

倩碧控股有限公司

Simplicity Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8367

ANNUAL REPORT

2026



CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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 report, for which the directors (the “**Directors**”) of Simplicity Holding Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Choi Pun Lap
Mr. Leung Wai Tai
Mr. Zhang Qifeng (appointed on 23 October 2025)

Independent non-executive Directors

Mr. Lo Cheuk Fei Jeffrey
Mr. Cheung Hiu Fung
Ms. Ip Sin Nam

Compliance Officer

Mr. Choi Pun Lap

Authorised Representatives

Mr. Choi Pun Lap
Mr. Leung Wai Tai

Company Secretary

Mr. Choi Pun Lap

Audit Committee

Mr. Lo Cheuk Fei Jeffrey (*Chairman*)
Mr. Cheung Hiu Fung
Ms. Ip Sin Nam

Remuneration Committee

Mr. Cheung Hiu Fung (*Chairman*)
Mr. Lo Cheuk Fei Jeffrey
Mr. Choi Pun Lap
Mr. Leung Wai Tai
Ms. Ip Sin Nam

Nomination Committee

Mr. Choi Pun Lap (*Chairman*)
Mr. Lo Cheuk Fei Jeffrey
Mr. Cheung Hiu Fung
Mr. Leung Wai Tai
Ms. Ip Sin Nam

Auditor

Fan, Chan & Co. Limited
Certified Public Accountants
Room 1007–1012,
10/F, K.Wah Centre,
191 Java Road, North Point
Hong Kong

CORPORATE INFORMATION

Principal Bankers

Shanghai Commercial Bank Limited
Shanghai Commercial Bank Tower
12 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

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

Registered Office

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

Headquarters and principal place of business in Hong Kong

35/F, Central Plaza,
18 Harbour Road,
Wanchai,
Hong Kong

Principal Share Registrar and Transfer Office

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

Hong Kong Share Registrar and Transfer Office

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

Company Website

www.simplicityholding.com

GEM Stock Code

08367

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	2026 HK\$'000	2025 HK\$'000
Revenue	71,310	97,763
Loss before tax	(31,335)	(20,912)
Total comprehensive expenses for the year attributable to owners of the Company	(30,547)	(20,853)

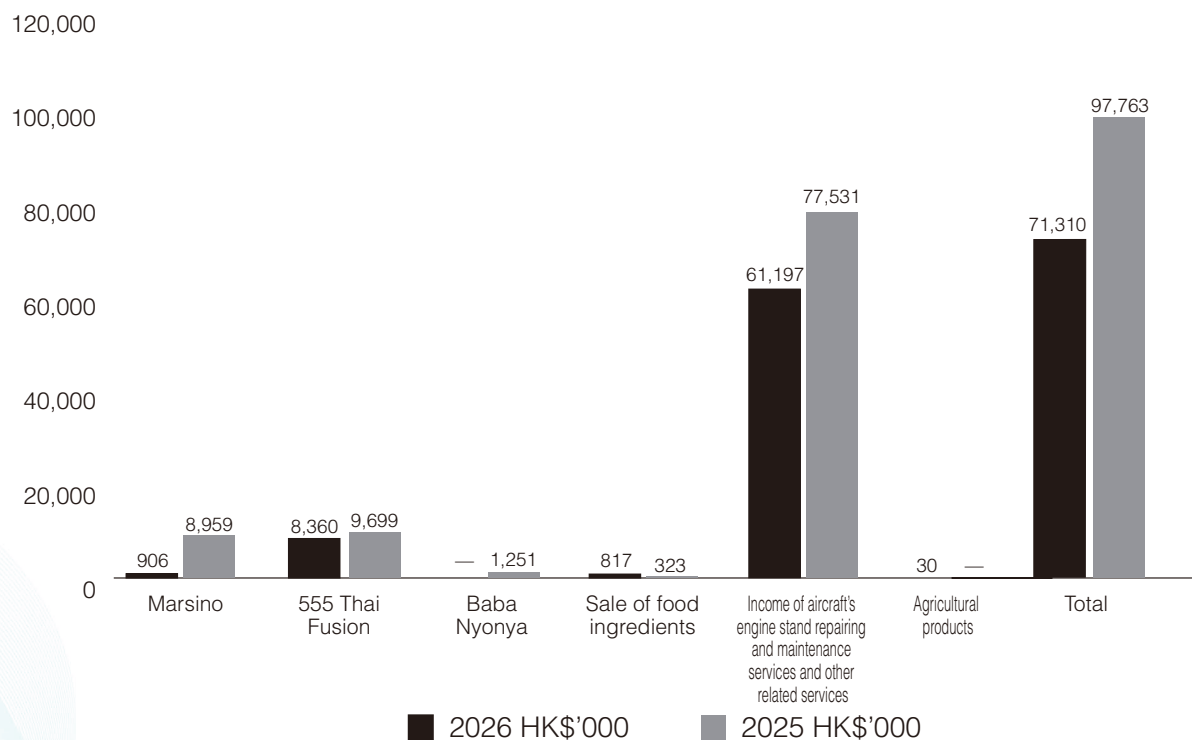
ASSETS AND LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Assets		
Non-current assets	11,187	40,155
Current assets	16,279	33,940
Total assets	27,466	74,095
Liabilities		
Non-current liabilities	4,402	10,182
Current liabilities	33,589	46,408
Total liabilities	37,991	56,590
Total (deficit)/equity	(10,525)	17,505
Total equity and liabilities	27,466	74,095
Net current liabilities	(17,310)	(12,468)
Total assets less current liabilities	(6,123)	27,687

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2026

Total Revenue



Brands of business of restaurants as at 31 March 2026



FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2026

OUR RESTAURANT LEASES AS AT 31 MARCH 2026

Brand	# of Stores	Existing Location	Mall Operator	Lease Expiry Date	Option to Renew (Yrs)	Seats	FEHD Licensed Area (Sq M)
555 Thai Fusion	1	Amoy Plaza, Ngau Tau Kok	Hang Lung	September 2027	None	63	118.5

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

For the business of catering:

According to the data released by the Census and Statistics Department of the Government of Hong Kong on 6 May 2026, the value of total receipts of the restaurants sector in the first quarter of 2026, provisionally estimated at \$28.4 billion, increased by 1.1% over a year earlier. Over the same period, the provisional estimate of the value of total purchases by restaurants increased by 3.6% to HK\$9.1 billion.

Analysed by type of restaurant and comparing the first quarter of 2026 with the first quarter of 2025, total receipts of Chinese restaurants increased by 0.9% in value, but decreased by 0.2% in volume. Total receipts of non-Chinese restaurants increased by 2.8% in value and 2.1% in volume. Total receipts of fast food shops decreased by 0.6% in value and 1.5% in volume. Total receipts of bars decreased by 4.0% in value and 3.9% in volume. As for miscellaneous eating and drinking places, total receipts increased by 0.5% in value but decreased by 0.6% in volume.

A Government spokesman said that the business of restaurants continued to improve in the first quarter. The value of total restaurant receipts increased further by 1.1% over a year earlier.

Looking ahead, the generally solid local consumer sentiment and sustained growth in inbound tourism will continue to support restaurant businesses. The Government will continue to monitor the downside risk arising from the evolving geopolitical tensions, for any potential implications for restaurant businesses.

For the business of engineering:

According to the data released by the Census and statistics Department of the Government of Hong Kong on 11 June 2026, the total gross value of construction works (GVCW) performed by main contractors in the first quarter of 2026 increased by 2.9% in nominal terms over a year earlier to HK\$72.7 billion, according to the provisional results of the Quarterly Survey of Construction Output by the Census and Statistics Department (C&SD).

After discounting the effect of price changes, the provisional results showed that the total GVCW performed by main contractors increased by 1.0% in real terms over the same period. GVCW in real terms is derived by deflating the corresponding nominal value with an appropriate price index to the price level in the base period of 2000.

Analysed by type of construction works, the GVCW performed at private sector sites totalled HK\$16.5 billion in the first quarter of 2026, down by 15.9% in nominal terms compared with a year earlier. In real terms, it decreased by 18.2%. The GVCW performed at public sector sites increased by 17.8% in nominal terms over a year earlier to HK\$35.9 billion in the first quarter of 2026. In real terms, it increased by 14.1%.

For the business of agricultural products:

The national fresh egg market is projected to reach RMB420 billion for the full year of 2025, a year-on-year increase of 3.2% compared to 2024.

Entire Guangdong-Hong Kong-Macao Greater Bay Area; full year of 2025; approximately RMB61 billion; steady, modest growth.

Guangdong-Hong Kong-Macao Greater Bay Area (entire region): First half of 2026; estimated RMB28.8–29.2 billion; year-on-year increase of 2.5%–4%.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We are a casual dining full service restaurant operator, provide services of aircraft engine stand repair, and maintenance and other related services and sales of agricultural products. For the year ended 31 March 2026, we were operating 2 restaurants under 2 brands, namely “Marsino” and “555 Thai Fusion”, and they were all situated across Kowloon and the New Territories. Among these 2 restaurants, all of them were operated by our own.

“Marsino” is a Chinese noodle specialist, “555 Thai Fusion” offers Thai cuisine, and “Baba Nyonya” offers Malaysian cuisine. Each of “Marsino”, “555 Thai Fusion” and “Baba Nyonya” are founded and operated by our Group except for one of “Baba Nyonya” was operated by a franchisee.

“Marsino” had recorded revenue of approximately HK\$0.91 million during the year ended 31 March 2026, which is equivalent to 1.28% of our total revenue. As compared to the last corresponding period, “Marsino” has experienced a decrease in revenue by 89.84% mainly due to the cease of operation of Chinese cuisine during the year.

“555 Thai Fusion” had recorded revenue of approximately HK\$8.36 million during the year ended 31 March 2026, which is equivalent to 11.72% of our total revenue. As compared to the last corresponding period and “555 Thai Fusion” has experienced a decrease in revenue by 13.81% due to the Thai restaurant was getting worse.

“Baba Nyonya” had recorded revenue of approximately HK\$nil million during the year ended 31 March 2026, which is equivalent to nil% of our total revenue. As compared to the last corresponding period, “Baba Nyonya” has experienced a significant decrease in revenue by 100% due to cease of operations of Malaysian cuisine restaurants in prior year.

The segment of “Food ingredients and beverage” had recorded revenue of approximately HK\$0.82 million during the year ended 31 March 2026, which is equivalent to 1.15% of our total revenue. As compared to the last corresponding period, the segment of “Food ingredients and beverage” has experienced an increase in revenue by 156.25% due to the increase in sales of wine.

The segment of income of aircraft engine stand repair, maintenance and other related services had recorded revenue of approximately HK\$61.20 million during the year ended 31 March 2026, which is equivalent 85.81% of our total revenue.

The new segment of agricultural products had recorded revenue of approximately HK\$0.03 million during the year ended 31 March 2026, which is equivalent 0.04% of our total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

The Group is committed to strengthen our core capabilities to keep on improving its business performance and operating results so as to cope with these challenges and to present satisfactory results and bring favourable returns to our shareholders. In view of the challenges faced by the Group, we will adopt a conservative and cautious approach to operate our businesses. Actions we have taken or are likely to take are:

- 1) Minimising our staff costs by reducing the usage of staff;
- 2) Negotiating with our landlords for rent concession;
- 3) Negotiating with our suppliers for purchase discounts and longer payment terms;
- 4) Participating in services fairs to promote our different product lines;
- 5) Running our business at lower costs; and
- 6) Refining business strategies to cope with the continuing challenges for different business.
- 7) Develop more high-end clients — for example, for eggs suitable for raw consumption, selenium-enriched functional eggs, etc.
- 8) Egg prices fluctuate significantly throughout the year; the Company plans to stockpile inventory at opportune times in the future to increase profits.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2026, the Group recorded revenue of approximately HK\$71.31 million (2025: HK\$97.76 million), representing a decrease of 27.06% compared with the same period of the previous financial year. The decrease in revenue was primarily attributed to the business of catering and engineering.

Raw materials and consumables used

For the year ended 31 March 2026, the Group recorded raw materials and consumables used of approximately HK\$25.86 million (2025: HK\$47.54 million), representing a decrease of 45.60% compared with the same period of the previous financial year. The decrease in raw materials and consumables used was primarily attributed to the decrease of subcontracting fee for aircraft engine stand repair and maintenance work.

Other income

For the year ended 31 March 2026, the Group recorded other income of approximately HK\$0.43 million (2025: HK\$0.58 million), representing a decrease of 25.86% compared with the same period of the previous financial year. The decrease in other income was primarily attributed to the decrease in reversal of provision for reinstatement.

MANAGEMENT DISCUSSION AND ANALYSIS

Other gains and losses, net

For the year ended 31 March 2026, the Group recorded net gains of approximately HK\$0.53 million (2025: net losses of HK\$2.36 million), representing increased in net gains by approximately HK\$2.89 million. Such increase was mainly due to gain on disposal of financial assets at FVTPL during the year, while it was a loss in prior year.

Staff costs

Staff costs was approximately HK\$12.03 million for the year ended 31 March 2026, representing a decrease of approximately 42.80% as compared to approximately HK\$21.03 million for the year ended 31 March 2025. Such decrease was mainly due to the reduction in staff costs of catering business for the year ended 31 March 2026.

Depreciation and amortisation expense

Depreciation and amortisation expenses were approximately HK\$10.73 million and HK\$10.63 million for the year ended 31 March 2026 and 2025 respectively.

Rental and related expenses

The rental and related expenses for the year ended 31 March 2026 amounted to approximately HK\$0.73 million, representing a decrease of approximately 34.23% as compared with that of the year ended 31 March 2025 which amounted to approximately HK\$1.11 million.

Utility expenses

Utility expenses primarily consist of electricity, gas and water supplies of the Group. For the year ended 31 March 2026 and 2025, the total utility expenses amounted to approximately HK\$0.62 million and HK\$1.22 million, respectively and was mainly due to the reduction of turnover of catering business.

Impairment loss of goodwill

For the year ended 31 March 2026, the Group recorded impairment loss on goodwill of HK\$11.72 million (2025: HK\$9.00 million). Such increase was mainly due to the recoverable amount is lower than the carrying amount.

Impairment loss on intangible assets

For the year ended 31 March 2026, the Group recorded impairment loss on intangible assets of HK\$4.06 million. Such increase was mainly due to the recoverable amount lower than the carrying amount.

Impairment loss under expected credit loss model for trade receivables

For the year ended 31 March 2026, the Group recorded impairment loss under expected credit loss model for trade receivables, net of reversal of approximately HK\$0.93 million. Such increase was mainly due to increase in expected credit loss of trade receivables.

Other expenses

The Group's other expenses increased by approximately 45.76% from approximately HK\$25.00 million for the year ended 31 March 2025 to approximately HK\$36.44 million for the year ended 31 March 2026 due to the increase in transportation costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The Group's finance costs represented interest on bank and other borrowings and interest on lease liabilities. For the year ended 31 March 2026 and 2025, finance costs were approximately HK\$0.48 million and HK\$0.93 million, respectively. The decrease in finance costs is due to decrease in interests on bank and other borrowings and interests on lease liabilities.

Loss attributable to owners of the Company

For the year ended 31 March 2026, the Group recorded a loss attributable to owners of the Company of approximately HK\$30.54 million, as compared to the loss of approximately HK\$20.85 million for the year ended 31 March 2025. The increase in loss was mainly due to increase in transportation costs related to aircraft engine stand repair and maintenance services and aircraft engine logistics services.

Dividend

The Board does not recommend any payment of dividend for the year ended 31 March 2026 (2025: Nil).

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong and PRC but with significant transactions are denominated in Hong Kong dollars and the Group is not exposed to significant foreign exchange exposure.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CAPITAL COMMITMENTS

As at 31 March 2026, the Group did not have any outstanding capital commitment.

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any material contingent liabilities.

CHARGE ON GROUP ASSETS

At 31 March 2026, the Group did not have any charge of assets.

EVENT AFTER THE REPORTING DATE

There was no material event after the reporting date.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held, material acquisition and disposal of subsidiaries and affiliated companies by the Company during the year ended 31 March 2026. There was no other plan for material investments or capital assets as at 31 March 2026.

PRINCIPAL RISKS AND UNCERTAINTIES

- 1) As we lease property for our restaurant operation, any attractive location will likely be subject to high demand from, among others, other food and beverage operators that compete directly with our Group for the same location. As such, there is no assurance that our Group would be able to find suitable premises that are commercially attractive for its restaurants with reasonable commercial terms in the event there is a need for relocation or our Group intends to open new restaurants. In addition, it is uncertain that all our leases can be renewed at all when they expire or on terms acceptable to us. Even if our Group is able to renew or extend its leases, the rental expenses may increase significantly, which could adversely affect our profitability.
- 2) If our suppliers fail to deliver food with an acceptable quality or in a timely manner, we may experience supply shortages and increased food costs.
- 3) We require various approvals and licences to operate our business, and the loss of, or failure to, obtain or renew any or all of these approvals and licences, could materially and adversely affect our business.
- 4) Labour shortages or increases in labour costs will increase our Group's operating costs and reduce our profitability.
- 5) Risks related to the spread of coronavirus and other possible infectious disease which may adversely affect the business of the food and beverage sector.
- 6) The Group is dependent on its senior management and in-house engineers, inability to retain its staff may adversely affect the Group's business operations.
- 7) Any delays in the Group's projects may affect the Group's cash flows and may have adverse impact on the Group's business and reputation.
- 8) A significant portion of the Group's revenue was generated from aircraft's engine stand repairing and maintenance services and other related services, if the level of projects or services particularly is reduced, the Group's financial performance may be materially affected.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Choi Pun Lap (蔡本立) (“Mr. PL Choi”), aged 48, was appointed as our executive Director on 26 April 2022. He has knowledge in corporate finance transactions in Hong Kong. He is an executive director of Wuxi Life International Holdings Group Limited (stock code: 8148) and Zhejiang United Investment Holdings Group Limited (stock code: 8366), both are listed on the GEM. He is an independent non-executive director of Sunway International Holdings Limited acting as chairman of audit committee (stock code: 58) and China Smarter Energy Group Holdings Limited (stock code: 1004) which the issued shares are listed on the Main Board of the Stock Exchange and he is also an independent non-executive director of Canopy SkyFire Group Limited acting as chairman of audit committee (stock code: 8245), which is listed on the GEM. In the past, Mr. Choi was a financial controller of a company which is listed in GEM in 2019 and he was a senior audit manager in the audit department of HLB Hodgson Impey Cheng Limited (“**HLB**”) in Hong Kong. He has worked in HLB for more than ten years from February 2007 to December 2017.

Mr. Choi is a valuation practitioner of International Association of Certified Valuation Specialists since 2019. He is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of Certified Practising Accountants Australia and holding public practising status in Australia, a member of Chartered Global Management Accountant and a member of International Chamber of Sustainable Development — Certified ESG Planner CEP®. Mr. Choi graduated from Hong Kong Metropolitan University with a Master of Law (Chinese Business Law) in Hong Kong in 2017. He obtained a Bachelor of Business (Accounting) from Central Queensland University in Australia in 2003 and further studied Postgraduate Diploma of Accounting in Monash University in Australia in 2005.

Mr. Leung Wai Tai (梁煒泰) (“Mr. WT Leung”), aged 44, was appointed as our executive Director on 23 December 2022. He is also an executive director of Goldway Education Group Limited (stock code: 8160), a company listed on the GEM of the Stock Exchange and was appointed as independent non-executive director of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. with effect from 29 June 2026 (stock code: 9663) which the issued shares are listed on the Main Board of the Stock Exchange.

Mr. WT Leung obtained a bachelor of arts degree in Accountancy in the Hong Kong Polytechnic University in 2003, and obtained his postgraduate degree in Accounting from the School of Accounting & Finance of the Hong Kong Polytechnic University in 2006. Mr. Leung is a Fellow Certified Public Accountant (Practising) in Hong Kong and the Managing Practising Director of Blossoming Certified Public Accountants Limited. He has over 20 years experience in the accountancy profession.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Cheuk Fei Jeffrey (盧卓飛) (“Mr. Lo”), aged 33, was appointed as our independent non-executive director on 27 July, 2021. Mr. Lo obtained his Master's degree with Honours in Accounting and Finance from The University of Edinburgh. Mr. Lo is also the company secretary of Shanyu Group Holdings Company Limited (stock code: 8245). Mr. Lo began his career at one of the Big Four companies and has extensive experience in financial accounting. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered and Certified Accountants and the Institute of Chartered Accountants in England and Wales.

Mr. Cheung Hiu Fung (張曉峯) (“Mr. HF Cheung”), aged 32, was appointed as our independent non-executive director on 31 March 2023. He is an independent non-executive director of Hao Bai International (Cayman) Limited (stock code: 8431), a company listed on the GEM of the Stock Exchange. He was an executive director of Goldway Education Group Limited (stock code: 8160), a company listed on the GEM of the Stock Exchange, between April 2021 and September 2022 while he was also its chairman of the Board between January 2022 and September 2022.

Mr. HF Cheung obtained his Master of Business Administration Degree from The University of Chichester, United Kingdom. Mr. Cheung started his career in writing financial analysis and holding financial seminar as a finance columnist on various social media and newspaper in Hong Kong since January 2015, and founded Bofung Company Limited in July 2017. His financial investment course had over thousand of students. He is also a writer and published his own financial analysis book “財技 x 盤路倍升股全攻略” in Hong Kong and Taiwan, with more than 2,000 copies sold.

Ms. Ip Sin Nam (葉善嵐) (“Ms. SN IP”), aged 30, was appointed as our independent non-executive director on 19 December 2024, she graduated from Boston University with a Bachelor's of Arts in Psychology and a Bachelor's of Science in Communications, majoring in Public Relations. She has extensive experience in project management, marketing, and business development in the financial services industry. She has been serving as an independent non-executive director of Shanyu Group Holdings Company Limited (stock code: 8245) since 2 September 2022. She was an executive director of Goldway Education Group Limited (stock code: 8160) from 7 August 2023 to 26 July 2024.

SENIOR MANAGEMENT

Ms. Wong Sau Ting Peony (王秀婷) (“Ms. ST Wong”), aged 51, is responsible for and oversee our Group's catering business, strategic direction and business development. Ms. ST Wong graduated from the Chinese University of Hong Kong with a degree in bachelor of social science in May 1997 and a degree in master of business administration from University of South Australia in September 2005.

Mr. Li Kwun Ho Clarence (李觀豪) (“Mr. Clarence Li”), aged 61 was appointed as our Manager (Engineering Department) from 1 April 2022 to present. He is a Manager of Engineering and he is primary responsible for and oversee our Company's aviation business, strategy planning, business development and execution. Mr. Clarence Li graduated from the Ryerson Polytechnic Institute in Toronto Canada with an Aerospace degree in Bachelor of Engineering in May 1992. Mr. Li has over 28 years of experience in airport GSE and aviation maintenance organizations.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 March 2026.

CORPORATE GOVERNANCE PRACTICES

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

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees including the Audit and Risk Management Committee, the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) (together, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As at the date of this annual report, the Board comprised three executive Directors and three independent non-executive Directors:

Executive Directors:

Mr. Choi Pun Lap
Mr. Leung Wai Tai
Mr. Zhang Qifeng (appointed on 23 October 2025)(*Note 1*)

Independent Non-Executive Directors:

Mr. Lo Cheuk Fei Jeffrey
Mr. Cheung Hiu Fung
Ms. Ip Sin Nam

The biographies of the Directors are set out under the section headed “Directors and Senior Management” in this annual report.

Note 1:

On 23 October 2025, Mr. Zhang Qifeng has obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules and he has confirmed that he understood his obligations as a director of the Company.

CORPORATE GOVERNANCE REPORT

During the year, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

As each of the independent non-executive Directors has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules, the Company considers all of them to be independent parties.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

CHAIRMAN AND CHIEF EXECUTIVE

According to A.2.1 of the Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year, there was no chairlady or chairman of the Company.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board in accordance with the latest relevant rule.

Selection of candidates will be based on a range of factors, including diversity in gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and independence.

The final decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has reviewed the structure, size, composition and diversity of the Board and confirmed that the Company has maintained a balanced composition with a strong independent element on the Board. The Directors collectively possess diversified experience in management and broad industrial experience. Three independent non-executive Directors possess professional knowledge in accounting and finance, and business management, respectively. Further details of the Directors are set out in the section headed “Directors and Senior Management” in this report.

INDEPENDENT NON-EXECUTIVE DIRECTORS (“INEDS”)

The INEDs serve a critical function of advising the management on strategy development and ensure that the Board maintains high standards in financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interests of the shareholders and the Company as a whole.

The INEDs are all experienced with expertise in different areas of finance, accounting, industry knowledge and expertise. With their professional knowledge and experience, the INEDs advise the Company on its operation and management; provide independent advice; and participate in the Company's different committees including Audit Committee, Nomination Committee and Remuneration Committee. Each of the independent non-executive Directors has made annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and therefore considers each of them to be independent.

All of the Directors including both the executive Directors and the INEDs are appointed for a specific term. Each of the INEDs has entered into a letter of appointment with the Company for a period of one year subject to the rotation requirement and shall continue thereafter unless terminated by either party giving at least one month notice in writing. In accordance with the Company's Articles of Association and, at each Annual General Meeting (“AGM”) of the Company, one-third of the Directors will retire from office by rotation but will be eligible for re-election.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings. Having made specific enquiries to all the Directors and all the Directors had confirmed they have complied with the required standard of dealings and the code of conduct for directors' securities transactions during the year ended 31 March 2026.

CORPORATE GOVERNANCE REPORT

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 March 2026, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DELEGATION BY THE BOARD

The Board reserves its decisions on all major matters of the Company, including the approval and monitoring of major policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management. The delegated work tasks are reviewed periodically. Approval has to be obtained from the Board prior to any significant transactions occurred. The INEDs bring a wide range of business and expertise, independent judgement and experiences to the Board.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) Developing and reviewing the Company's policies and practices on corporate governance;
- (ii) Reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) Reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) Developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (v) Reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report;
- (vi) Developing, reviewing and monitoring the implementation of the shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance shareholders' relationship with the Company; and
- (vii) Reviewing and monitoring the Company's compliance with the Company's whistleblowing policy.

During the year, the above corporate governance duties have been duly performed and executed by the Board and the Board has reviewed the Company's compliance with the Code.

CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. Directors participated in courses relating to roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials.

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 March 2026 is as follows:

Name of Directors	Continuous professional development programmes
<i>Executive Directors</i>	
Mr. Choi Pun Lap	Yes
Mr. Leung Wai Tai	Yes
Mr. Zhang Qifeng (appointed on 23 October 2025)	Yes
<i>Independent non-executive Directors</i>	
Mr. Lo Cheuk Fei Jeffrey	Yes
Mr. Cheung Hiu Fung	Yes
Ms. Ip Sin Nam	Yes

The nature of continuous professional development programmes are reading seminar materials and updates relating to the latest development of the GEM Listing Rules and other applicable regulatory requirements.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

The Board meets regularly, and at least four times a year, in person or by telephone or by means of electronic communication. The Chairman or Chairlady also meets with the INEDs at least once a year without the presence of the executive Directors, but no Chairman or Chairlady was appointed during the year ended 31 March 2026. Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For all other Board and committee meetings, reasonable notice is generally given. All notices, agendas, schedules and the relevant information of each Board and committee meeting are generally made available to Directors or committee members in advance. The Board and each Director also have separate and independent access to the management whenever necessary.

The company secretary of the Company or the secretary to the board committees is responsible for taking and/or keeping minutes of all Board meetings and various committees' meetings in sufficient detail. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting is held, and the final version of the minutes is opened for Director's inspection.

During the year ended 31 March 2026, the Board convened a total of four meetings in person or by means of electronic communication. Attendance of each Director at the Board meetings is set out below:

Name of Directors	General Meeting Attended/Held	Board Meeting Attended/Held
<i>Executive Directors</i>		
Mr. Choi Pun Lap	1/1	4/4
Mr. Leung Wai Tai	1/1	4/4
Mr. Zhang Qifeng (appointed on 23 October 2025)	0/0	1/1
<i>Independent non-executive Directors</i>		
Mr. Lo Cheuk Fei Jeffrey	1/1	4/4
Mr. Cheung Hiu Fung	1/1	4/4
Ms. Ip Sin Nam	1/1	4/4

INDEPENDENT BOARD COMMITTEE

Where there are matters involving connected or continuing connected transactions, so far as required under the GEM Listing Rules, an Independent Board Committee, comprising wholly the INEDs, will be established.

BOARD COMMITTEES

The Board has established three committees, including the Remuneration Committee, the Nomination Committee and the Audit Committee with delegated powers for overseeing particular aspects of the Company's affair. Each of the committees of the Company has been established with written terms of reference.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was set up on 29 January 2018 in compliance with Appendix 15 of the GEM Listing Rules. With updated on 21 December 2022, the Company adopted a set of revised terms of reference of the remuneration committee in line with the GEM Listing Rules requirement. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the website of the Stock Exchange and the Company's website.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and determining the remuneration packages of all executive Directors and senior management. The Remuneration Committee is also responsible to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee will hold at least one meeting during the year. The members will review the remuneration package of Directors and the senior management of the Company.

The Remuneration Committee comprises five members namely:

Mr. Cheung Hiu Fung (*Chairman*)
Mr. Choi Pun Lap
Mr. Leung Wai Tai
Mr. Lo Cheuk Fei Jeffrey
Ms. Ip Sin Nam

Majority of the members are independent non-executive Directors.

During the year ended 31 March 2026, the Remuneration Committee convened two committee meeting.

Attendance of each Remuneration Committee member is set out below:

Name of Directors	Remuneration Committee Meeting Attended/Held
<i>Independent non-executive Directors</i>	
Mr. Cheung Hiu Fung (<i>Chairman</i>)	2/2
Mr. Lo Cheuk Fei Jeffrey	2/2
Ms. Ip Sin Nam	2/2
<i>Executive Directors</i>	
Mr. Choi Pun Lap	2/2
Mr. Leung Wai Tai	2/2

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The Company has established a Nomination Committee on 29 January 2018 for making recommendations to the Board on appointment of Directors and succession planning for the Directors. On 31 December 2018, the Company adopted a set of revised terms of reference of the Nomination Committee in line with the GEM Listing Rules requirement. The terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the website of the Stock Exchange and the Company's website.

The principal duties of the Nomination Committee include reviewing the Board structure, size and diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service); make recommendations on any proposed changes to the Board to implement the Company's corporate strategy; identify and nominate appropriate candidates to fill vacancies of Directors for the Board's approval; assess the independence of the INEDs and review the board diversity policy. The nomination procedures are set out as follows:

1. The secretary of the Nomination Committee shall call a meeting and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
2. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
3. Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.
4. In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.
5. A shareholder can serve a notice to the company secretary within the lodgement period of its intention to propose a resolution to elect a certain person as an INED, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.
6. A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary.
7. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.
8. As there may be more candidates than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as an INED, shareholder proposed resolutions shall therefore take the same form as the resolutions proposed for the candidates recommended by the Board.

CORPORATE GOVERNANCE REPORT

Currently, the Nomination Committee comprises five members namely:

Independent non-executive Directors

Mr. Lo Cheuk Fei Jeffrey

Mr. Cheung Hiu Fung

Ms. Ip Sin Nam

Executive Directors

Mr. Choi Pun Lap (*Chairman*)

Mr. Leung Wai Tai

Majority of the members are independent non-executive Directors.

Pursuant to the terms of reference of the Nomination Committee, meeting shall be held at least once a year and additional meetings should be held if the committee shall so request.

During the year ended 31 March 2026, the Nomination Committee convened two committee meetings.

Attendance of each Nomination Committee member is set out below:

Name of Directors	Nomination Committee Meeting Attended/Held
<i>Independent non-executive Directors</i>	
Mr. Lo Cheuk Fei Jeffrey	2/2
Mr. Cheung Hiu Fung	2/2
Ms. Ip Sin Nam	2/2
<i>Executive Directors</i>	
Mr. Choi Pun Lap	2/2
Mr. Leung Wai Tai	2/2

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Company has established an Audit Committee on 29 January 2018 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. On 31 December 2018, the Company adopted a set of revised terms of reference of the Audit Committee in line with the GEM Listing Rules requirement. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the website of the Stock Exchange and the Company's website. The primary duties of the Audit Committee are mainly to:

- Make recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor
- Review the adequacy of the Group's policies and systems regarding risk management and internal controls
- Review the financial reporting principles and practices applied by the Group in preparing its financial statements
- Before audit commencement, review external auditor's independence, objectivity, effectiveness of the audit process and the scope of the external audit, including the engagement letter
- Monitor integrity of the Group's financial statements and the annual, quarterly and interim financial reports, and review significant financial reporting judgements contained in them prior to approval by the Board

Currently, the Audit Committee comprises three INEDs as follows:

Mr. Lo Cheuk Fei Jeffrey (*Chairman*)
Mr. Cheung Hiu Fung
Ms. Ip Sin Nam

CORPORATE GOVERNANCE REPORT

Pursuant to the terms of reference of the Audit Committee, meetings shall be held not less than three times per year and additional meetings should be held as the work of the Committee demands. During the year ended 31 March 2026, the Audit Committee convened 3 committee meetings. The Audit Committee attended the audit committee planning meeting with the auditors, reviewed the Group's annual results and annual report for the year ended 31 March 2025 and interim results for the six months ended 30 September 2025. The Audit Committee also discussed internal controls, risk management, financial reporting and change of auditor matters. Attendance of each Audit Committee member is set out below:

Name of Directors	Audit Committee Meeting Attended/Held
<i>Independent non-executive Directors</i>	
Mr. Lo Cheuk Fei Jeffrey (<i>Chairman</i>)	3/3
Mr. Cheung Hiu Fung	3/3
Ms. Ip Sin Nam	3/3

All the members are independent non-executive Directors (including at least one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors. The Group's consolidated financial statements for the year ended 31 March 2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2026 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, major business developments, corporate governance and other material information), to enable the shareholders and the potential investors to make an informed decision on their investments in the shares and other securities of the Company, and to actively participate in the activities organised by the Company for them.

The Company has established several channels to communicate with the shareholders as follows:

- 1) The Company communicates with the shareholders and the potential investors through various channels, including financial reports (annual and half-yearly), annual general meetings and extraordinary general meetings, announcements and circulars;
- 2) The Company will monitor and review regularly the process of its general meeting and, where necessary, make appropriate changes to ensure that shareholders' needs are best served;
- 3) Board members, in particular, either the chairmen or deputy chairmen of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer the shareholders' questions;
- 4) Information published by the Company pursuant to the GEM Listing Rules will be made available on the website of the Stock Exchange www.hkexnews.hk and the Company's website www.simplicityholding.com (such as its history and developments, products and services, awards and achievements etc) to enable the shareholders and the potential investors to have better understanding of the Company and its latest development;
- 5) The Hong Kong share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

Since 7 August 2023, there was no change to the Company's second amended and restated Articles of Association.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

The Company does not have an internal audit department and is currently of the view that there is no immediate need to set up an internal audit department within the Group in light of the size, nature and complexity of the business of the Group. The Board has overall responsibility for formulation and overseeing the implementation of the internal control measures and effectiveness of risk management system, which is designed to provide reasonable assurance regarding the achievement of objectives, safeguard assets against unauthorised use or misappropriation, ensure maintaining proper accounting records for the provision of reliable financial information for internal use or publication, execution with appropriate authority and to ensure compliance of the relevant laws and regulations. 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 Board understands that no one system will preclude all errors and irregularities.

The Board reviews the effectiveness of the Group's material internal controls and considers the Group's internal control system is designed to manage reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective. The system includes a defined management structure with segregation of duties. The Board is of the view that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. Based on information furnished to it and on its own observations, the Board is satisfied with present internal controls of the Group.

The Company maintains a framework for the handling and dissemination of inside information and the disclosure policy of the framework sets out the procedures and internal controls to ensure inside information remains confidential until such information is appropriately disclosed and the announcement of such information is made in a timely manner in compliance with the GEM Listing Rules.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements of the Group for the year ended 31 March 2026, the Directors are responsible for maintaining proper accounting records which reflect with reasonable accuracy the state of affairs, operating results, cash flows and equity movement of the Group at any time. The Directors confirm that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The Group's independent external auditor is Fan, Chan & Co. Limited ("**Fan, Chan**"). The remuneration for the audit and non-audit services provided by Fan, Chan to the Group during the year ended 31 March 2026 was approximately as follows:

Type of Services	Amount HK\$'000
Audit	680
Non-audit services	—
Total	<u>680</u>

COMPANY SECRETARY

Mr. Choi Pun Lap has been appointed as company secretary on 26 April 2022. The role of the company secretary is to be responsible for ensuring that Board's procedures are followed and facilitating communications among Directors as well as with shareholders and management. Mr. Choi confirmed that they have taken no less than 15 hours of relevant professional training during the year ended 31 March 2026, which met the requirements of Rule 5.15 of the GEM Listing Rules.

DIVIDEND POLICY

The Company has adopted a dividend policy on 31 December 2018 which sets out the principles and measures on how the Company may propose a dividend.

The Board will take into account the following factors when considering the payment of dividends:

- (a) the Company's actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Group;
- (c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group's contracting parties;
- (e) the Group's expected working capital requirements and future expansion plans;
- (f) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- (g) any other factors that the Board may deem appropriate.

Any declaration and payment of future dividends under the dividend policy will be subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole. In addition, the declaration and payment of dividends may be subject to legal restrictions or any applicable laws, rules and regulations and the second amended and restated Articles of Association of the Company.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

To safeguard shareholders' interests and rights, a separate resolution is proposed for each issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the website of the Company and the Stock Exchange in a timely manner after each shareholder meeting.

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

Enquiries to the Board

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available to the company secretary of the Company who is responsible for forwarding communications relating to matters within the Board and communication relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the senior management.

Putting forward proposals at a general meeting

Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at shareholders' meetings. The proposals shall be sent to the company secretary of the Company by a written requisition. Shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in "Procedures for shareholders to convene an extraordinary general meeting" above.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The second amended and restated Articles of Association of the Company was approved and adopted by Shareholders on 7 August 2023. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

DIRECTORS' REPORT

The Directors of the Company are pleased to present their report together with the audited financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 37 to the consolidated financial statements. The principal activities of the Group are business of catering and engineering, aircraft's engine stand repairing and maintenance services and other related services and sales of agricultural products.

BUSINESS REVIEW

The business review of the Group, including a discussion of the principal risks and uncertainties facing by the Group, an indication of likely future developments in the Group's business, and an analysis using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 8 to 13 of this Annual Report. Those discussions form part of this Directors' Report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2026 and the financial position of the Group as at that date is set out in the consolidated financial statements on pages 47 to 115.

The Directors did not recommend the payment of any dividend in respect of the year ended 31 March 2026.

As at the date of this report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group is set out on page 116 of the Annual Report.

CAPITAL STRUCTURE

The shares of the Company are listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group for the year ended 31 March 2026 except for the placing during the year, details are set out in note 27 to the consolidated financial statements. The capital of the Group only comprised of ordinary shares.

Financial Resources and Liquidity

As at 31 March 2026, current assets amounted to approximately HK\$16.3 million (as at 31 March 2025: approximately HK\$33.9 million), of which approximately HK\$4.0 million (as at 31 March 2025: approximately HK\$6.7 million) was bank balances and cash, approximately HK\$10.3 million (as at 31 March 2025: approximately HK\$24.0 million) was trade and other receivables, deposits and prepayments. The Group's current liabilities amounted to approximately HK\$33.6 million (as at 31 March 2025: approximately HK\$46.4 million) which primarily consisted of bank and other borrowings, trade and other payables and lease liabilities. Current ratio (calculated based on the total current assets divided by total current liabilities) and quick ratio (calculated based on the total current assets less inventories divided by total current liabilities) were 0.48 and 0.43 respectively (as at 31 March 2025: 0.73 and 0.69 respectively).

DIRECTORS' REPORT

Gearing ratio is calculated based on the borrowings representing the sum of interest-bearing bank borrowings divided by total equity at the end of the year and multiplied by 100%. Gearing ratio was negative 15.2% (as at 31 March 2025: 30.3%).

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE “2025 PLACING”)

2025 Placing

On 12 September 2025, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent Placees for up to 13,800,000 new Shares at a price of HK\$0.180 per Placing Share, for and on behalf of the Company. The maximum number of 13,800,000 Placing Shares represents approximately 19.99% of the entire issued share capital of the Company of 69,049,984 Shares as at 12 September 2025 and approximately 16.67% of the Company's entire issued share capital as enlarged by the Placing. The net proceeds from the Placing of approximately HK\$2.43 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital of the Group. All the conditions precedent set out in the Placing Agreement have been fulfilled and the Placing was completed on 3 October 2025 and 13,800,000 new Shares were issued to not less than six Placees at the Placing Price. Details are set out in the Company's announcement dated 12 September 2025 and 3 October 2025.

The following table sets forth the status of use of proceeds from the 2025 Placing:

Intended use of net proceeds from the 2025 Placing HK\$'000	Utilised net proceeds from the 2025 Placing as at 31 March 2026 HK\$'000	Unutilised net proceeds from the 2025 Placing as at 31 March 2026 HK\$'000	Expected timeline for net proceeds from the 2025 Placing to be fully utilised
General working capital of the Group	2,430	—	N/A

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this Annual Report, the Group did not have other plans for material investments or capital assets as of 31 March 2026.

UPDATES ON DIRECTOR'S INFORMATION

Upon specific enquiry by the Company and following confirmations from the Directors, save as set out below, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the year ended 31 March 2026 and up to the date of this report:

Mr. WT Leung was appointed as an independent non-executive director by Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (stock code: 9663) with effect on 29 June 2026.

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 50 and statement of changes in equity on page 113 respectively to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company had distributable reserves of approximately HK\$nil (as at 31 March 2025: HK\$nil).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director or a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of the Company's subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" below, share options granted was disclosed in note 30 for the year ended 31 March 2026.

DIRECTORS' REPORT

SHARE OPTION SCHEME

The former share option scheme of the Company (the “**Former Scheme**”) was adopted pursuant to a resolution passed by the Company’s shareholders on 29 January 2018 which was subsequently terminated on 18 January 2024. In view of the amendments to Chapter 23 of the GEM Listing Rule relating to share schemes which came into effect on 1 January 2023, the Company adopted a new share scheme (the “**New Share Scheme**”) pursuant to a resolution passed by the Company’s shareholders on 18 January 2024. The primary purpose of the New Share Scheme is to enable the Company to grant Options or Awards to the Participants as incentives or rewards for their contributions to the Company. The New Share Scheme will give the Participants an opportunity to have a personal stake in the Company and will help motivate the Participants to optimise their performance and efficiency and attract and retain or otherwise maintain a long-term relationship with the Participants whose contributions are or will be in line with the business objectives of the Company. Eligible participants of the New Share Scheme include any employees, any executives, Non-executive Directors (including Independent Non-executive Directors) of the Company or any of its subsidiaries.

The New Share Scheme will remain valid and effective for a period of 10 years commencing on the date on which the New Share Scheme is adopted, after which period no further share options and awards will be granted but the provisions of the New Share Scheme shall in all other respects remain in full force and effect and share options and awards which are granted during the life of the New Share Scheme may continue to be exercisable in accordance with their terms of issue.

The principal terms of which were summarised in the paragraph headed “Principal Terms of the New Share Scheme” in Appendix to the Company’s circular dated 22 December 2023.

For the year ended 31 March 2026 and 2025, share options were granted, exercised, expired or lapsed are disclosed in note 30 under the Share Option Scheme.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the significant related party transactions and connected transactions entered by the Group during the year ended 31 March 2026 are set out in note 35 to the consolidated financial statements.

DIRECTORS' REPORT

DIRECTORS

The Directors up to the date of this Annual Report are as follows:

Executive Directors

Mr. Choi Pun Lap
Mr. Leung Wai Tai
Mr. Zhang Qifeng (appointed on 23 October 2025)

Independent Non-Executive Directors

Mr. Lo Cheuk Fei Jeffrey
Mr. Cheung Hiu Fung
Ms. Ip Sin Nam

Pursuant to article 84 of the Articles of Association, one-third of the Directors for the time being shall retire from office by rotation and re-election at an annual general meeting of the Company in accordance with the Company's Articles of Association, providing that every Director shall be retired at least once every three years.

Appointment and Re-election of Directors

Each of our executive Directors has entered into a service agreement with the Company for a term of one year and shall continue thereafter unless terminated by not less than one month' notice in writing served by either party.

Each of our independent non-executive Director has entered into a letter of appointment with the Company for a term of one year, which may be terminated by not less than one month' notice in writing served by either party.

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

The procedures and process of appointment, re-election and removal of Directors are set out in the second amended and restated Articles of Association of the Company. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

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 and therefore considers each of them to be independent.

DIRECTORS' REPORT

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 11 and 12 to the consolidated financial statements.

The remuneration of the senior management of the Group for the year ended 31 March 2026 falls within the following band:

Remuneration band	Number of senior management
Up to HK\$1,000,000	2

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the Senior Management of the Group are set out on pages 14 to 15 of this Annual Report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2026.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2026.

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

As at 31 March 2026, the interests and short positions of the Directors and the 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 SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

As at 31 March 2026, none of the Directors and chief executive of the Company, except for Zhang Qifeng holding 1,620,000 Shares, had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' REPORT

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

So far as known to the Directors or chief executive of the Company, as at 31 March 2026, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Name	Capacity/nature	No. of shares held	Approximate % of shareholding
Smarty Task Limited (<i>note 1</i>)	Beneficial Interest	4,770,992	5.76%
Smarty Gain Limited (<i>note 1</i>)	Beneficial Interest	4,770,992	5.76%
Deng Xiaohu	Beneficial owner	9,680,000	11.68%
Li Hanshen	Beneficial owner	4,600,000	5.55%

Note:

(1) Smarty Task Limited and Smarty Gain Limited are 100% owned by Wong Sai Cheung.

Save as disclosed above, as at 31 March 2026, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Director is aware of, 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 Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2026, the aggregate revenue attributable to the Group's largest customer and the five largest customers taken together accounted for 47.9% and 84.0% of the Group's total revenue for the year ended 31 March 2026, respectively.

For the Year, the aggregate purchase attributable to the Group's largest supplier and the five largest suppliers taken together accounted for 45.9% and 82.8% of the Group's total purchase for the year ended 31 March 2026, respectively.

DIRECTORS' REPORT

None of the Directors or any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers or suppliers.

BORROWING

As at 31 March 2026, there was bank and other borrowings outstanding of approximately HK\$1.6 million (31 March 2025: approximately HK\$5.3 million).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the GEM Listing Rules during the year and up to the date of this Annual Report.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF

The Company is not aware of any relief from taxation available to Shareholders by reason of their holdings in the Shares.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and has been in force since 26 February 2018. The Company has taken on and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

EMPLOYEES AND REMUNERATION POLICIES

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.

As at 31 March 2026, the Group had 35 full-time and 5 part-time employees (as at 31 March 2025: 84 full-time and 21 part-time employees). Total staff costs (including Directors' emoluments) were approximately HK\$12.0 million for the year ended 31 March 2026 (2025: HK\$21.0 million). Details of the emoluments of the Directors, and five highest paid individuals during the year ended 31 March 2026 are set out in notes 11 and 12 to the consolidated financial statements.

Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee.

DIRECTORS' REPORT

ENVIRONMENTAL, POLICIES AND PERFORMANCE

The Group is committed to providing an environmental friendly culture and atmosphere within the Group. The Group has undertaken environmental protection measures such as (i) reduction of use of papers; (ii) minimisation of electricity consumption outside business hours; and (iii) recycling of waste cooking oil. As a responsible corporation, to the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection during the year ended 31 March 2026. A separate environmental, social and governance report is expected to be published on the websites of the Stock Exchange and the Company no later than three months after the end of the financial year.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on 17 September 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 19 September 2025 to Wednesday, 24 September 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to attend and vote at AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 18 September 2025. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM is Wednesday, 24 September 2025.

DONATIONS

Charitable donation made by the Group during the year ended 31 March 2026 was HK\$nil (2025: Nil).

SIGNIFICANT LEGAL PROCEEDINGS

During the year, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

EVENTS AFTER THE REPORTING DATE

There was no material events after the reporting date.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 16 to 30 of this annual report.

The compliance officer and company secretary of the Company is Mr. Choi Pun Lap. His biographical details are set out on page 14 of this annual report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 March 2026 and 2025 have been audited by Fan, Chan & Co. Limited ("**Fan, Chan**"). A resolution for the re-appointment of Fan, Chan and to authorise the Directors to fix its remuneration will be proposed at the forthcoming AGM.

PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.simplicityholding.com.

On behalf of the Board

Choi Pun Lap

Executive Director and Company Secretary
Hong Kong, 30 June 2026

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Simplicity Holding Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Simplicity Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 115, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of the financial statements of public interest entities. We have also 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 of the consolidated financial statements, which states that the Group incurred a net loss of approximately HK\$30,539,000 for the year ended 31 March 2026 and as at 31 March 2026, the Group's net liabilities, net current liabilities and total current liabilities amounted to approximately HK\$10,525,000, HK\$17,310,000 and HK\$33,589,000 respectively while its total cash and cash equivalents only amounted to HK\$3,968,000. These conditions, along with other matters as set out in note 3 to the consolidated financial statements, indicate 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.

INDEPENDENT AUDITOR'S REPORT

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, we have determined the matter 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

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

At 31 March 2026, the carrying amounts of the Group's property, plant and equipment and right-of-use assets were HK\$6.6 million and HK\$3.7 million respectively, which represented approximately 24.0% and 13.6% of the total assets of the Group.

Management is required to perform impairment assessment on property, plant and equipment and right-of-use assets where indicators of impairment are identified in respect of these assets. For the purpose of assessing impairment, these assets were allocated to the respective cash-generating units (“CGUs”), and management has assessed the recoverable amount of these assets based on recoverable amounts of the CGUs. Recoverable amount is the higher of value in use and fair value less costs of disposal of the CGUs. In carrying out the impairment assessment, significant management judgement was used to appropriately identify the CGUs which have indicators of impairment and to determine the key assumptions and estimations for adoption in the estimation of the recoverable amounts of the CGUs.

We identified the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter due to the significance of their balances to the consolidated financial statements and the significant judgements and estimations involved in the impairment assessment.

Our audit procedures in relation to the management's impairment assessment of property, plant and equipment and right-of-use assets included the following:

- assessing the appropriateness of the management's identification of CGUs which have indicators of impairment based on our understanding of the Group's business;
- discussing and evaluating management's identification of indicators of impairment;
- assessing the valuation methodologies applied in the estimation of recoverable amounts of the CGUs;
- assessing the appropriateness and reasonableness of key assumptions, inputs and estimates used in the value-in-use valuation; and
- checking the arithmetical accuracy of calculations.

INDEPENDENT AUDITOR'S REPORT

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of intangible assets and goodwill

As at 31 March 2026, the net carrying amounts of customer relationship intangible assets and goodwill before recognition of impairment loss for the year then ended were approximately HK\$4.1 million and HK\$11.7 million respectively. These assets belong to the CGU comprising the Group's reportable segment of aircraft's engine stand repairing and maintenance services and other related services.

Management has performed impairment test on the intangible assets and goodwill in accordance with the Group's accounting policies. During the year ended 31 March 2026, impairment loss on goodwill and intangible assets of approximately HK\$11.7 million and HK\$4.1 million were recognised respectively. This assessment was based on the value-in-use calculations of the CGU.

We have identified impairment assessment of customer relationship intangible asset and goodwill as a key audit matter because of (i) their significance to the consolidated financial statements and (ii) the value-in-use calculations of the CGU involves significant management judgement and estimates with respect to the underlying cash flows, in particular the projected revenue growth from aircraft's engine stand repairing and maintenance services.

Our procedures in relation to management's impairment assessment of intangible assets and goodwill included:

- understanding the management's internal control and assessment process of impairment assessment of the intangible assets and goodwill;
- considering and assessing the historical accuracy of management's budgeting processes;
- evaluating the independent valuer's competence, capabilities and objectivity;
- conducting in-depth discussions with management and the independent valuer about the cash flow projections used in the value-in-use calculations and assessing the appropriateness of the significant assumptions and critical judgement areas which affect the value-in-use calculations;
- benchmarking the growth rates and discount rates used in the value-in-use calculations against independent industry data and comparable companies; and
- evaluating and assessing the appropriateness and reasonableness of the key assumptions used in the value-in-use calculations.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagements, 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.

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fan, Chan & Co. Limited

Certified Public Accountants

Yee Wai Man

Practising Certificate Number: P05594

Hong Kong, 30 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	6	71,310	97,763
Other income	7	428	579
Other gains and losses, net	7	532	(2,356)
Raw materials and consumables used		(25,860)	(47,537)
Staff costs		(12,031)	(21,027)
Depreciation and amortisation expense		(10,727)	(10,626)
Rental and related expenses		(732)	(1,107)
Utilities expenses		(617)	(1,217)
Impairment loss on goodwill		(11,722)	(9,000)
Impairment loss on intangible assets		(4,063)	—
Impairment loss under expected credit loss model for trade receivables, net of reversal		(930)	(467)
Other expenses		(36,439)	(24,992)
Finance costs	8	(484)	(925)
Loss before tax	9	(31,335)	(20,912)
Income tax credit	10	796	59
Loss for the year		<u>(30,539)</u>	<u>(20,853)</u>
Other comprehensive expense			
Item that will be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		(8)	—
Other comprehensive expense for the year, net of tax		<u>(8)</u>	<u>—</u>
Total comprehensive expense for the year		<u>(30,547)</u>	<u>(20,853)</u>
Loss for the year attributable to:			
– owners of the Company		(30,539)	(20,853)
– non-controlling interest		—	—
		<u>(30,539)</u>	<u>(20,853)</u>
Total comprehensive expense for the year attributable to:			
– owners of the Company		(30,547)	(20,853)
– non-controlling interests		—	—
		<u>(30,547)</u>	<u>(20,853)</u>
Loss per share			
Basic (HK cents)	14	(40.28)	(34.48)
Diluted (HK cents)		<u>(40.28)</u>	<u>(34.48)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	15	6,602	12,218
Right-of-use assets	16	3,723	8,116
Deferred tax assets	28	—	871
Goodwill	17	—	11,722
Intangible asset	18	—	6,183
Deposits	20	862	1,045
Total non-current assets		11,187	40,155
Current assets			
Inventories	19	1,743	2,035
Trade and other receivables, deposits and prepayments	20	10,305	24,002
Financial assets at fair value through profit or loss	21	251	410
Tax recoverable		12	765
Bank balances and cash	22	3,968	6,728
Total current assets		16,279	33,940
Current liabilities			
Trade and other payables and accruals	23	29,647	38,482
Bank and other borrowings	25	1,130	2,282
Lease liabilities	26	2,812	5,644
Total current liabilities		33,589	46,408
Net current liabilities		(17,310)	(12,468)
Total assets less current liabilities		(6,123)	27,687

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current liabilities			
Deferred tax liabilities	28	1,325	2,955
Defined benefit plan obligations	29	447	372
Provision for reinstatement	24	480	480
Bank and other borrowings	25	473	3,010
Lease liabilities	26	1,677	3,365
Total non-current liabilities		4,402	10,182
Net (liabilities)/assets		(10,525)	17,505
Capital and reserves			
Share capital	27	8	13,811
Reserves		(10,533)	3,727
Equity attributable to owners of the Company		(10,525)	17,538
Non-controlling interests		—	(33)
Total (deficit)/equity		(10,525)	17,505

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2026 and are signed on its behalf by:

Choi Pun Lap
Director

Leung Wai Tai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Share capital HK\$'000	Share Premium (note (a)) HK\$'000	Other reserves (note (b)) HK\$'000	Share-based payment reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 April 2024	11,508	98,496	(8,669)	4,600	—	(71,458)	34,477	(33)	34,444
Placing of shares	2,303	1,611	—	—	—	—	3,914	—	3,914
Loss and total comprehensive expenses for the year	—	—	—	—	—	(20,853)	(20,853)	—	(20,853)
As at 31 March 2025 and 1 April 2025	13,811	100,107	(8,669)	4,600	—	(92,311)	17,538	(33)	17,505
Capital reorganisation (note 27(d))	(13,804)	—	—	—	—	13,804	—	—	—
Placing of shares (note 27(c))	1	2,483	—	—	—	—	2,484	—	2,484
Derecognition of Subsidiaries (note 37)	—	—	—	—	—	—	—	33	33
Loss for the year	—	—	—	—	—	(30,539)	(30,539)	—	(30,539)
Exchange differences on translating foreign operation	—	—	—	—	(8)	—	(8)	—	(8)
Total comprehensive expenses for the year	—	—	—	—	(8)	(30,539)	(30,547)	—	(30,547)
As at 31 March 2026	8	102,590	(8,669)	4,600	(8)	(109,046)	(10,525)	—	(10,525)

Notes:

- (a) As at 31 March 2023, share premium was the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares were listed on GEM of the Stock Exchange in previous years. During the year ended 31 March 2024, the consideration shares issued for the acquisition of a subsidiary for the year ended 31 March 2023 were reclassified from financial liabilities at fair value through profit or loss to share capital and share premium. The details of placing of shares during the years ended 31 March 2026 and 31 March 2025 are set out in notes 27(a) and 27(c).
- (b) As at 31 March 2026 and 2025, other reserves represented the difference between the aggregated capital of subsidiaries arising from the group reorganisation and the shareholders' contribution arising from the acquisition of additional interest in subsidiaries in previous years.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES			
Loss before tax		(31,335)	(20,912)
Adjustments for:			
Bank interest income	7	(16)	(129)
Finance costs	8	484	925
Amortisation of intangible assets	9	2,120	2,120
Depreciation:			
– owned property, plant and equipment	9	2,308	2,457
– leased right-of-use assets	9	6,299	6,049
Gain on disposal of property, plant and equipment	7	(22)	(5)
Gain on termination of lease	7	(23)	(150)
Loss on derecognition of subsidiaries		33	—
Impairment of goodwill	17	11,722	9,000
Impairment of intangible assets	18	4,063	—
(Gain)/loss on disposal of financial assets at FVTPL	7	(438)	1,860
Provision for impairment of property, plant and equipment	7	—	67
Provision for impairment of right-of-use assets	7	—	586
Written off of property, plant and equipment	9	—	140
Fair value gain on financial assets at FVTPL	7	(59)	(2)
Provision for impairment of trade and other receivables, net of reversal		930	467
Reversal of provision for reinstatement	24	—	(283)
Operating cash flows before movements in working capital		(3,934)	2,190
Decrease in inventories		292	1,873
Decrease/(increase) in trade and other receivables, deposits and prepayments		12,950	(13,364)
(Decrease)/increase in trade and other payables and accruals		(8,835)	22,859
Increase in defined benefit plan obligations		75	42
Cash generated from operation		548	13,600
Tax refund/(paid)		790	(919)
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,338	12,681

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,595)	(11,754)
Disposal of property, plant and equipment		5,925	60
Disposal of financial assets at FVTPL		656	680
Interest received	7	16	129
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		4,002	(10,885)
FINANCING ACTIVITIES			
Placing of shares		2,484	3,914
Proceed from bank and other borrowings		—	4,000
Repayment of bank and other borrowings		(3,924)	(4,028)
Repayment of principal portion of lease liabilities		(6,403)	(7,057)
Repayment of interest portion of lease liabilities		(249)	(427)
NET CASH USED IN FINANCING ACTIVITIES		(8,092)	(3,598)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,752)	(1,802)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		6,728	8,530
Exchange of foreign exchange rate changes, net		(8)	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH		3,968	6,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 27 January 2017 and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 February 2018. The address of the Company’s registered office and the principal place of business is disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company and its subsidiaries are principally engaged in restaurant operations, sales of food ingredients and beverage, aircraft’s engine stand repairing and maintenance services and sales of agricultural products. Details are set out in note 37.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates — Lack of exchangeability, issued by the HKICPA that are first effective for the current accounting period of the Group for the preparation of the consolidated financial statements. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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

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

The Group has not applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a significant impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
• Amendments to HKFRS 9 and HKFRS 7, Contracting referencing nature-dependent electricity	1 January 2026
• Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
• Amendments to HKAS 21, Translation to a Hyperinflationary Presentation Currency	1 January 2027
• Amendments to HKFRS Accounting Standards, Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
• HKFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss (“FVTPL”), that are measured at fair value at the end of each reporting period, as explained in the material accounting policy information set out below.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”) which is also the functional currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

3. BASIS OF PREPARATION *(Continued)*

(d) Going concern basis

The Group incurred a net loss of approximately HK\$30,539,000 for the year ended 31 March 2026 and as at 31 March 2026, the Group's net liabilities, net current liabilities and total current liabilities amounted to approximately HK\$10,525,000, HK\$17,310,000 and HK\$33,589,000 respectively while its total cash and cash equivalents amounted to only HK\$3,968,000. These conditions cast significant doubt on the Group's ability to continue as a going concern. The validity of the use of the going concern basis in the preparation of the consolidated financial statements is dependent upon the Group's ability to generate adequate cash flows in order to meet its obligations as and when the obligations fall due.

Notwithstanding the above results and financial condition, the consolidated financial statements have been prepared on a going concern basis after taking into consideration of the following circumstances and financing arrangements:

The directors of the Company are implementing plans and measures to improve the revenue and financial performance of the businesses of the Group.

On 30 June 2026, the Company entered into an agreement with an independent third-party financial institution whereby a loan facility with a limit of total HK\$25,000,000 was granted to the Company for a period of 18 months, with a loan facility limit of HK\$20,000,000 for the first 12 months and additional loan facility limit of HK\$5,000,000 for the subsequent 6 months.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, 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 the date of approval of the consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainty. Should the Group be unable to continue to operate as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to write down the carrying value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Fair value

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(c) Subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(d) Goodwill

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro-rata basis on the carrying amount at each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment are depreciated so as to write off their cost over their estimated useful lives on a straight-line basis. The useful lives are as follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	Over 3–5 years
Kitchen equipment	Over 3–5 years
Other equipment	Over 3–5 years
Motor vehicles	Over 3–5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount. The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Intangible assets

- (i) Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss. Amortisation is provided on a straight-line basis over their useful lives as follows.

Customer relationship	5 years
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(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

(g) Leases

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(g) Leases *(Continued)*

The Group as a lessee *(Continued)*

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

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

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 calculating 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.

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

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

(h) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments in below measurement category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as financial assets at FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for ECL on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other instruments, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Financial instruments *(Continued)*

(iii) Write-off policy

The gross carrying amount of financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iv) Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

For a single contract with a customer, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities arising from unrelated multiple contracts are not presented on a net basis.

(v) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and accruals and bank and other borrowings, are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Financial instruments *(Continued)*

(vi) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vii) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(viii) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method.

(j) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties.

Revenue from restaurant operation is recognised at a point in time when the food or catering service has been served, at which point in time customer payments are made to the Group upon completion of food or catering service.

Revenue from provision of agency services in relation to sales of agricultural products where the Group is considered as acting as agent is recognised at a point in time when the service is completed, which is when control of the goods is transferred to the customers, at which point in time customer payments for the goods are made to the Group upon completion of delivering of goods. The revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services, which is the net amount of the gross customer invoiced amount less gross supplier invoiced amount.

Revenue from sales of food ingredients is recognised at the point that the control of the inventory has passed to the customers, which is primarily upon the acceptance of the goods by the customers. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(j) Revenue recognition *(Continued)*

Revenue from aircraft's engine stand repairing and maintenance services contracts with its customers is recognised over time based on the completion status of the respective service contract. The service contract period is typically less than one year. The management considers that this input method, which is to recognise revenue based on the proportion of costs incurred to date relative to the estimated total costs expected to complete the repair and maintenance service contract, is an appropriate measure of the progress towards complete satisfaction of the performance obligation.

Revenue from aircraft's engine stand warehouse storage service is recognised over time based on the monthly storage fees. The service contract period is varied for the customers.

Revenue from aircraft engine logistics service is recognised at the point that the engine has passed to the customers, which typically occurs upon the customer's acceptance of the engine. The customers have full discretion over the engine, and there is no unfulfilled obligation that could affect the customers' acceptance of the engines.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

(k) Retirement benefits costs

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

The Group contributes to a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. Contributions are made based on a percentage of the employees' relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed in the MPF Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(k) Retirement benefits costs *(Continued)*

(ii) **Defined contribution retirement plan** *(Continued)*

Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

(iii) **Termination benefits**

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(l) **Share-based payments**

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the employee share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

(m) **Income taxes**

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Income taxes *(Continued)*

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

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(n) Borrowing costs

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

(o) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reliably estimated.

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

(p) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined the Group's service lines stated in note 6.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRS Accounting Standards, except interest income, unallocated finance costs, and unallocated corporate expenses, which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(q) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- goodwill;
- intangible asset; and
- investments in subsidiaries.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash-generating unit, 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 or cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(r) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(s) 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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) 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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

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

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Estimation of useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the management's experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management of the Group will accelerate the depreciation charge where the economic useful lives are shorter than previously estimated due to removal or closure of restaurants. The management of the Group will also write-off or write-down the carrying value of the items which are technically obsolete or non-strategic assets that have been abandoned. Actual economic useful lives may differ from estimated economic useful lives.

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

The Group determines whether property, plant and equipment, right-of-use assets and intangible assets are impaired when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying values of these assets exceed their recoverable amounts, which is the higher of their fair values less costs of disposal and their value in use. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows.

In addition, management of the Group assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment, right-of-use assets and intangible assets may not be recoverable. When the recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets differ from the original estimates, adjustment will be made and recognised in the period in which such event takes place. As at 31 March 2026, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are approximately HK\$6,602,000 (2025: HK\$12,218,000), HK\$3,723,000 (2025: HK\$8,116,000) and HK\$Nil (2025: HK\$6,183,000) respectively.

Impairment testing of goodwill

Determining whether goodwill impaired requires an estimation of the value in use of the cash-generating units to which goodwill have been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit ("CGU") and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of impairment charge, key assumptions and impact of possible changes in key assumptions are disclosed in note 17.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of trade and other receivables

Impairment is made based on assessment of the expected credit losses of trade and other receivables using a provision matrix by past due status. The identification of impairment requires management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of trade and other receivables and impairment made/reversed in the period in which the estimate has been changed.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received or receivable from the operation of restaurants, food ingredients and beverage, and aircraft's engine stand repairing and maintenance services, aircraft engine logistic services and warehouse storage services in Hong Kong, and the sales of agricultural products in the People's Republic of China during the year.

Revenue

The amounts of each significant category of revenue recognised during the reporting period were disaggregated as follows:

	2026 HK\$'000	2025 HK\$'000
By timing of revenue recognition:		
On a point in time basis:		
Commission income from agricultural products	30	—
Revenue from restaurant operations	9,266	19,909
Revenue from food ingredients and beverage operations		
– sales of wine	817	323
Revenue from provision of aircraft engine logistics services	22,459	6,407
	32,572	26,639
On over time basis:		
Income of aircraft engine stand repairing and maintenance services	36,307	66,781
Income of provision of warehouse storage services	2,431	4,343
	71,310	97,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Transaction price allocated to the remaining performance obligation for contracts with customers

All the contracts for food ingredients and beverage operations, aircraft engine stand repairing and maintenance services, warehouse storage services and aircraft engine logistics services and sales of agricultural products are for original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment revenue and results

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on styles of cuisine serving by the Group's restaurants to the customers and the type of services provided by the Group.

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

1. Chinese cuisine — Operations of Chinese cuisine restaurants under the brand of "Marsino".
2. Thai cuisine — Operations of Thai cuisine restaurants under the brand of "555 Thai Fusion".
3. Malaysian cuisine — Operations of Malaysian cuisine restaurants under the brand of "Baba Nyonya".
4. Food ingredients and beverages operations — Sales of wine to external third parties.
5. Aircraft's engine stand repairing and maintenance services and other related services — Provision of aircraft engine stand repairing and maintenance services and warehouse storage services, and of logistics services for aircraft engines.
6. Agricultural products — Provision of agency services in relation to the sales of eggs to external third parties.

The material accounting policy information of the operating segments are the same as the Group's material accounting policy information described in note 4. No operating segments have been aggregated to arrive at the reportable segments of the Group. Segment revenues are all revenue generated from external customers and there was no inter-segment revenue. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of central administration costs, impairment of goodwill and intangible asset, directors' emoluments, share-based payment expenses, bank interest income, certain gains or losses and finance cost on general working capital borrowings.

Revenue from contracts with customers

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

Revenue from restaurant operations

The performance obligation is recognised at a point in time when control of the products is transferred to the customer, being at the point the customer buys the food at the restaurants. Payment of the transaction price is due immediately at the point the customer buys the food at the restaurants.

Provision of agency services in relation to sales of eggs

The performance obligation is completed at a point in time when the services on arranging sales of eggs are completed. Payment is generally paid after the agency services are provided. All the contracts in relation to sales are for original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Revenue from contracts with customers (Continued)

Sales of wine to third parties

The performance obligation is recognised at a point in time when control of the products is transferred to the customer, being at the point the customer purchases on delivery of the wine. Payment of the transaction price is due at the point the customer purchases the wine.

Provision of aircraft engine stand repairing and maintenance services and other related services

The Group provides aircraft engine stand repairing and maintenance services and warehouse storage services. For aircraft engine stand repairing and maintenance services, the performance obligation is satisfied over time and payments are normally required after rendering the services. The Group also provides warehouse storage services to its customers for storage of their aircraft engine stands before and/or after the repair and maintenance service work have been carried out. The performance obligation for provision of warehouse storage services is satisfied over the duration of the storage period. The Group's enforceable right to the payment for provision of repairs and maintenance services and warehouse storage services in respect of aircraft engine stands is subject to the completion of the whole services. The services periods are one year or less.

The Group also provides aircraft engine logistics services, whereby the Group provides such services to its customers to transport their aircraft engines from and to the location of the customers. The performance obligation is satisfied at a point of time that the logistic services are completed when the engine is delivered to the customer or to the location specified by the customer. Payments are normally required after rendering the services.

Year ended 31 March 2026

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Agricultural products HK\$'000	Total HK\$'000
Segment revenue	906	8,360	—	817	61,197	30	71,310
Segment loss	(706)	(1,442)	(2,842)	(1,412)	(3,508)	(278)	(10,188)
Impairment of goodwill							(11,722)
Impairment of intangible asset							(4,063)
Unallocated corporate costs							(5,800)
Gain on disposal of financial assets at FVTPL							438
Loss before tax							(31,335)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

Year ended 31 March 2025

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Total HK\$'000
Segment revenue	8,959	9,699	1,251	323	77,531	97,763
Segment (loss)/profit	(1,677)	(1,981)	(4,537)	(860)	3,165	(5,890)
Unallocated other income and other gains						83
Unallocated corporate costs						(4,245)
Impairment of goodwill						(9,000)
Loss on disposal of financial assets at FVTPL						(1,860)
Loss before tax						(20,912)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

As 31 March 2026

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Agricultural products HK\$'000	Total HK\$'000
Segment assets	<u>578</u>	<u>2,658</u>	<u>391</u>	<u>672</u>	<u>16,226</u>	<u>2,710</u>	23,235
Financial assets at FVTPL							251
Tax recoverable							12
Bank balances and cash							<u>3,968</u>
Consolidated total assets							<u>27,466</u>
Segment liabilities	<u>6,330</u>	<u>5,109</u>	<u>8,697</u>	<u>772</u>	<u>10,236</u>	<u>3,022</u>	34,166
Unallocated trade and other payables and accruals							2,500
Deferred tax liabilities							<u>1,325</u>
Consolidated total liabilities							<u>37,991</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

As 31 March 2025

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Total HK\$'000
Segment assets	<u>1,684</u>	<u>4,813</u>	<u>2,496</u>	<u>2,973</u>	<u>53,355</u>	65,321
Deferred tax assets						871
Tax recoverable						765
Financial assets at FVTPL						410
Bank balances and cash						<u>6,728</u>
Consolidated total assets						<u>74,095</u>
Segment liabilities	<u>7,091</u>	<u>9,892</u>	<u>6,835</u>	<u>2,416</u>	<u>26,286</u>	52,520
Unallocated trade and other payables and accruals						1,115
Deferred tax liabilities						<u>2,955</u>
Consolidated total liabilities						<u>56,590</u>

For the purposes of monitoring segment performances and allocating resources between segments

- all assets are allocated to operating and reportable segments, other than deferred tax assets and financial assets at FVTPL, tax recoverable and bank balances and cash.
- all liabilities are allocated to operating and reportable segments, other than certain trade and other payables and accruals and deferred tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

Year ended 31 March 2026

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Agricultural products HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:								
Additions to non-current assets	—	—	—	—	6,195	1,585	—	7,780
Depreciation:								
– owned property, plant and equipment	—	101	—	—	2,207	—	—	2,308
– leased right-of-use assets	181	1,536	—	225	4,357	—	—	6,299
Impairment losses on trade receivables, net	—	—	—	—	930	—	—	930
Amortisation of intangible assets	—	—	—	—	2,120	—	—	2,120
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:								
Impairment of goodwill	—	—	—	—	11,722	—	—	11,722
Impairment of intangible assets	—	—	—	—	4,063	—	—	4,063

Year ended 31 March 2025

	Chinese cuisine HK\$'000	Thai cuisine HK\$'000	Malaysian cuisine HK\$'000	Food ingredients and beverage operations HK\$'000	Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	—	5,215	—	—	12,031	—	17,246
Provision for impairment of property, plant and equipment	—	67	—	—	—	—	67
Provision for impairment of right-of-use assets	—	586	—	—	—	—	586
Depreciation:							
– owned property, plant and equipment	—	280	43	—	2,134	—	2,457
– leased right-of-use assets	742	1,349	—	247	3,711	—	6,049
Impairment losses on trade receivables, net	—	—	—	—	467	—	467
Amortisation of intangible assets	—	—	—	—	2,120	—	2,120
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:							
Impairment of goodwill	—	—	—	—	9,000	—	9,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in Hong Kong and People's Republic of China. Accordingly, the Group's revenue from external customers and all non-current assets are located in Hong Kong and People's Republic of China.

Information about major customers

Revenue from the major customer, which amounted to 10% or more of the Group's total revenue, is set out below:

	2026 Aircraft's engine stand repairing and maintenance services and other related services HK\$'000	2025 Aircraft's engine stand repairing and maintenance services and other related services HK\$'000
Customer A	33,111	64,143

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

7. OTHER INCOME/OTHER GAINS AND LOSSES, NET

	2026 HK\$'000	2025 HK\$'000
Other income		
Insurance compensation	363	145
Promotion income	—	7
Bank interest income	16	129
Subsidies income <i>(note)</i>	—	14
Reversal of provision for reinstatement	—	283
Others	49	1
	428	579
Other gains and losses, net		
Gain on disposal of property, plant and equipment	22	5
Gain/(loss) on disposal of financial assets at FVTPL	438	(1,860)
Gain on termination of lease	23	150
Provision for impairment of property, plant and equipment	—	(67)
Provision for impairment of right-of-use assets	—	(586)
Fair value change on financial assets at FVTPL	59	2
Net foreign exchange gain	23	—
Loss on derecognition of subsidiaries	(33)	—
	532	(2,356)

Note:

Subsidies income was granted from HKSAR Government in relation to the food license without unfulfilled conditions or other contingencies attaching to the subsidies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

8. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interests on bank and other borrowings	235	498
Interests on lease liabilities	249	427
	<u>484</u>	<u>925</u>

9. LOSS BEFORE TAX

	2026 HK\$'000	2025 HK\$'000
Loss before tax has been arrived at after charging:		
Staff costs (including directors' emoluments):		
Salaries and other benefits	11,559	20,345
Contribution to defined contribution retirement benefit scheme	397	640
Expenses recognised in respect of defined benefit plans:		
– long service payments	75	42
	<u>12,031</u>	<u>21,027</u>
Auditor's remuneration		
– audit service	680	680
Depreciation:		
– owned property, plant and equipment	2,308	2,457
– leased right-of-use assets	6,299	6,049
Amortisation of intangible assets	2,120	2,120
Write-off of property, plant and equipment (included in other expenses)	—	140
Transportation costs related to aircraft's engine stand repair and maintenance services and aircraft engine logistic services (included in other expenses)	21,930	10,115
Subcontracting fees for aircraft engine stand repair and maintenance works	5,954	29,261
Marketing expenses	4,785	4,775
Short-term lease expenses	732	1,107
	<u>732</u>	<u>1,107</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

10. INCOME TAX CREDIT

	2026 HK\$'000	2025 HK\$'000
Current tax:		
Hong Kong Profits Tax	(350)	(776)
Deferred tax (<i>note 28</i>)	1,146	835
	<u>796</u>	<u>59</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and accordingly, is not subject to income tax in the Cayman Islands.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of assessable profits of a qualifying corporation are taxed at 8.25%, and assessable profits above HK\$2 million continue to be taxed at 16.5%. For the years ended 31 March 2026 and 2025, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. 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%.

The subsidiary in People's Republic of China (the "PRC") is subject to the PRC Enterprise Income Tax at 25% for the year ended 31 March 2026.

No provision for PRC Enterprise Income Tax have been made during the year as the Group has no assessable profit arising in PRC.

The income tax credit for the year can be reconciled to the loss before tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK\$'000	2025 HK\$'000
Loss before tax	<u>(31,335)</u>	<u>(20,912)</u>
Tax calculated at the domestic income tax rate of 16.5% (2025: 16.5%)	(5,170)	(3,450)
Tax effect of expense not deductible for tax purpose	4,311	2,842
Tax effect of income not subject to tax	(74)	(98)
Unrecognised deductible temporary difference	—	620
Utilisation of unrecognised deductible temporary difference	(57)	(359)
Tax effect of tax losses not recognised	310	1,625
Utilisation of tax losses previously not recognised	(116)	(1,257)
Over provision in prior year	—	18
Income tax credit	<u>(796)</u>	<u>(59)</u>

Details of deferred tax are set out in note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance, were as follows:

Year ended 31 March 2026

	Mr. PL Choi HK\$'000	Mr. WT Leung HK\$'000	Mr. QF Zhang HK\$'000 (note (c))	Total HK\$'000
Executive directors:				
Fees	360	240	106	706
Other emoluments	—	—	—	—
Salaries and other benefits	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—
Share-based payment expense	—	—	—	—
Sub-total	<u>360</u>	<u>240</u>	<u>106</u>	<u>706</u>

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

	Mr. Lo Cheuk Fei Jeffrey HK\$'000	Mr. Cheung Hiu Fung HK\$'000	Ms. Ip Sin Nam HK\$'000 (note (b))	Total HK\$'000
Independent non-executive directors:				
Fees	120	120	120	360
Other emoluments	—	—	—	—
Salaries and other benefits	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—
Sub-total	<u>120</u>	<u>120</u>	<u>120</u>	<u>360</u>

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

	2026 HK\$'000
Total	<u><u>1,066</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Year ended 31 March 2025

	Mr. PL Choi HK\$'000	Mr. WT Leung HK\$'000	Total HK\$'000
Executive directors:			
Fees	360	240	600
Other emoluments			
Salaries and other benefits	—	—	—
Retirement benefit scheme contributions	—	—	—
Share-based payment expense	—	—	—
Sub-total	<u>360</u>	<u>240</u>	<u>600</u>

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

	Mr. Lo Cheuk Fei Jeffrey HK\$'000	Mr. Cheung Hui Fung HK\$'000	Mr. Wang Rongqian HK\$'000 (note (a))	Ms. Ip Sin Nam HK\$'000 (note (b))	Total HK\$'000
Independent non-executive directors:					
Fees	120	120	50	34	324
Other emoluments					
Salaries and other benefits	—	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—	—
Sub-total	<u>120</u>	<u>120</u>	<u>50</u>	<u>34</u>	<u>324</u>

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

	2025 HK\$'000
Total	<u>924</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Notes:

- (a) Mr. Wang Rongqian was appointed as an independent non-executive director on 24 October 2023 and retired on 30 August 2024.
- (b) Ms. Ip Sin Nam was appointed as an independent non-executive director on 19 December 2024.
- (c) Mr. Zhang Qifeng was appointed as an executive director on 23 October 2025.

No remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company have waived the remuneration during the year ended 31 March 2026 and 31 March 2025.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included nil directors (2025: nil directors), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year ended 31 March 2026 of the remaining five (2025: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries and other benefits	2,976	3,159
Retirement benefit scheme contributions	86	90
	<u>3,062</u>	<u>3,249</u>

The number of the highest paid employees whose remuneration fell within the following band is as follows:

	2026 HK\$'000	2025 HK\$'000
Nil to HK\$1,000,000	5	4
HK\$1,000,001 to HK\$1,500,000	—	1
	<u>5</u>	<u>5</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

13. DIVIDENDS

No dividend was paid, declared or proposed during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: nil).

There are no income tax consequences related to the payment of dividends by the Company to its shareholders.

14. LOSS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(30,539)	(20,853)
	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	75,818	60,476
Effect of dilutive potential shares — share options	—	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	75,818	60,476

The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for the year ended 31 March 2025 have been adjusted to retrospectively to reflect the share consolidation that was effected in January 2025.

The computation of diluted loss per share for the years ended 31 March 2026 and 31 March 2025 did not assume the exercise of the Company's outstanding share options since these potential ordinary shares were anti-dilutive. Therefore, the diluted loss per share is the same as the basic loss per share for the years ended 31 March 2026 and 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Kitchen equipment <i>HK\$'000</i>	Other equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST						
At 1 April 2024	8,493	939	1,258	517	3,296	14,503
Additions	2,914	326	—	—	8,514	11,754
Disposal	—	—	—	—	(580)	(580)
Written off	—	(281)	(55)	(74)	—	(410)
At 31 March 2025 and 1 April 2025	11,407	984	1,203	443	11,230	25,267
Additions	306	476	—	—	1,813	2,595
Disposal	(270)	—	—	—	(6,272)	(6,542)
Written off	—	—	—	—	—	—
At 31 March 2026	11,443	1,460	1,203	443	6,771	21,320
DEPRECIATION AND IMPAIRMENT						
At 1 April 2024	8,493	797	1,123	483	424	11,320
Provided for the year	767	93	50	45	1,502	2,457
Disposal	—	—	—	—	(525)	(525)
Written off	—	(124)	(31)	(115)	—	(270)
Impairment	67	—	—	—	—	67
At 31 March 2025 and 1 April 2025	9,327	766	1,142	413	1,401	13,049
Provided for the year	646	83	61	31	1,487	2,308
Disposal	—	—	—	—	(638)	(638)
Written off	—	—	—	(1)	—	(1)
At 31 March 2026	9,973	849	1,203	443	2,250	14,718
NET CARRYING AMOUNTS						
At 31 March 2026	1,470	611	—	—	4,521	6,602
At 31 March 2025	2,080	218	61	30	9,829	12,218

For the years ended 31 March 2026 and 31 March 2025, the management identified impairment indicator of certain leasehold improvement, furniture and fixtures, kitchen equipment and other equipment due to decline in performance in certain restaurants of the Group which these assets were allocated. The decline in these restaurants' performance was due to the economic recession of the restaurant business. The Group assessed the recoverable amounts of these restaurants, each of which represented a cash-generating unit ("CGU").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The recoverable amount of the CGU related to each restaurant has been determined based on value-in-use calculations, which use cash flow projections based on the most recent financial forecasts approved by the directors of the Company covering five-year period.

The key assumptions for the cash flow projections are those regarding the discount rate and the annual projected revenue, revenue growth rates, capital expenditures and operating expenses over the five-year projection period. The Group estimated the discount rate using a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the restaurant operations. The annual projected revenue, revenue growth rates, capital expenditures, and operating expenses over the five-year period are based on past performance and expectations of market development.

Based on the results of the calculation of the recoverable amounts as at 31 March 2026 and 31 March 2025, the recoverable amount of the CGU of Thai cuisine restaurant was estimated to be below its carrying amount as at 31 March 2025. The key assumptions used for the cash flow projections of the CGU in 2025 included (i) pre-tax discount rate of 12.00% which was reference to companies with similar industries and (ii) growth rate to extrapolate cash flows beyond the projection period of 2% with reference to the growth rate in prior years. The recoverable amounts of the CGU was calculated to be HK\$3,474,000 in aggregate. Since there was a shortfall between the carrying amounts of the CGU and its recoverable amount by HK\$653,000, impairment loss of approximately HK\$67,000 and HK\$586,000 was recognised in the consolidated statement of profit or loss and other comprehensive income to write down the carrying amounts as at 31 March 2025 of property, plant and equipment and right-of-use assets, respectively, belonging to the CGU of Thai cuisine restaurants segment.

No impairment was provided for the year ended 31 March 2026 since the recoverable amount of the CGUs, including the CGU of Thai cuisine restaurant, were estimated to be above their carrying amounts as at 31 March 2026.

The details of the results of the calculation of the recoverable amounts of the aircraft's engine stand repairing and maintenance services and other related services are disclosed in note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

16. RIGHT-OF-USE ASSETS

	Warehouse HK\$'000	Restaurant premises HK\$'000	Office premises HK\$'000	Total HK\$'000
Cost				
At 1 April 2025	11,108	8,754	766	20,628
Additions	—	—	1,941	1,941
Modifications	—	—	3,244	3,244
Termination	—	—	(4,134)	(4,134)
At 31 March 2026	11,108	8,754	1,817	21,679
Accumulated depreciation and impairment				
At 1 April 2025	6,812	5,453	247	12,512
Charge for the year	3,772	1,717	810	6,299
Termination	—	—	(855)	(855)
At 31 March 2026	10,584	7,170	202	17,956
Carrying values				
At 31 March 2026	524	1,584	1,615	3,723
Cost				
At 1 April 2024	11,108	10,034	719	21,861
Additions	—	4,601	891	5,492
Termination	—	(5,881)	(844)	(6,725)
At 31 March 2025	11,108	8,754	766	20,628
Accumulated depreciation and impairment				
At 1 April 2024	3,101	8,639	247	11,987
Charge for the year	3,711	2,091	247	6,049
Termination	—	(5,863)	(247)	(6,110)
Impairment	—	586	—	586
At 31 March 2025	6,812	5,453	247	12,512
Carrying values				
At 31 March 2025	4,296	3,301	519	8,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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

	2026 HK\$'000	2025 HK\$'000
Expenses relating to short-term leases	732	1,107
Repayment of principal portion of lease liabilities	6,403	7,057
Interest paid on lease liabilities	249	427
Total cash outflows for leases for the year	7,384	8,591

The right-of-use assets are premises rented from private entities. The lease terms of the offices, restaurants and warehouse used by the Group in its restaurant operations, aircraft's engine stand repairing and maintenance services and agricultural products segments respectively range from 2 to 3 years (2025: 2 to 4 years). Leases contain terms requiring payments by the Group of minimum monthly lease payments that are fixed over the lease term and variable lease payments that are based on certain percentages of the monthly gross sales turnover if the variable lease payment exceeds the monthly basic rent. No variable lease payment was paid or payable to the lessors for the year ended 31 March 2026 (2025: HK\$Nil). Depreciation is provided to write off the cost of items of right-of-use assets over their expected useful lives using straight-line method. When there is no reasonable certainty that ownership will be obtained by the end of the lease term, the assets are depreciated over the lease term.

The short-term leases relate to car parks rented from private entities with the lease terms of 12 months or less.

The Group does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

Lease liabilities of approximately HK\$4,489,000 (2025: HK\$9,009,000) are recognised with related right-of-use assets of approximately HK\$3,723,000 (2025: HK\$8,116,000) as at 31 March 2026. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

For the year ended 31 March 2026, the Group assessed the recoverable amounts of the right-of-use assets allocated to the respective CGUs for certain restaurants, as disclosed in note 15. As a result, an impairment loss of approximately HK\$Nil (2025: HK\$586,000) was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2026. The recoverable amounts of the CGUs related to these restaurants have been determined based on value-in-use calculations, which use cash flow projections based on the most recent financial forecasts approved by the directors of the Company covering five-year period.

The details of the results of the calculation of the recoverable amounts of the aircraft engine stand repairing and maintenance services and other related services are disclosed in note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

17. GOODWILL

HK\$'000

Cost:

At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	20,814
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Accumulated impairment:

At 1 April 2024	92
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Impairment	9,000
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At 31 March 2025 and 1 April 2025	9,092
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Impairment	11,722
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At 31 March 2026	20,814
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Carrying amounts:

At 31 March 2026	—
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At 31 March 2025	11,722
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For the year ended 31 March 2026 and 31 March 2025

For the purpose of impairment testing as at 31 March 2026 and 2025, goodwill acquired through business combination is identified as belonging to the following CGU which comprised the aircraft's engine stand repairing and maintenance services and other related services reportable segment of the Group:

	2026 HK\$'000	2025 HK\$'000
Aircraft's engine stand repairing and maintenance services and other related services	—	11,722

The aircraft's engine stand repairing and maintenance services and other related services reportable segment comprises one CGU. The Group performed its annual impairment assessment for goodwill by comparing the recoverable amount of the CGU to its carrying amount as at the end of the reporting periods. The Group forecasted the cash flow projections for the CGU based on latest available information and business plan. The recoverable amount is estimated by the management of the Group with reference to valuation reports provided by independent valuers, B.I. Appraisals Limited (2025: B.I. Appraisals Limited), who holds recognised and relevant professional qualifications. As at 31 March 2026, the carrying amount of the CGU before recognition of impairment loss for the year was HK\$24,285,000 and the recoverable amount of the CGU was HK\$8,500,000 which was determined based on value-in-use calculations prepared by the valuer. These calculations used cash flow projections based on the five-year financial budgets approved by management. Cash flows beyond the five-year period have been extrapolated with an estimated general annual growth rate of 2.0% (2025: 2.0%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

17. GOODWILL (Continued)

After assessment of the non-current assets of the CGU, an impairment loss of HK\$11,722,000 (2025: HK\$9,000,000) was allocated to goodwill to reduce its carrying amount to nil, and the remaining impairment loss of the CGU of HK\$4,063,000 (2025: Nil) was allocated to intangible assets, as the fair values of other non-current assets of the CGU (comprising of property, plant and equipment) were determined to be higher than their respective carrying amounts.

The fair values of the items of property, plant and equipment belonging to the aircraft's engine stand repairing and maintenance services and other related services CGU were estimated to be above their carrying amounts. The fair values were determined by the directors of the Company, with reference to recent market prices of motor vehicles as inputs, therefore, no impairment loss of the property, plant and equipment belonging to the CGU was considered necessary.

Details of the variables and assumptions were as follows:

	2026	2025
Aircraft's engine stand repairing and maintenance services and other related services		
Pre-tax discount rate	17%	17%
Operating margin	(2%)	4%
Growth rate of sales revenue within the five-year period	2%	2%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on inflation rate, past experience, budgeted market share and number of service contracts as explained below:

The key assumptions used in the value-in-use calculations for the CGU are as follows:

Budgeted market share	The values assigned to the assumption reflect the growth factor arose from the logistics of aircraft engines and it is consistent with the Company's directors' estimation of the revenue from existing customers of this sector. The directors of the Company believe that the budgeted market share for logistics of aircraft engines and expected market share for subcontracting aircraft engine stand repairing and maintenance services which are based on the planned revenue growth per year for the next five years is reasonably achievable.
Number of service contracts	In order to maintain successive business operations of the CGU, the directors of the Company continue aircraft's engine stand repairing and maintenance services by engaging third party subcontractors, and seek for new customers for sustaining the number of service contract for aircraft engine stand repairing. The engine logistics services continued and the directors of the Company consider no difficulty for sustaining the number of service contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

18. INTANGIBLE ASSET

	Customer relationship HK\$'000
Cost:	
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	10,600
Accumulated amortisation and impairment:	
At 1 April 2024	2,297
Amortisation for the year	2,120
At 31 March 2025 and 1 April 2025	4,417
Amortisation for the year	2,120
Impairment	4,063
At 31 March 2026	10,600
Carrying amounts:	
At 31 March 2026	—
At 31 March 2025	6,183

For impairment assessment purposes, the intangible asset acquired in a business combination is allocated, at acquisition, to the aircraft's engine stand repairing and maintenance services and other related services CGU.

The customer relationship is amortised over its estimated useful life of 5 years.

The impairment assessment of the intangible asset for the year ended 31 March 2026 was performed as part of impairment assessment of the goodwill of the related CGU, details of which are disclosed in note 17. As at 31 March 2026, the recoverable amount of the aircraft's engine stand repairing and maintenance services, and other related services CGU was estimated to be below its carrying amount, and impairment loss of HK\$4,063,000 was recognised to reduce the carrying amount of intangible assets allocate to the CGU for the year ended 31 March 2026. Details of the variables and assumptions are disclosed in note 17.

19. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Food and beverages	768	1,413
Materials for aircraft engine stand repairing	975	622
	1,743	2,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

20. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK\$'000	2025 HK\$'000
Trade receivables from sales of food ingredients and beverages	430	395
Trade receivables from restaurant operations	460	554
Trade receivables from aircraft engine stand repairing	6,675	14,181
	7,565	15,130
Allowance for expected credit losses	(1,792)	(862)
	5,773	14,268
Rental deposits	862	1,045
Other deposits	1,574	2,996
Prepayments and other receivables (note)	2,958	6,738
	11,167	25,047
Total	11,167	25,047
Analysed for reporting purposes as:		
Non-current assets	862	1,045
Current assets	10,305	24,002
	11,167	25,047

Note: As at 31 March 2026 and 31 March 2025, the amount mainly represent prepayment of subcontracting fees for performance of aircraft engine stand repair and maintenance works of HK\$Nil (2025: HK\$826,000) and marketing expenses of approximately HK\$460,000 (2025: HK\$1,598,000) from the third parties which was non-trade in nature, and amount due from the director of a subsidiary of approximately HK\$nil (2025: HK\$2,273,000) and prepayment of purchase costs for the agricultural products of HK\$1,323,000 (2025: HK\$nil).

There was no credit period granted to individual customers for the restaurant operations. The Group's trading terms with its customers are mainly by cash, octopus card and credit card settlement. The settlement terms of octopus card and credit card companies are usually within 7 days after the service rendered date. All trade receivables from restaurant operations are aged within 7 days after the service rendered date. All trade receivables from the purchasers of food ingredients and beverages are aged within 30–90 days based on the invoice date at the end of the reporting period.

The Group has a policy of allowing credit periods ranging from 0 to 90 days to its customers in the sales of food ingredients and beverage operations. Longer credit period is also allowed on a case by case basis. The following is an aged analysis of trade receivables of sales of food ingredients and beverage operations, net of ECL, presented based on the invoice date, which approximated the revenue recognition date for income of food ingredients and beverage operations, as appropriate:

	2026 HK\$'000	2025 HK\$'000
0–90 days	35	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

20. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers in the aircraft engine stand repairing operations. Longer credit period is also allowed on a case by case basis. The following is an aged analysis of trade receivables of aircraft engine stand repairing, net of ECL, presented based on the invoice date, which approximated the revenue recognition date for income of aircraft engine stand repairing, as appropriate:

	2026 HK\$'000	2025 HK\$'000
0–90 days	5,278	13,714

The expected credit loss for the trade receivables of aircraft engine stand repairing and maintenance services is HK\$930,000 for the year ended 31 March 2026 (2025: HK\$467,000).

Details of the impairment assessment of other receivables are set out in note 33.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 HK\$'000	2025 HK\$'000
Listed securities classified as held for trading investments: – Equity securities listed in Hong Kong	251	410

At the end of the reporting period, financial assets at FVTPL are stated at fair value. Fair values of listed securities classified as held for trading investments are determined with reference to quoted market closing price.

22. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less which carry interest at prevailing market rate of 0.01% (2025: 0.01%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

23. TRADE AND OTHER PAYABLES AND ACCRUALS

	2026 HK\$'000	2025 HK\$'000
Trade payables	7,362	19,611
Salaries payables	6,934	5,087
Accruals and other payables (<i>note</i>)	15,351	13,784
	29,647	38,482

The credit period granted to the Group by suppliers normally ranges from 0 to 60 days. All trade payables are aged within 60 days based on the invoice date at the end of the reporting period.

Note: Other payables are due mainly to third party vendors in relation to operating expenses of the Group. The balances also include short-term advances received from customers to arrange for the purchases of eggs which amounted to approximately HK\$553,000 (2025: HK\$Nil). The amounts advanced from the customers will be derecognised when the products are directly delivered to the customers by suppliers.

24. PROVISION FOR REINSTATEMENT

	2026 HK\$'000	2025 HK\$'000
At 1 April 2024	763	
Reversal of provision for reinstatement	(283)	
	480	
At 31 March 2025 and 1 April 2025	—	
Reversal of provision for reinstatement	—	
	480	
At 31 March 2026	480	

	2026 HK\$'000	2025 HK\$'000
Analysed for reporting purpose as:		
Non-current liabilities	480	480
Current liabilities	—	—
	480	480

The provision for reinstatement works related to the estimated cost of reinstating the rented premises to be carried out at the end of respective lease periods. These amounts have not been discounted for the purpose of measuring the provision for reinstatement works as the effect is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

25. BANK AND OTHER BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Current		
Interest bearing		
Secured		
– Current portion of long-term bank loans (<i>note (i)</i>)	—	522
Unsecured		
– Current portion of long-term other loans (<i>note (ii)</i>)	1,130	1,760
	1,130	2,282
Non-current		
Interest bearing		
Secured		
– Long-term bank loans (<i>note (i)</i>)	—	—
Unsecured		
– Long-term other loans (<i>note (ii)</i>)	473	3,010
	473	3,010
	1,603	5,292

At the end of the reporting periods, total current and non-current bank and other borrowings were scheduled to repay as follows:

	2026 HK\$'000	2025 HK\$'000
Within one year	1,130	2,282
More than one year, but not exceeding two years	473	3,010
	1,603	5,292

- (i) The bank borrowings were guaranteed by a director of the subsidiary.
- (ii) Long-term unsecured other loans as at 31 March 2026 represented borrowings granted from four (2025: five) independent third parties with total balance of HK\$1,603,000 (2025: HK\$4,770,000), carried fixed interest rate of 7.35%, 3.25%, 3.00%, 2.98% (2025: 7.35%, 3.25%, 3.00%, 2.35% and 2.98%) per annum and repayable by monthly instalment, with the last instalments repayable in May 2027, February 2028, April 2028 and August 2027 (2025: May 2027, February 2028, April 2028, November 2027 and August 2027) respectively.
- (iii) The bank borrowings of the Group as at 31 March 2025 bore interest at fixed interest rates of 3.5% per annum.

As at 31 March 2026, loan facilities of approximately HK\$25 million (2025: HK\$20 million) granted to the Group were not utilised by the Group during the year ended 31 March 2026 (2025: HK\$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

26. LEASE LIABILITIES

	HK\$'000
At 1 April 2024	11,339
Additions	5,492
Interest expenses	427
Lease payments	(7,484)
Early termination of lease	(765)
	9,009
At 31 March 2025 and 1 April 2025	1,941
Additions	3,772
Modifications	249
Interest expenses	(6,652)
Lease payments	(7)
Exchange realignment	(3,823)
Early termination of lease	
	4,489
At 31 March 2026	

	2026 HK\$'000	2025 HK\$'000
Current liabilities	2,812	5,644
Non-current liabilities	1,677	3,365
	4,489	9,009

Present value of minimum lease payments

	2026 HK\$'000	2025 HK\$'000
Within one year	2,812	5,644
More than one year, but not later than two years	1,257	2,415
More than two years, but not later than five years	420	950
	4,489	9,009

The weighted average incremental borrowing rate applied to lease liabilities was 3.79% (2025: 3.58%) per annum.

Total minimum lease payments

	2026 HK\$'000	2025 HK\$'000
Within one year	2,940	5,855
More than one year, but not later than two years	1,289	3,217
More than two years, but not later than five years	416	287
	4,645	9,359
Less: total future interest expenses	(156)	(350)
	4,489	9,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

27. SHARE CAPITAL

	Number of shares	Share Capital HK\$'000
Ordinary shares of HK\$0.0001 (2025: HK\$0.20) each		
Authorised:		
At 1 April 2024	2,000,000,000	20,000
Share consolidation (note (b))	(1,900,000,000)	—
At 31 March 2025 and 1 April 2025	100,000,000	20,000
Sub-division (note (d))	199,900,000,000	—
At 31 March 2026	200,000,000,000	20,000
Issued and fully paid:		
At 1 April 2024	1,150,839,695	11,508
Placing of shares (note (a))	230,260,000	2,303
Share consolidation (note (b))	(1,312,049,711)	—
At 31 March 2025 and 1 April 2025	69,049,984	13,811
Share reduction (note (d))	—	(13,804)
Placing of shares (note (c))	13,800,000	1
At 31 March 2026	82,849,984	8

Notes:

- (a) On 18 November 2024 (after trading hour), the Company entered into a placing agreement with a placing agent pursuant to which the placing agent has agreed to place, on a best effort basis, to not less than six independent placees for up to 230,260,000 new Shares at a price of HK\$0.017 per placing share, for and on behalf of the Company. It was completed on 17 December 2024.
- (b) On 3 January 2025, every 20 issued and unissued Shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of par value HK\$0.20 each (each a "Consolidated Share") (the "Share Consolidation") so that the authorised share capital of the Company shall change from HK\$20,000,000 divided into 2,000,000,000 Shares of par value HK\$0.01 each to HK\$20,000,000 divided into 100,000,000 Consolidated Shares of par value HK\$0.20 each, and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the memorandum and articles of association of the Company.
- (c) On 12 September 2025 (after trading hour), the Company entered into a placing agreement with the placing agent pursuant to which the placing agent has agreed to place, on a best effort basis, to not less than six independent placees for up to 13,800,000 new Shares at a price of HK\$0.180 per placing share, for and on behalf of the Company. It was completed on 3 October 2025.
- (d) On 16 May 2025, the par value of each issued Share in the share capital of the Company was reduced from HK\$0.20 to HK\$0.0001 by cancelling paid-up capital to the extent of HK\$0.1999 on each issued share and each authorised but unissued share was sub-divided into 2,000 new shares of par value of HK\$0.0001 each.

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FOR THE YEAR ENDED 31 MARCH 2026

28. DEFERRED TAX (ASSETS)/LIABILITIES

The following are the major deferred tax (assets)/liabilities recognised and movements thereon during the current and prior years.

	Accelerated accounting depreciation <i>HK\$'000</i>	Accelerated tax depreciation <i>HK\$'000</i>	Intangible asset identified in business combination <i>HK\$'000</i>	Right-of-use assets (Hong Kong) <i>HK\$'000</i>	Right-of-use assets (PRC) <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2024	(95)	596	1,370	1,629	—	(1,339)	2,161
Recognised upon initial recognition of assets and liabilities	—	—	—	906	—	(148)	758
(Credited)/charged to profit or loss	—	—	(350)	(1,196)	—	711	(835)
At 31 March 2025 and 1 April 2025	(95)	596	1,020	1,339	—	(776)	2,084
Recognised upon initial recognition of assets and liabilities	—	—	—	600	387	(600)	387
Charged/(credited) to profit or loss	95	—	(1,020)	(1,548)	(49)	1,376	(1,146)
At 31 March 2026	—	596	—	391	338	—	1,325

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Deferred tax assets	—	(871)
Deferred tax liabilities	1,325	2,955
	<u>1,325</u>	<u>2,084</u>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$68,305,000 (2025: HK\$67,529,000) available for offset against future profits. The Group has not recognised deferred tax assets in relation to these unutilised tax losses and deductible temporary differences in respect of lease liabilities amounting to HK\$3,696,000 (2025: HK\$4,311,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

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FOR THE YEAR ENDED 31 MARCH 2026

29. DEFINED BENEFIT PLAN OBLIGATIONS

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

In June 2022, the Government gazetted the Amendment Ordinance which eventually abolished the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. The Amendment Ordinance came into effect from 1 May 2025 (the Transition Date). Separately, the Government introduced a subsidy scheme to assist employers after the abolition. Under the Amendment Ordinance, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date. The Group has accounted for the offsetting mechanism and its abolition.

The movements in the present value of unfunded obligations are as follows:

	2026 HK\$'000	2025 HK\$'000
At 1 April	372	330
Expenses recognised in profit or loss:		
Current service cost	75	42
Interest cost	—	—
Past service cost	—	—
At 31 March	447	372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

29. DEFINED BENEFIT PLAN OBLIGATIONS *(Continued)*

The weighted average duration of the defined benefit obligation at 31 March 2026 is 5.4 years (2025: 5.4 years).

The above expenses are recognised in the following line items in the consolidated statement of profit or loss:

Analysed for reporting purposes as:

	2026 HK\$'000	2025 HK\$'000
Staff costs	75	42

Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	2026	2025
Discount rate	5%	5%
Future salary increases	4%	4%
Expected investment return on offsettable MPF accrued benefits	5%	5%

The below analysis shows how the defined benefit obligation would have increased/decreased as a result of 3% change in the significant actuarial assumptions:

	Increase in 3%		Decrease in 3%	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Discount rate	(105)	(50)	154	179
Future salary increases	13	55	(26)	(14)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

30. SHARE-BASED PAYMENT TRANSACTIONS

The Company's former share option scheme (the "Former Scheme") was approved and adopted in compliance with Chapter 23 of the GEM Listing Rules by the written resolutions of the shareholders passed on 29 January 2018 which was terminated on 18 January 2024.

In view of the amendments to Chapter 23 of the GEM Listing Rule relating to share schemes which came into effect on 1 January 2023, the Company adopted a new share scheme (the "New Share Scheme") pursuant to a resolution passed by the Company's shareholders on 18 January 2024. The primary purpose of the New Share Scheme is to enable the Company to grant Options or Awards to the Participants as incentives or rewards for their contributions to the Company. The New Share Scheme will give the Participants an opportunity to have a personal stake in the Company and will help motivate the Participants to optimise their performance and efficiency and attract and retain or otherwise maintain a long-term relationship with the Participants whose contributions are or will be in line with the business objectives of the Company. Eligible participants of the New Share Scheme include any employees, any executives, Non-executive Directors (including Independent Non-executive Directors) of the Company or any of its subsidiaries.

The New Share Scheme will remain valid and effective for a period of 10 years commencing on the date on which the New Share Scheme is adopted, after which period no further share options and awards will be granted but the provisions of the New Share Scheme shall in all other respects remain in full force and effect and share options and awards which are granted during the life of the New Share Scheme may continue to be exercisable in accordance with their terms of issue.

The principal terms of which were summarised in the paragraph headed "Principal Terms of the New Share Scheme" in Appendix to the Company's circular dated 22 December 2023.

For Former Scheme:

The board of directors of the Company (the "Board") may, at its discretion, invite:

- any executive or non-executive director including any independent non-executive director or any employee (whether full-time or part-time) of any member of the Group;
- any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any employee or business associate of the Group;
- any adviser or consultant (in the areas of legal, technical, financial or corporate management) to the Group;
- any provider of goods and/or services to the Group; or
- any other person who the Board considers, in its sole discretion, has contributed to the Group to take up options (together, the "Participants").

The subscription price for the shares under the Former Scheme shall be a price determined by the Board at its sole discretion and notified to the Participant and shall be no less than the highest of the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is granted, the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date on which an option is granted and the nominal value of a share on the date of the offer.

Offer of an option shall be deemed to have been accepted by the grantee when the duplicate of the relevant offer letter comprising acceptance of the option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company within 28 days from the date of the offer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

30. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

An option may be exercised in accordance with the terms of the Former Scheme and such other terms and conditions upon which an option was granted, at any time during the option period after the option has been granted by the Board but in any event, not longer than 10 years from the date of grant. An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the option period.

The Board announced that on 27 September 2022, the Company had granted a total of 62,400,000 share options to 7 eligible participants of the Company pursuant to the Former Scheme to subscribe for an aggregate of 62,400,000 new ordinary shares of HK\$0.01 each Share(s) of the Company. Details are set out in the Company's announcement dated 27 September 2022.

The Board announced that on 13 March 2023, the Company had granted a total of 17,600,000 share options to two eligible participants of the Company pursuant to the Former Scheme to subscribe for an aggregate of 17,600,000 new ordinary shares of HK\$0.01 each Share(s) of the Company. Details are set out in the Company's announcement dated 13 March 2023.

The share options granted during the year ended 31 March 2023 vested immediately upon grant. The fair value of the services received by the Group as consideration for the share options granted were measured by reference to the fair values of the share options granted, which were determined to be HK\$3,779,000 and HK\$821,000 for the share options granted on 27 September 2022 and 13 March 2023 respectively. The fair values were determined by trinomial model.

The inputs were as follows:

Grant date	27 September 2022	13 March 2023
Fair value of options on the grant date	Director: HK\$0.07 Employees and Consultants: HK\$0.06	Employees: HK\$0.05
Share prices at grant date	HK\$0.11	HK\$0.14
Adjusted (Original) exercise price	HK\$2.20 (HK\$0.11)	HK\$2.80 (HK\$0.14)
Expected volatility <i>(note)</i>	109%	106%
Expected life	10 years	10 years
Risk-free rate	3.97%	3.48%
Expected dividend yield	0%	0%

Note:

The expected volatility was determined with reference to the historical volatility of share prices of the Company over the previous three months of each grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

30. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Movements of the share options granted to the selected director, employees and consultants pursuant to the Former Scheme for the year ended 31 March 2026 and 31 March 2025 are as follows:

Grantees	Exercisable period of the share options	Adjusted Exercise price	Number of share options outstanding and exercisable at 1 April 2024	Adjustment for the year ended 31 March 2025 <i>(note 10)</i>	Number of share options outstanding and exercisable at 31 March 2025, 1 April 2025 and 31 March 2026
Granted on 27 September 2022 <i>(note 7)</i>					
(i) Executive Director					
Choi Pun Lap	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
(ii) Employees					
Employee D	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
Employee E	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
Employee F	27 September 2022 to 26 September 2032	HK\$2.20	4,800,000	(4,560,000)	240,000
(iii) Consultants					
Consultant G <i>(note 1)</i>	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
Consultant H <i>(note 2)</i>	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
Consultant I <i>(note 3)</i>	27 September 2022 to 26 September 2032	HK\$2.20	9,600,000	(9,120,000)	480,000
Granted on 13 March 2023 <i>(note 8)</i>					
(i) Employees					
Employee J	13 March 2023 to 12 March 2033	HK\$2.80	9,600,000	(9,120,000)	480,000
Employee K	13 March 2023 to 12 March 2033	HK\$2.80	8,000,000	(7,600,000)	400,000
Total			<u>80,000,000</u>	<u>(76,000,000)</u>	<u>4,000,000</u>
Weighted average exercise price (HK\$)			<u>HK\$0.12</u>	<u></u>	<u>HK\$2.40</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

30. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Notes:

1. Consultant G is a business developer and provided business development services to the Company for the year ended 31 March 2023. In order to have a better service and be part of the Group, the Company retained and motivated Consultant G to strive for future development and expansion of the Group by way of granting options to Consultant G.
2. Consultant H has experience and knowledge in catering business and provided catering development services for the potential market in Oversea and China to the Company for the year ended 31 March 2023. In order to have a better service and be part of the Group, the Company retained and motivated Consultant H to strive for future development and expansion of the Group by way of granting options to Consultant H.
3. Consultant I is good at human resources and provided human resources services to the Company for the year ended 31 March 2023. In order to have a better service and be part of the Group, the Company retained and motivated Consultant I to strive for future development and expansion of the Group by way of granting options to Consultant I.
4. Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The Company has received such consideration from the respective grantees.
5. The weighted average remaining contractual life for share options outstanding at the end of the reporting period is 6.60 year (2025: 7.60 years).
6. The total number of Shares available for issue under the Former Scheme as at 31 March 2026 and 2025 in respect of outstanding share options granted but not yet exercised was 4,000,000 shares which represented 4% and 4% of the issued share capital of the Company as at 31 March 2026 and 2025 respectively. The Former Scheme was terminated on 18 January 2024 and the termination of the Former Scheme shall not affect the validity of the outstanding options which shall continue to be enforceable according to the terms of the Former Scheme.
7. Details are set out in the Company's announcement dated 27 September 2022.
8. Details are set out in the Company's announcement dated 13 March 2023.
9. There was no share option granted for the year ended 31 March 2026.
10. Adjustments are made for the Share Consolidation with effect from 3 January 2025 (note 27).

For New Share Scheme:

For the years ended 31 March 2026 and 31 March 2025, there was no share option or award granted since the date of adoption of the New Share Scheme.

The number of shares available for grant in the future under the New Share Scheme upon the grant of the share options or awards to participants as incentives or rewards for their contributions to the Company is 5,754,198 (2025: 5,754,198) upon Share Consolidation as stated in note 27 during the year ended 31 March 2025, which represented 6.9% (2025: 8.3%) of the issued share capital of the Company as at 31 March 2026.

The vesting period in respect of any share options or awards shall be not less than twelve months. A shorter vesting period may be granted to the Grantees at the discretion of the Board in certain circumstances. For share options granted, HK\$1.00 to be paid by the grantee upon acceptance of the share options granted. For awards granted, the Board may in its absolute discretion determine whether the grantee is required to pay upon acceptance of the awards granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

30. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

For New Share Scheme: *(Continued)*

An option or award may be exercised in whole or in part after the same has become vested and at any time during a period as the Board may determine which shall not exceed ten years from the date of offer of the Options, by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option or award is thereby exercised and the number of shares in respect of which it is exercised.

The maximum number of shares in respect of which options may be granted under the Scheme must not in aggregate exceed 115,083,969 shares, 10% of the total number of shares in issue on the date of adoption of the Scheme. The total number of shares which may fall to be issued upon exercise of the share options granted under the Scheme to each Grantee in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

An offer for the grant of share options or awards must be accepted within 21 days inclusive of the day on which such offer was made.

The exercise price of an option granted under the New Share Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option, which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of offer.

The Board may in its absolute discretion determine whether the grantee is required to pay any purchase price for the acquisition of the Shares underlying an Award.

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31. RETIREMENT BENEFIT SCHEMES

The Group participates in a Mandatory Provident Fund Schemes (the “MPF Scheme”) registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. 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, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, and there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount was HK\$1,500 per employee per month.

The retirement benefits contributions arising from the relevant schemes charged to the consolidated statements of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The contributions paid and payable to the schemes by the Group are disclosed in note 9.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group 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 year.

The capital structure of the Group consists of debt, which includes bank and other borrowings less cash and bank balance, and equity attributable to owners of the Company, comprising issued share capital and other reserves.

The directors of the Company reviews the capital structure regularly. As part of this review, the directors of the Company considers the cost of capital and the risk associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares and the raising of borrowings or the repayment of the existing borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

32. CAPITAL RISK MANAGEMENT *(Continued)*

The net debt-to-adjusted equity ratio at 31 March 2026 and 2025 was as follows:

	2026 HK\$'000	2025 HK\$'000
Total debts — Bank and other borrowings	1,603	5,292
Less: Cash and bank balances	(3,968)	(6,728)
Net debt	N/A	N/A
Total equity	N/A	N/A
Net debt-to-adjusted equity ratio	N/A	N/A

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Financial assets measured at amortised cost

- Trade and other receivables and deposits
- Bank balances and cash

Financial assets at FVTPL

Financial liabilities

Financial liabilities measured at amortised cost

- Trade and other payables and accruals
- Lease liabilities
- Bank and other borrowings

	2026 HK\$'000	2025 HK\$'000
Financial assets measured at amortised cost	9,384	21,934
Financial assets at FVTPL	3,968	6,728
	13,352	28,662
Financial assets at FVTPL	251	410
Financial liabilities measured at amortised cost	24,480	27,906
Financial liabilities measured at amortised cost	4,489	9,009
Financial liabilities measured at amortised cost	1,603	5,292
	30,572	42,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables and deposits, bank balances and cash, trade and other payables and accruals (excluding non-financial accruals), bank and other borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings (note 25). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prevailing market interest rates arising from the Group's bank balances. The Group currently does not have any interest rate hedging policy. The management of the Group monitors the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

Credit risk and impairment assessment

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

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

The credit risk for bank balances is considered as not material as such amounts are placed in banks with good reputations.

The credit risk on other financial assets including trade receivables and deposits are limited because the counterparties are of good creditworthiness and have a strong capacity to meet its contractual cash flow obligations in the near term.

For trade receivables, the management makes periodic individual assessment on the recoverability of trade receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on trade receivables grouped by past due status. For the years ended 31 March 2026 and 2025, the Group assessed the ECL for trade receivables, and allowance of credit loss amounting to approximately HK\$930,000 (2025: HK\$467,000) of trade receivables was provided during the year ended 31 March 2026.

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and hence impairment would be provided based on 12-month ECL ("12m ECL"). For the years ended 31 March 2026 and 2025, the Group assessed the ECL for other receivables and determined no allowance of credit loss of other receivables was provided during the year ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

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

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

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

				Gross carrying amount	
	External credit rating	Internal credit rating	12-month or Lifetime ECL	2026 HK\$'000	2025 HK\$'000
Financial assets at amortised cost:					
Trade receivables	N/A	Low risk	Lifetime ECL	7,135	14,735
Trade receivables	N/A	Doubtful	Lifetime ECL	430	395
Other receivables	N/A	Low risk	12-month ECL	3,141	5,591
Deposits	N/A	Low risk	12-month ECL	2,436	4,041
Cash at banks	AA1-AA3	Low risk	12-month ECL	3,968	6,728
				17,110	31,490

Note:

For the purposes of internal credit risk management, the Group uses past due information and forward-looking information to assess whether credit risk has increased significantly since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

2026

	Past due HK\$'000	Not past due/ No fixed repayment terms HK\$'000	Total HK\$'000
Carrying amounts, net of impairment			
Trade receivables	—	5,773	5,773
Other receivables	—	1,175	1,175
	<u>—</u>	<u>6,948</u>	<u>6,948</u>

2025

	Past due HK\$'000	Not past due/ No fixed repayment terms HK\$'000	Total HK\$'000
Carrying amounts, net of impairment			
Trade receivables	—	14,268	14,268
Other receivables	—	3,625	3,625
	<u>—</u>	<u>17,893</u>	<u>17,893</u>

The following tables show reconciliation of loss allowances that has been recognised for trade and other receivables.

	Trade receivables Lifetime ECL HK\$'000	Other receivables 12m ECL HK\$'000
As at 1 April 2024	395	1,966
Impairment losses recognised	467	—
As at 31 March 2025	862	1,966
Impairment losses recognised	1,397	—
Reversal	(467)	—
As at 31 March 2026	<u>1,792</u>	<u>1,966</u>

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FOR THE YEAR ENDED 31 MARCH 2026

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

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

The following table details the Group's 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.

Specially, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

Liquidity tables

	Weighted average effective interest rate %	Within 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 31 March 2026						
Non-derivative financial liabilities						
Trade and other payables	—	24,480	—	—	24,480	24,480
Lease liabilities	3.79	2,940	1,705	—	4,645	4,489
Bank and other borrowings	3.74	1,247	658	—	1,905	1,603
		<u>28,667</u>	<u>2,363</u>	<u>—</u>	<u>31,030</u>	<u>30,572</u>

	Weighted average effective interest rate %	Within 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 31 March 2025						
Non-derivative financial liabilities						
Trade and other payables	—	27,906	—	—	27,906	27,906
Lease liabilities	3.58	5,855	3,504	—	9,359	9,009
Bank and other borrowings	3.74	2,664	3,244	—	5,908	5,292
		<u>36,425</u>	<u>6,748</u>	<u>—</u>	<u>43,173</u>	<u>42,207</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

33. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value and fair value hierarchy

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position of the Group approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy as at 31 March 2026

Recurring fair value measurement	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 March 2026				
– Financial assets at FVTPL	<u>251</u>	<u>—</u>	<u>—</u>	<u>251</u>
As at 31 March 2025				
– Financial assets at FVTPL	<u>410</u>	<u>—</u>	<u>—</u>	<u>410</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Bank and other borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 April 2024	4,822	11,339	16,161
Changes from financing cash flows:			
Proceed from other borrowings	4,000	—	4,000
Repayment of principal portion of bank and other borrowings	(3,530)	—	(3,530)
Repayment of interest portion of bank and other borrowings	(498)	—	(498)
Repayment of principal portion of lease liabilities	—	(7,057)	(7,057)
Repayment of interest portion of lease liabilities	—	(427)	(427)
Non-cash changes:			
Interest expenses of bank and other borrowings	498	—	498
Additions of lease liabilities	—	5,492	5,492
Early termination of lease liabilities	—	(765)	(765)
Interest expense of lease liabilities	—	427	427
At 31 March 2025	<u>5,292</u>	<u>9,009</u>	<u>14,301</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *(Continued)*

	Bank and other borrowings HK\$'000	Lease Liabilities HK\$'000	Total HK\$'000
At 1 April 2025	5,292	9,009	14,301
Changes from financing cash flows:			
Repayment of principal portion of bank and other borrowings	(3,689)	—	(3,689)
Repayment of interest portion of bank and other borrowings	(235)	—	(235)
Repayment of principal portion of lease liabilities	—	(6,403)	(6,403)
Repayment of interest portion of lease liabilities	—	(249)	(249)
Non-cash changes:			
Interest expenses of bank and other borrowings	235	—	235
Additions of lease liabilities	—	1,941	1,941
Modifications of lease liabilities	—	3,772	3,772
Early termination of lease liabilities	—	(3,823)	(3,823)
Exchange realignment	—	(7)	(7)
Interest expense of lease liabilities	—	249	249
At 31 March 2026	1,603	4,489	6,092

Note: The financing cash flows represented the net amount of new bank borrowings raised, interest payment of bank borrowings, and repayment of lease liabilities including both principal and interest portions.

35. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors, who comprise the members of key management of the Group, during the years ended 31 March 2026 and 2025 were as follows:

	2026 HK\$'000	2025 HK\$'000
Short-term benefits	1,066	924
Post-employment benefits	—	—
	1,066	924

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Investment in a subsidiary		—	3,944
Current assets			
Bank balances		583	842
Current liabilities			
Accruals		2,500	1,115
Amount due to a subsidiary		4,268	2,011
		6,768	3,126
Net current liabilities		(6,185)	(2,284)
Net (liabilities)/assets		(6,185)	1,660
Capital and reserves			
Share capital	27	8	13,811
Reserves		(6,193)	(12,151)
		(6,185)	1,660

Movement in the Company's reserves

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
1 April 2024	98,496	(98,705)	(209)
Placing of shares	1,611	—	1,611
Loss and total comprehensive expense for the year	—	(13,553)	(13,553)
At 31 March 2025 and 1 April 2025	100,107	(112,258)	(12,151)
Capital reorganisation	—	13,804	13,804
Placing of shares	2,483	—	2,483
Loss and total comprehensive expense for the year	—	(10,329)	(10,329)
At 31 March 2026	102,590	(108,783)	(6,193)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

37. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries at the date of this report are as follows:

Name of subsidiary	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion ownership interest and voting right held by the Company		Principal activities
				2026	2025	
Access Smart Corporation Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	Restaurant operations
All Happiness Limited	Hong Kong	Hong Kong	HK\$10,000	—*	90%	Restaurant operations
Foodies Branding Limited	Hong Kong	Hong Kong	HK\$1	—*	100%	Investment holding
Foodies Group Limited	BVI	Hong Kong	USD1,000	100%	100%	Investment holding
Foodies Management Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Provision of management services to group companies
Giant Bloom Investment Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Food ingredients and beverage operation
Gold Pavilion Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Restaurant operations
Grace Wealth Holdings Limited	Hong Kong	Hong Kong	HK\$100	—*	100%	Dormant
Jumbo Spirit Group Limited	BVI	Hong Kong	USD1,000	100%	100%	Investment holding
Pacific Best Enterprises Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Restaurant operations
Pacific Rise Hong Kong Limited	Hong Kong	Hong Kong	HK\$10,000	100%	100%	Restaurant operations
Rainbow Power Holdings Limited	Hong Kong	Hong Kong	HK\$1	100%	100%	Restaurant operations
Top Wealth International (HK) Limited	Hong Kong	Hong Kong	HK\$10	100%	100%	Restaurant operations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

37. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation	Place of operation	Issued and fully paid share capital	Proportion ownership interest and voting right held by the Company		Principal activities
				2026	2025	
Union Choice Limited	Hong Kong	Hong Kong	HK\$101	—*	100%	Provision of food processing services to group companies
Vast Dragon Asia Limited	Hong Kong	Hong Kong	HK\$10,000	—*	100%	Investment holding
Wealth Step Enterprise Limited	Hong Kong	Hong Kong	HK\$10	—*	100%	Restaurant operations
Wealth Treasure Capital Investment Limited	Hong Kong	Hong Kong	HK\$100	100%	100%	Restaurant operations
High Smart Engineering Limited	Hong Kong	Hong Kong	HK\$1,000	100%	100%	Aircraft's engine stand repairing and maintenance services and other related services
Richmen Corporation Hong Kong Limited	Hong Kong	Hong Kong	HK\$1	100%	—	Investment holding
Huangding Zhilian Supply Chain (Shenzhen) Co. Ltd	PRC	PRC	US\$Nil	100%	—	Sales of agricultural products

* The subsidiaries are derecognised during the year ended 31 March 2026.

38. EVENT AFTER THE REPORTING DATE

There was no significant event after the reporting period for the year ended 31 March 2026.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group pursuant to Rule 18.33 of the GEM Listing Rules, as extracted from the published audited consolidated financial statements or the Prospectus, is set out as follows:

	Year ended 31 March				2026 HK\$'000
	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000	
Revenue	85,585	68,702	91,852	97,763	71,310
Profit/(loss) before taxation	3,929	(37,040)	7,873	(20,912)	(31,335)
Income tax credit	91	2,415	374	59	796
Profit/(loss) for the year	4,020	(34,625)	8,247	(20,853)	(30,539)
Attributable to:					
Owners of the Company	4,007	(34,625)	8,247	(20,853)	(30,539)
Non-controlling interests	13	—	—	—	—
	<u>4,020</u>	<u>(34,625)</u>	<u>8,247</u>	<u>(20,853)</u>	<u>(30,539)</u>
	As at 31 March				2026 HK\$'000
	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000	
Assets and liabilities					
Total assets	96,787	85,227	69,713	74,095	27,466
Total liabilities	(53,996)	(71,053)	(35,269)	(56,590)	(37,991)
	<u>42,791</u>	<u>14,174</u>	<u>34,444</u>	<u>17,505</u>	<u>(10,525)</u>
Equity attributable to:					
Owners of the Company	42,824	14,207	34,477	17,538	(10,525)
Non-controlling interests	(33)	(33)	(33)	(33)	—
	<u>42,791</u>	<u>14,174</u>	<u>34,444</u>	<u>17,505</u>	<u>(10,525)</u>