets		**974**	2,260
Total assets less current liabilities		**975**	2,261
Equity			
Share capital	30	**4,000**	4,000
Reserves		**(3,025)**	(1,739)
Total equity		**975**	2,261

The financial statements were approved and authorised for issue by the board of directors on 13 June 2025 and are signed on its behalf by:

Leung Kwok Hung Wilson
Director

Tam Shuk Fan
Director

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

(b) Reserves movements of the Company

	Share capital HK$'000	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	4,000	43,238	(43,758)	3,480
Loss and total comprehensive loss for the year	–	–	(1,219)	(1,219)
At 31 March 2024 and at 1 April 2024	**4,000**	**43,238**	**(44,977)**	**2,261**
Loss and total comprehensive loss for the year	**–**	**–**	**(1,286)**	**(1,286)**
At 31 March 2025	**4,000**	**43,238**	**(46,263)**	**975**

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place of incorporation/ operation	Class of share/ registered capital held	Issued and fully paid share capital/ registered capital	Proportion of ownership interest and voting power held by the Company		Principal activities
				2025	2024	
Majestic City Enterprises Holdings Limited	Hong Kong	Ordinary	HK$2	100%	100%	Provision of apparel SCM services
Majestic City Global Limited*	Hong Kong	Ordinary	HK$2	100%	100%	Property holding
Majestic City International Limited	Hong Kong	Ordinary	HK$2	100%	100%	Provision of apparel SCM services
Majestic City (EU) Limited	Hong Kong	Ordinary	HK$1,000	100%	100%	Investment holding

* The company is newly incorporated during the year ended 31 March 2023.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

All subsidiaries listed above are indirectly held by the Company.

None of the subsidiaries had debt securities outstanding at the end of the reporting period or at any time during the year.

37. RETIREMENT BENEFITS SCHEMES

The Group operates the MPF Scheme under rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK$30,000. The contributions are charged to profit or loss as incurred. The assets of the MPF Scheme are held separately from those of the Group in an independently administrative fund.

The employees of the Group's subsidiary in the PRC are members of state–managed retirement benefit schemes operated by the government of the PRC. The subsidiary is required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is made the specified contributions under the schemes. The contributions are charged to profit or loss as incurred.

During the years ended 31 March 2025 and 2024, the Group had no forfeited contributions under the MPF Scheme and the retirement benefits scheme utilised to reduce the existing levels of contributions. As at 31 March 2025 and 2024, there was no forfeited contribution under the MPF Scheme and retirement benefits scheme which may be used by the Group to reduce the contribution payable in the future years.

38. EVENTS AFTER THE REPORTING PERIOD

The Group had no material events for disclosure subsequent to 31 March 2025 and up to the date of this report.

39. AUTHORISATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issued by the board of directors on 13 June 2025.

FINANCIAL SUMMARY

For the year ended 31 March 2025

The following is a summary of the results, and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements:

RESULTS

	Year ended 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	**164,813**	118,829	149,745	170,570	94,509
Profit/(loss) before tax	**523**	(17,402)	(4,947)	18,844	(16,724)
Income tax credit/(expense)	**81**	(197)	(8)	370	33
Profit/(loss) for the year	**604**	(17,599)	(4,955)	19,214	(16,691)

ASSETS, LIABILITIES AND EQUITY

	As at 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Current assets	**43,644**	35,842	51,864	72,262	56,712
Non-current assets	**21,392**	24,101	16,290	1,688	8,163
Total assets	**65,036**	59,943	68,154	73,950	64,875
Current liabilities	**47,682**	42,905	34,378	35,370	45,114
Non-current liabilities	**329**	837	52	–	378
Total liabilities	**48,011**	43,742	34,430	35,370	45,492
Net assets	**17,025**	16,201	33,724	38,580	19,383
EQUITY					
Equity attributable to owners of the Company	**17,025**	16,201	33,724	38,580	19,383

Note: The summary above does not form part of the audited consolidated financial statements.