百能國際能源控股有限公司
CENTURY ENERGY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

Annual Report 2026

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The Report, for which the directors (the "Directors") of Century Energy International Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with 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 the 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 the Report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Mr. Sun Jiusheng *(Chairman)*
Mr. Cheung Yip Sang *(Chief Executive Officer)*
Mr. Li Dewen
Mr. Yeung Shing Wai

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Liu Yongxin
Mr. Cheong Siu Fai
Mr. Chong Wing Lum, Cherrie

AUDIT COMMITTEE

Mr. Liu Yongxin
Mr. Cheong Siu Fai *(Chairman)*
Mr. Chong Wing Lum, Cherrie

REMUNERATION COMMITTEE

Mr. Liu Yongxin *(Chairman)*
Mr. Cheong Siu Fai
Mr. Chong Wing Lum, Cherrie

NOMINATION COMMITTEE

Mr. Sun Jiusheng *(Chairman)*
Mr. Liu Yongxin
Mr. Cheong Siu Fai
Mr. Chong Wing Lum, Cherrie

COMPANY SECRETARY

Mr. Chan Koon Leung Alexander

AUTHORISED REPRESENTATIVES

Mr. Sun Jiusheng
Mr. Chan Koon Leung Alexander

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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61 Mody Road, Tsim Sha Tsui
Kowloon, Hong Kong

COMPANY'S WEBSITE

www.8132century.com

AUDITOR

Suya WWC CPA Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Unit 4, 27/F, Wu Chung House,
213 Queen's Road East,
Wanchai, Hong Kong

STOCK CODE

8132

CORPORATE INFORMATION

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation
Limited

THE PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The revenue of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2026 (the "Financial Year") was approximately HK$267.7 million, representing a decrease of approximately 60.0% from approximately HK$668.8 million for the corresponding period last year. Mainly because of the inverted natural gas prices, putting continued pressure on profit margins and leading to a reduction in trade volume.

The Group's loss attributable to the owners of the Company was approximately HK$11.4 million for the Financial Year, decreased by 55.6% compared to the same corresponding period last year. The decrease was mainly due to an increase in the gross profit of approximately HK$7.8 million due to decrease in the impairment of obsolete stock of approximately HK$4.8 million and decreased trading of natural gas with relatively low margin. Furthermore, due to the stabilization of the Company's business and significant cost-saving efforts, administrative expenses decreased by approximately 40.2% from HK$23.4 million same period last year to HK$14.0 million this year.

The board of the Directors (the “Board”) does not recommend to pay dividend for the Financial Year.

BUSINESS REVIEW

During the Financial Year, the Group was principally engaged in the following businesses: (i) trading of natural gas business; and (ii) manufacturing and trading of power and data cords business.

In terms of the geographical market performance, the United States and the PRC markets contributed to approximately 7.5% (2025: approximately 2.3%) and approximately 91.9% (2025: approximately 97.4%) of the Group's total revenue, respectively, while the remaining revenue of approximately 0.6% (2025: approximately 0.3%) came from other markets.

TRADING OF NATURAL GAS BUSINESS

The Group seizes the opportunity of the national carbon neutrality and carbon peak initiatives based on the clean energy industry chain. By proactively promoting the clean energy trading business, actively connecting upstream natural gas resources, developing downstream customer markets, the Group will match the supply and demand for clean energy and provide upstream units with downstream customers with stable business and continuous gas consumption; provide downstream customers with natural gas products with strong gas supply guarantee capability and cost competitiveness, so as to achieve the natural gas trading business and obtain trading profits. The Group's natural gas trading business mainly includes pipeline natural gas ("PNG") and liquefied natural gas ("LNG") with the focus on domestic trading, and will actively carry out international business as and when appropriate.

The PNG trading business adopts a model of gas in and gas out, and arranges and implements the transmission plan by purchasing with large oil and gas central enterprises, local coalbed methane producers, shale gas producers and other gas suppliers in combination with market demand; It is transmitted through the national and local pipe networks, and received by downstream customers at the local pipe network distribution station. Pipeline natural gas is mainly supplied to urban gas distributors to meet the gas demand of urban gas users.

The LNG trading business adopts a model of liquid in and liquid out. It purchases from the LNG manufacturer. The purchase price is determined based on the change in market price on spot purchase. After the purchase, the LNG is transported by LNG cryogenic tank car from the storage station to the terminal supply stations including LNG gasification station, distributed LNG cylinder station and filling station to meet the gas demand of downstream customers. The users mainly include urban gas companies, industrial and commercial enterprises and other customers.

During the Financial Year, the Group's revenue from sales of natural gas was approximately HK$232.4 million, decreased by 63.4% by compared to last year (2025: HK$635.7 million). Mainly because of the natural gas prices are inverted, putting continued pressure on profit margins and leading to a reduction in trade volume.

POWER AND DATA CORDS BUSINESS

The three key product groups for power and data cords business were (i) power and data cords for mobile handsets and personal care products; (ii) medical control devices; and (iii) power cords and inlet sockets for household electric appliances. Each product group has its own types of products. During the Financial Year, the Group manufactured over 40 types of power and data cords for mobile handsets and personal care products, and over 450 types of power cords and inlet sockets for household electric appliances. The Group also involved in the assembly and sale of medical control devices, which are primarily used by patients in hospital wards and the related accessories.

During the Financial Year, the Group's revenue from manufacturing and trading of power and data cords business increased by approximately 6.3% to approximately HK$35.2 million (2025: approximately HK$33.1 million). The increase was due to the cost increased in multiple function cables so that the demand for traditional cables has increased.

OUTLOOK

Looking ahead to 2027, the global macroeconomic environment is characterized by a structural rebalancing, where uneven recovery has given way to localized growth engines amid persistent geopolitical fragmentation. While international energy markets face shifting trade flows and evolving supply-chain logistics, domestic monetary policy continues its focused, targeted easing to support high-quality economic development.

The Chinese government's commitment to achieving a carbon peak by 2030 and carbon neutrality by 2060 remains resolute, entering a critical phase under the framework of the 15th Five-Year Plan. As a major energy-consuming nation, China's primary pathway toward the "double-carbon" targets relies heavily on fostering "New Productive Forces." This demands a fundamental optimization of the energy industry's structure—accelerating the deployment of clean energy, enhancing industrial energy efficiency, and leveraging advanced technologies to guarantee national energy security while minimizing environmental and atmospheric impact.

As an agile and progressive energy enterprise, the Group firmly upholds its corporate mission to "Benefit People's Livelihood with Clean Energy, Technology, and Innovation." We remain strategically positioned along the core segments of the clean energy industrial chain, particularly within natural gas trading and distribution, while aggressively commercializing frontier research and development. The Group will continuously sharpen its core market competitiveness. We aim to solidify our position as a leading, technology-driven energy corporation with prominent influence and an outstanding reputation across the industry.

The Group shall continue to seek further opportunities to further develop the energy business by way of investment in or acquisition of companies currently engaging in the energy business or submitting tenders or quotations for energy projects. The Directors believe that such strategy will enable to Group to capitalise on its experience and strengthen its position in its energy business to achieve a sustainable growth and maximize returns to the shareholders of the Company (the "Shareholders").

EMPLOYEES' REMUNERATION POLICY

As at 31 March 2026, the Group employed a total of 70 (2025: 112) full-time employees in Mainland China and Hong Kong. The employees' remuneration policy of the Group is regularly reviewed and determined by reference to market terms, the Group's financial performance as well as the individual's academic and professional qualifications and work performance. Staff benefits include Mandatory Provident Fund contributions for Hong Kong employees and contributions to central pension schemes operated by local municipal governments for mainland-based employees. The Group provides various training programmes to equip its staff with requisite skills and knowledge. In addition, a share option scheme is offered to recognise significant staff contributions. During the Financial Year, no share options (2025: Nil) were issued to eligible participants under the Company's share option scheme. Total staff costs, inclusive of Directors' remuneration, for the Financial Year amounted to approximately HK$13.6 million (2025: approximately HK$17.9 million).

DIVIDENDS

The Board resolved not to recommend any dividend for the year ended 31 March 2026 (2025: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2026, the aggregate carrying value of the Group's indebtedness was approximately HK$84.4 million (2025: approximately HK$72.9 million), which comprised bank borrowing and other loan. The indebtedness was denominated in Renminbi and Hong Kong dollars. As at 31 March 2026, the Group maintained cash and bank balances of approximately HK$24.7 million (2025: approximately HK$20.9 million).

As at 31 March 2026, the Group's gearing ratio was approximately 79.1% (2025: 65.9%). This ratio is calculated as net debt divided by total assets. Net debt is defined as total indebtedness less cash and bank balances. Total assets comprises both current assets and non-current assets.

SECURITIES IN ISSUE

During the Financial Year, there was no change in the issued share capital of the Company.

EXPOSURE TO FOREIGN EXCHANGE RISK

As the Group operates principally in Hong Kong and the PRC, its exposure to foreign currency risk is minimal as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the group entities. In this respect, the only risk it is faced arose from exposures mainly to the renminbi ("RMB") and the United States dollar ("US$"). These risks were mitigated as the Group held HK$, US$ and RMB bank accounts to finance transactions denominated in these currencies respectively. The Group has no foreign currency hedging policy for foreign currency transactions, assets and liabilities. During the Financial Year, the Group did not use any financial instruments for hedging purposes. The Group will continue to monitor its exposure to foreign exchange risks and will consider hedging such exposure, should such a risk arises.

PLEDGE OF ASSETS

The pledge of assets of the Group as at 31 March 2026 are set out in note 23 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS AND DISPOSALS

Save as disclosed in note 29 to the consolidated financial statements, the Group had no other significant investments and disposals, nor has it made any material acquisition or disposal of the Group's subsidiaries or affiliated companies during the Financial Year.

COMMITMENTS

The Group’s commitments as at 31 March 2026 are set out in note 31 to the consolidated financial statements.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2026 (2025: Nil).

SEGMENT INFORMATION

Details of the segment information are set out in note 4 to the consolidated financial statements.

REPORT OF THE DIRECTORS

The Directors submitted their report together with the audited consolidated financial statements of the Group for the Financial Year.

BUSINESS REVIEW

For details of the business, please refer to the Management Discussion and Analysis section of this report.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The subsidiaries of the Company and their activities are set out in note 1 to the consolidated financial statements.

An analysis of the Group's performance for the Financial Year by operating segment is set out in note 4 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results and financial position of the Group for the Financial Year are set out in the Group's consolidated financial statements on pages 51 to 133 of this annual report.

The Directors do not recommend the payment of dividend for the Financial Year.

DIVIDEND POLICY

The Company adopted a dividend policy which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, as dividends to the Shareholders. The Board adopted the dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company does not have any pre-determined dividend distribution ratio. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the provisions of the third amended and restated articles of association of the Company ("Articles of Association") and all applicable laws and regulations and the factors set out below.

The Board shall also take into account various factors of the Group when considering the declaration and payment of dividends such as operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of the Shareholders, any restrictions on payment of dividends, and any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the various factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend, and any distribution of profits that the Board may deem appropriate. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the Company's share capital are set out in note 25 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and of the Company during the Financial Year are set out in the consolidated statement of changes in equity on page 61 and note 27 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the Financial Year are set out in note 14 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company did not have reserves available for distribution (2025: did not have reserves available for distribution).

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 March 2026 are set out in note 1 to the consolidated financial statements.

EQUITY LINKED AGREEMENTS

SHARE OPTIONS GRANTED TO AND EXERCISED BY DIRECTORS, SELECTED EMPLOYEES AND CONSULTANTS

Details of the share options are set out in note 26 of the consolidated financial statements and "Share Option Scheme" section contained in this Directors' Report.

During the Financial Year, no share options have been exercised and no share options have been granted.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company, or the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to Shareholders.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Financial Year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 134 of the Report.

SHARE OPTION SCHEME

SHARE OPTION SCHEME 2021

The Company has adopted a share option scheme (the "Scheme 2021") pursuant to a resolution of the Shareholders passed on 29 September 2021. The purpose of the Scheme 2021 is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, advisors and consultants of the Group and to promote the success of the business of the Group.

The Scheme 2021 became effective on 29 September 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of the adoption of the Scheme 2021. The remaining life of the Scheme 2021 is approximately 5 years.

The Participants include any director, employee, advisor and consultant of the Company or any subsidiary of the Company, who, in the absolute discretion of the Board, has contributed or may contribute to the Group so as to promote the success of the business of the Group. During the Financial Year, no share option was granted under the Scheme 2021.

The maximum number of Shares which may be issued under the Scheme 2021 and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue of the Company on the day on which trading of the Shares commenced on the Stock Exchange, i.e. 253,346,545 representing 10% of the issued share capital of the Company as at the date of the approval on the refreshment of 10% limit of annual general meeting on 29 September 2021. As at the date of the Report, the total number of the shares of the Company available for issue under the Scheme 2021 is 253,346,545 Shares, representing 9.4% of the total number of issued Shares.

The maximum number of Shares issued and to be issued upon exercise of the Options granted and to be granted pursuant to the Scheme 2021 and any other share option schemes of the Group to each Participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

Any grant of share options to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates and such Option which if exercised in full, would result in the shares of the Company issued and to be issued upon exercise of all Options already granted and to be granted pursuant to the Scheme 2021 and other share option schemes of the Company (including option exercised and outstanding) to such Participant in the 12-month period up to and including the date of grant being proposed by the Board (the “Relevant Date”) representing in aggregate more than 0.1% of the total number of shares of the Company in issue at the Relevant Date are subject to the shareholders’ approval in the general meeting.

Unless otherwise determined by the directors of the Company and stated in the offer of the grant of options to a grantee, the vesting period for Options shall not be less than 12 months.

The offer of a grant of share options may be accepted within 10 days from the date of offer upon payment of a nominal consideration of HK$1 by the grantee. The exercise period for the share options granted is determined by the Board and shall end in any event not later than 10 years from the date of the conditional adoption of the Scheme 2021 by the sole Shareholder subject to the provisions for early termination under the Scheme 2021.

The subscription price for the Shares under the Scheme 2021 shall be a price determined by the Board at its absolute discretion and shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer for the grant, which must be a business day, (ii) the average closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of the share of the Company on the date of the offer for the grant.

During the year ended 31 March 2026, at no time during the Financial Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors and substantial shareholders or any of their close associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the date of adoption of the Scheme 2021, no share option has been granted.

REPORT OF THE DIRECTORS

DIRECTORS OF THE COMPANY

The Directors of the Company during the Financial Year and up to the date of the Report were:

EXECUTIVE DIRECTORS
Mr. Sun Jiusheng *(Chairman)*
Mr. Cheung Yip Sang *(chief executive officer)*
Mr. Li Dewen
Mr. Yeung Shing Wai

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Chan Hon Wan *(appointed on 8 November 2024 and resigned on 4 June 2025)*
Mr. Cheong Siu Fai *(appointed on 4 June 2025)*
Mr. Liu Yongxin
Ms. Chong Wing Lum, Cherrie

DIRECTORS' SERVICE CONTRACTS

The Company entered into service agreements with the executive Director, namely Mr. Sun Jiusheng, on 4 August 2021; and each of the executive Directors, namely Mr. Cheung Yip Sang, and Mr. Li Dewen, on 4 October 2021. The terms and conditions of each of such service agreements are similar in all material respects with a term of three years commencing from the respective date of their service agreements under which the Directors shall continue thereafter on a three yearly basis, which may be terminated by either of the above respective parties by giving to the other party not less than one month's prior notice in writing.

Mr. Yeung Shing Wai, the executive Director, entered into service agreement with the Company on 16 February 2020 for a term of three years commencing from the date of the service agreement and shall continue thereafter on a three yearly basis until termination, by the Company or the executive Director giving to the other not less than one month's prior notice in writing.

Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum, Cherrie, the INEDs, entered into letter of appointment with the Company under which Mr. Liu, Mr. Cheong and Ms. Chong are appointed for an initial term of three years commencing from 14 August 2024, 4 June 2025 and 5 December 2024 respectively and shall continue thereafter on a yearly basis until termination by either party by giving to the other party three months' notice in writing.

All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

None of the Directors, including those to be re-elected at the annual general meeting to be held in 2026, has a service contract or letter of appointment with the Company which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

CONNECTED TRANSACTIONS

On 19 October 2023, the Company (the "Purchaser") has conditionally entered into the Master Natural Gas Purchase Agreement (the "Master Natural Gas Purchase Agreement") with Shandong Gaochuang Energy Development Co., Ltd.* (山東高創能源發展有限公司) (the "Vendor"), pursuant to which the Vendor has agreed to supply and the Company has agreed to purchase natural gas.

As at the date of this report, the Vendor is an associate of a connected person of the Company as it is owned as to 39% in its equity interest by Zhongyuan Investment Holdings Limited, which is wholly-owned by Mr. Cheung Yip Sang, the executive Director and a controlling shareholder of the Company. Therefore the Vendor is a connected person of the Company and the transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules. The Master Natural Gas Purchase Agreement was approved by the Shareholders at an EGM held on 21 December 2023.

The Master Natural Gas Purchase Agreement was effective from 21 December 2023 for a period of three years, in accordance with the Master Natural Gas Purchase Agreement, the Vendor will supply to the Group natural gas of various types (such as LNG, conventional natural gas, shale gas, coalbed methane or synthetic natural gas, etc.) subject to terms of the agreements, purchaser orders and/or such other documentation which may be entered into between the Company and the Vendor in relation to the Transactions at any time during the term of the Master Natural Gas Purchase Agreement ("Definitive Agreements"). The actual quantities of natural gas, designated port of delivery and time of delivery shall be determined by both parties in the manner stipulated in the Definitive Agreements.

The annual caps of the Master Natural Gas Purchase Agreement for the three years ending 20 December 2024, 20 December 2025 and 20 December 2026 are RMB150,000,000 each year. As the highest of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the annual caps is more than 5%, the transactions constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

For the year ended 31 March 2026, there were no such connected transactions occurred, which did not exceed the annual cap.

For details, please refer to the announcement of the Company dated 19 October 2023 and the circular of the Company dated 6 December 2023.

The Company has established internal control processes to effectively manage connected transactions, and connected transactions conducted during the year also complied with the applicable pricing policies and guidelines mentioned in the relevant disclosures.

Pursuant to Chapter 20 of the GEM Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions mentioned above and confirmed that the Master Natural Gas Purchase Agreement has been entered into in the ordinary and usual course of business of the Group and is on normal commercial terms, and that the terms of the Master Natural Gas Purchase Agreement, the transactions contemplated thereunder and the annual caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

During the year ended 31 March 2026, the Group had not entered into any connected transactions or continuing connected transactions which were required to be disclosed under Chapter 20 of the GEM Listing Rules.

The Board confirms that disclosures have been made in accordance with Chapter 20 of the GEM Listing Rules and comply with the relevant requirements.

Details of the related party transactions undertaken in the normal course of business are set out in note 32 to the Consolidated Financial Statements. In relation to parts of those related party transactions that also constituted connected transactions under the Listing Rules, they are in compliance with applicable requirements under the GEM Listing Rules and are reported in this Annual Report in accordance with the GEM Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed under the heading "Connected Transactions" in this report, no contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Financial Year or at any time during the Financial Year.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Please refer to note 9 and note 10 to the consolidated financial statements for details of the emoluments of the Directors and the five highest paid individuals of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are as follows:

EXECUTIVE DIRECTORS

Mr. Sun Jiusheng, aged 33, was appointed as an executive Director and the vice chairman of the board of the Company on 4 August 2021. Mr. Sun also serves as director of certain subsidiaries of the Company. He has over 5 years of experience and in-depth research and practical experience in the areas of energy technology investment, energy engineering construction project, energy equipment manufacturing, energy trade and transportation, international energy project operation, international energy transactions, and energy logistics, storage, and terminal sales. He has participated in many large-scale projects such as West-East Gas Transmission Project and Shaanxi-Beijing Fourth-Line Gas Transmission Project. He has led the realization of in-depth cooperation with national scientific research institutions in the field of energy technology, and served as chairman of a number of energy technology and energy security companies.

Mr. Yeung Shing Wai, aged 40, was appointed as an executive Director on 16 February 2020. He has over 10 years of working experience in power and data cord industry. He was an executive Director from November 2010 to December 2014. Afterwards, he was engaged in private investments in various industries. He was an executive Director of Canopy SkyFire Group Limited (Formerly known as Shanyu Group Holdings Company Limited) (A company listed on GEM of the Stock Exchange; Stock Code: 8245) from September 2019 to October 2025. His father is so currently the director and legal representative of certain subsidiaries of the Group.

Mr. Cheung Yip Sang, aged 59, was appointed as an executive Director and the chief executive officer of the Company on 4 October 2021. Mr. Cheung also serves as director of certain subsidiaries of the Company. He has over 20 years of experience in the energy sector. He graduated from the China People's Police University (formerly known as The Chinese People's Armed Police Force Academy) in 1990 with a Bachelor's Degree in Legal Studies and received an Executive Master of Business Administration from the Peking University in 2006. He has extensive experience in corporate governance and the market integration in the public utilities sector. He also has wide exposure in the research and development of the gas industry. He was the chief executive officer (from March 2010 to March 2014), vice chairman (from March 2014 to March 2020) and an executive director (from April 2002 to March 2010 and from March 2020 to May 2020) of ENN Energy Holdings Limited ("ENN"), a company listed on the Stock Exchange (stock code: 2688). He was a non-executive director of Shanghai Dazhong Public Utilities (Group) Co., Ltd., a company listed on the Stock Exchange (stock code: 1635), from May 2017 to June 2020. Mr. Cheung was ranked number one and number two among the best chief executive officers ("CEOs") in Oil and Gas sector in Asia by Institutional Investor in 2014 and 2013 respectively. Mr. Cheung was ranked number one among the best CEOs in Oil and Gas sector in listed companies in China by Forbes in 2013. Mr. Cheung is the spouse of Ms. Zhou Jing who is the substantial shareholder of the Company pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Mr. Li Dewen, aged 52, was appointed as an executive Director and the group senior vice president of the Company on 4 October 2021. He obtained a associate degree in foreign languages from China University of Petroleum, a bachelor's degree in law from Sun Yat-sen University and a master's degree in law from East China University of Political Science and Law. Mr. Li also holds a Chinese practicing lawyer qualification certificate issued by the Ministry of Justice of the People's Republic of China. Mr. Li served as the deputy dean of the Shanghai Research Institute of Xi'an Jiaotong University. Mr. Li currently serves as the Chairman (China Region) of The Israel-China Life Science Alliances, the Chairman (China Region) of the Canada-China Peace and Development Foundation, and a Director of Golden Sky Energy Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Yongxin, aged 63, had over 25 years of experience in the field of oil and gas. He graduated from Chang'an University (formerly known as Xi'an Highway University) in 1987 with a Bachelor's Degree and a Master degree in Automotive Engineering. He received a Master of Business Studies from Massey University, New Zealand in 2001. He obtained a PhD in Business Management (Finance and Investment Management) from Sun Yat-sen University in 2010. He has also held important positions in various companies, including ENN Energy Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 2688), ENN Natural Gas Co., Ltd., a company listed on the Shanghai Stock Exchange (SSE stock code: 600803), ENN Group, BP p.l.c. and ExxonMobil Corporation. He served as Chief Strategy Officer and Chief Marketing Officer of Houpu Clean Energy (Group) Co., Ltd. (SZSE stock code: 300471), a company listed on the Shenzhen Stock Exchange, from August 2020 to June 2021. He is currently an offcampus tutor of the Master of Business Administration course of Sun Yat-sen University School of Business and the Master of Finance course of Sun Yat-sen University International School of Business & Finance.

Ms. Chong Wing Lum Cherrie (former name: Chong Kong Ngai), aged 57, has extensive experience in management, business development and intellectual property consulting. She is currently the managing director of Hu Yi Global Information Hong Kong Limited since 2010 and Global Intellectual Property Company Limited since 2007. She is also the founder and director of GigGik Technology Limited. Ms. Chong currently serves as the honorary president of the Innovative Entrepreneur Association, the executive vice chairperson and deputy secretary-general of the Greater Bay Area Hong Kong Women Entrepreneurs Association and a member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. She is also the permanent honorary president of Hong Kong People Brands.

Mr. Cheong Siu Fai, aged 54, has over 30 years of experience in accounting and finance, capital markets, and compliance for listed companies, having held positions in Hong Kong listed companies and international accounting firms. Mr. Cheong served as Chief Financial Officer and Company Secretary at China International Marine Containers (CIMC) Enric Holdings Limited (stock code: 3899), a Hong Kong-listed company, from December 2004 to March 2022. He resigned as Company Secretary in December 2021, where he gained extensive experience in financial management and corporate governance. Prior to December 2004, Mr. Cheong worked at an international accounting firm, accumulating years of experience in auditing, financial management, and corporate finance. He holds a Bachelor's degree in Business Administration from Thames Valley University, UK. Mr. Cheong is a registered accountant with the Hong Kong Institute of Certified Public Accountants and a member of the Association of International Accountants, UK.

COMPANY SECRETARY

Mr. Chan Koon Leung Alexander, aged 49, graduated from the University of Southampton with a bachelor's degree in Accounting and Finance. He has previously worked at an international accounting firm and listed companies. Mr. Chan possesses over 25 years of experience in capital markets, financial management, corporate finance, compliance with listing rules, and corporate governance. He is currently a Fellow of the Association of Chartered Certified Accountants (ACCA) in the United Kingdom and a member of the Hong Kong Institute of Certified Public Accountants (HKICPA).

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

As at 31 March 2026, the interests and short positions of the Directors and chief executives of the Company in the shares (the "Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are 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 referred to therein or which were required to be notified to the Company and the Stock Exchange, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

LONG POSITIONS IN THE SHARES AND THE SHARES OF ASSOCIATED CORPORATION

Name of Director	Capacity / Nature of Interest	Number of Shares held	Approximate percentage of issued share capital
Mr. Cheung Yip Sang *(Note 2)*	Beneficial owner	161,000,000	5.98%
	Interest of spouse	1,750,549,090	64.97%
Mr. Sun Jiusheng *(Note 1)*	Interest of controlled corporation	1,501,078,281	55.71%
	Interest held jointly with another parties	249,470,809	9.26%

Note 1: In accordance with the SFO, BAINENG Holdings Limited ("BAINENG") has total interest in 1,750,549,090 Shares, of which 249,470,809 Shares are held by other parties acting in concert. BAINENG, the associated corporation of the Company, is beneficially owned as to 33.40% by Hengsheng Holding Limited which is wholly-owned by Mr. Sun Jiusheng, 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing, 18.57% by Zhongrui Holding Limited which is wholly-owned by Mr. Zhang Chao, 5.16% by Mr. Cheng Lianfu, 2.58% by Mr. Zhou Xinhua and 10.61% by Mr. Leung Wing Cheong Eric. Mr. Leung Wing Cheong Eric beneficially owns 360,201 shares of BAINENG. By virtue of the SFO, Mr. Sun Jiusheng is deemed to be interested in the Shares which BAINENG has interest in.

Note 2: Mr. Cheung Yip Sang directly holds 161,000,000 Shares and is the spouse of Ms. Zhou Jing. BAINENG, the associated corporation of the Company, is beneficially owned as to 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing. By virtue of the SFO, Mr. Cheung Yip Sang is deemed to be interested in the Shares which BAINENG has interest in.

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are 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 referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2026, so far as is known to the Directors or chief executives of the Company, the persons or companies (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

LONG POSITIONS IN THE SHARES

Name of shareholder		Capacity / Nature of interest	Number of Shares held	Approximate percentage of issued share capital
(a)	BAINENG *(Note 1)*	Beneficial owner	1,501,078,281	55.71%
		Interest held jointly with another parties	249,470,809	9.26%
	Mr. Sun Jiusheng *(Note 1)*	Interest of controlled corporation	1,501,078,281	55.71%
		Interest held jointly with another parties	249,470,809	9.26%
	Ms. Zhou Jing *(Note 1 and Note 4)*	Interest of controlled corporation	1,501,078,281	55.71%
		Interest held jointly with another parties	249,470,809	9.26%
		Interest of spouse	161,000,000	5.98%
	Mr. Zhang Chao *(Note 1)*	Interest of controlled corporation	1,501,078,281	55.71%
		Interest held jointly with another parties	249,470,809	9.26%
	Mr. Leung Wing Cheong Eric *(Note 1)*	Interest of controlled corporation	1,501,078,281	55.71%
		Interest held jointly with another parties	249,470,809	9.26%

	Name of shareholder	Capacity / Nature of Interest	Number of Shares held	Approximate percentage of issued share capital
(b)	Richmax Investment (H.K.) Limited ("Richmax Investment") *(Note 2)*	Beneficial owner	217,507,014	8.07%
		Interest held jointly with another parties	1,533,042,076	56.90%
	Mr. Chu David *(Note 2)*	Interest of controlled corporation and interest of spouse	217,507,014	8.07%
		Interest held jointly with another parties	1,533,042,076	56.90%
	Ms. Tsang Siu Lan *(Note 2)*	Interest of controlled corporation and interest of spouse	217,507,014	8.07%
		Interest held jointly with another parties	1,533,042,076	56.90%
	Mr. Cheung Yuen Chau *(Note 2)*	Interest of controlled corporation	217,507,014	8.07%
		Interest held jointly with another parties	1,533,042,076	56.90%
	Ms. Ip Tsang Katherine Man Tung *(Note 2)*	Interest of controlled corporation	217,507,014	8.07%
		Interest held jointly with another parties	1,533,042,076	56.90%
(c)	New Origins International Limited ("New Origins") *(Note 3)*	Beneficial owner	31,963,795	1.19%
		Interest held jointly with another parties	1,718,585,295	63.78%
	Ms. To Sau Man *(Note 3)*	Interest of controlled corporation	31,963,795	1.19%
		Interest held jointly with another parties	1,718,585,295	63.78%
(d)	Mr. Cheung Yip Sang *(Note 4)*	Beneficial owner	161,000,000	5.98%
		Interest of spouse	1,750,549,090	64.97%

Note 1: In accordance with the SFO, BAINENG has total interest in 1,750,549,090 Shares, of which 249,470,809 Shares are held by other parties acting in concert. BAINENG is beneficially owned as to 33.40% by Hengsheng Holding Limited which is wholly-owned by Mr. Sun Jiusheng, 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing, 18.57% by Zhongrui Holding Limited which is wholly-owned by Mr. Zhang Chao, 5.16% by Mr. Cheng Lianfu, 2.58% by Mr. Zhou Xinhua and 10.61% by Mr. Leung Wing Cheong Eric. By virtue of the SFO, Mr. Sun Jiusheng, Ms. Zhou Jing, Mr. Zhang Chao, Mr. Leung Wing Cheong Eric, Hengsheng Holding Limited, Melin Holding Limited and Zhongrui Holding Limited are deemed to be interested in the Shares which BAINENG has interest in.

Note 2: In accordance with the SFO, Richmax Investment has total interest in 1,750,549,090 Shares, of which 1,533,042,076 Shares are held by other parties acting in concert. Richmax Investment is beneficially owned as to 46.67% by Mr. Chu David, 40% by Mr. Cheung Yuen Chau, 6.67% by Ms. Tsang Siu Lan and 6.66% by Ms. Ip Tsang Katherine Man Tung. Ms. Tsang Siu Lan is the spouse of Mr. Chu David. By virtue of the SFO, Mr. Chu David, Mr. Cheung Yuen Chau, Ms. Tsang Siu Lan and Ms. Ip Tsang Katherine Man Tung are deemed to be interested in the Shares which Richmax Investment has interest in.

Note 3: In accordance with the SFO, New Origins has total interest in 1,750,549,090 Shares, of which 1,718,585,295 Shares are held by other parties acting in concert. New Origins is beneficially wholly-owned by Ms. To Sau Man. By virtue of the SFO, Ms. To Sau Man is deemed to be interested in the Shares which New Origins has interest in.

Note 4: Mr. Cheung Yip Sang directly holds 161,000,000 Shares and is the spouse of Ms. Zhou Jing. BAINENG is beneficially owned as to 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing. By virtue of the SFO, Mr. Cheung Yip Sang is deemed to be interested in the Shares which BAINENG has interest in.

Save as disclosed above, as at 31 March 2026, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall 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 maintained by the Company pursuant to Section 336 of the SFO.

MANAGEMENT CONTRACT

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 Financial Year.

CHARITABLE DONATIONS

During the Financial Year, the Group made no charitable donations (2025: Nil).

MAJOR SUPPLIERS AND CUSTOMERS

The information in respect of the Group's total purchases and sales attributable to the Group's major suppliers and customers respectively during the Financial Year is as follows:

	Approximate percentage of the Group's total
Purchases	
— the largest supplier	11%
— five largest suppliers in aggregate	49%
Sales	
— the largest customer	47%
— five largest customers in aggregate	77%

None of the Directors, their close associates (as defined in the GEM Listing Rules) or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest suppliers or customers.

RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, none of these related party transactions is a connected transaction that needed to be disclosed under the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of the Report, the Directors believe that the number of securities of the Company which are in the hands of the public is above the relevant prescribed minimum percentage under the GEM Listing Rules.

COMPETING BUSINESS

Neither of the Directors and the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Financial Year.

EMOLUMENTS POLICY

The emolument policy for the employee of the Group is set up by the management on the basis of their merit, qualifications and competence.

Under the emolument policy, some Directors are provided with long term incentive scheme, including but not limited to share options. The basis of determining the emolument payable to Directors is subject to the decision of the Remuneration Committee of the Company.

The emoluments of the Directors for the Financial Year are decided by the Board, having regard to the Group's operating results, their duties and responsibilities of the Group, individual performance and comparable market statistics, and have been reviewed by the Remuneration Committee of the Company during the Financial Year.

EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 March 2026 and up to the date of this report.

PERMITTED INDEMNITY PROVISIONS

At no time during the Financial Year and up to the date of this Directors' Report, there was or is, any permitted indemnity provisions being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

QUALIFIED OPINION

Details of the basis of the qualified opinion are disclosed on page 51 in the annual report.

The Auditor issued a qualified opinion on the Group's consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 31 March 2026. The qualification arises solely from the limitation of audit scope experienced by the predecessor auditor regarding inventory valuation as at 31 March 2025, which affects the comparability of the corresponding figures for the year ended 31 March 2025 with the current year's performance.

Management and the Audit Committee are in the view that the modification is of a purely technical nature under Hong Kong Standard on Auditing. It has no impact on the Group's consolidated statement of financial position as at 31 March 2026, nor on its ongoing operations or financial position.

As the qualification relates strictly to the comparative figures of the financial year ended 31 March 2025, management expects the carry-over effect to be fully eliminated, and the qualified opinion will be removed in the consolidated financial statements for the financial year ending 31 March 2027.

AUDITOR

Confucius International CPA Limited ("Confucius") were the auditors of the Company for the financial year ended 31 March 2025. As Confucius and the Company could not reach a consensus on the audit fee for the financial year ending 31 March 2026, Confucius has resigned as the auditor of the Company with effect from 17 March 2026. SUYA WWC CPA Limited ("Suya") has been appointed as the new auditor of the Company with effect from 17 March 2026. The Board confirms that there were no disagreements or unresolved matters between the Company and Confucius and there were no other matters in connection with the change of auditors that need to be brought to the attention of the shareholders of the Company. For details, please refer to the announcement of the Company dated 17 March 2026 and 25 June 2026. Save as disclosed above, there was no other change in auditor of the Company during the past three years.

The consolidated financial statements for the year ended 31 March 2026 were audited by Suya, who will retire and, being eligible, offer themselves for re-appointment at the annual general meeting. A resolution to re-appoint Suya as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Sun Jiusheng
Director

Hong Kong, 29 June 2026

CORPORATE GOVERNANCE REPORT

Corporate governance provides the framework within which the board forms their decisions and build their businesses. The Company is committed to achieving good corporate governance and focusing on creating long-term sustainable growth for its shareholders and delivering long-term values to all of its shareholders. An effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities, to safeguard the interests of its shareholders and enhance its corporate value.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix C1 of the GEM Listing Rules. The Company adopted all the code provisions in the CG Code as its own code on corporate governance practices.

During the Financial Year, the Company complied with the code provisions as set out in the CG Code.

The Board continues to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

BOARD OF DIRECTORS

RESPONSIBILITIES OF DIRECTORS

The Company is governed by the Board, which is responsible for overseeing the overall strategy, policies and development of the Group, as well as continuously monitoring and improving the internal control and risk management systems of the Group; approving and monitoring the strategic plans, investment and funding decisions; and evaluating the financial and operational performance of the Group. The Group's day-to-day operations and administration are overseen by the executive Directors and the management.

The Board sets the overall strategies and directions for the Group with a view to developing its business and enhancing the shareholders' value. The Board meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group.

The executive Directors are responsible for evaluating new potential business and investment opportunities and formulating and implementing business strategies to enhance the revenue growth of the Company. The management is responsible for implementing the business strategies formulated by the executive directors.

The independent non-executive Directors (the "INED") serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meetings and board committees meetings. The participation of the INED in the Board brings a diverse range of expertise, skills and independent judgment on issues relating to the Group's strategies, performance, conflicts of interests and management process to ensure that the interests of all the shareholders of the Company have been duly considered.

The Board established mechanism to ensure independent views and input are available to the Board. The INEDs support the effective discharge of the duties and responsibilities of the Board and bring independent views and input to the Board. In addition, the Board, Board committees or individual Directors may seek independent professional advice, views and input, which shall include but not limited to legal advice, advice of accountants and advice of other professional financial advisors, as considered necessary to fulfil their responsibilities and in exercising independent judgment when making decisions in furtherance of their Directors' duties at the Company's expense.

The Board is also responsible for determining the appropriate corporate governance practices applicable to the Company's circumstances and ensuring systems, processes and procedures in place to achieve the Company's corporate governance objectives; reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company's policies, practices and guidelines on compliance with legal and regulatory requirements; and etc. The Board may discharge its corporate governance duties by establishment of board committees and delegation of certain management and administration functions to the management. During the Financial Year, the Board reviewed the compliance with the CG Code, the disclosure in the corporate governance report and the effectiveness of the risk management and internal control systems of the Group.

DELEGATION BY THE BOARD

The Board meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board adopted a set of guidelines on matters that require its approval to achieve a clear division of the responsibilities of the Board and the management. Matters requiring the Board's approval include, among others, review of overall policies and objectives for corporate contributions and approval of corporate plan of the Company and any significant changes thereto, investment plans which would involve significant commitments of financial, technological or human resources, or would involve significant risks for the Company, significant sales, transfers, or other dispositions of property or assets, significant changes in policies of broad application, major organizational changes, approval of annual reports, and review of interim and quarterly financial and operating results, other matters relating to the Company's business which in the judgment of the management are of such significance as to merit the Board's consideration, and adoption of such policies and the taking of such other actions as the Board deems to be in the best interests of the Company.

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management of the Company. Some functions including the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial shareholder or Director of the Company, the approval of annual, interim and quarterly results, declaration of interim dividends and proposal of final dividends and other disclosures to the public or regulators are reserved by the Board for consideration and approval. Matters not specifically reserved to the Board and necessary for the daily management and operation of the Company are delegated to the executive Directors and the management of the Company.

BOARD COMPOSITION

The Board currently comprises four executive Directors, namely Mr. Sun Jiusheng (chairman), Mr. Cheung Yip Sang (chief executive officer (the "CEO")), Mr. Li Dewen and Mr. Yeung Shing Wai; and three INEDs, namely Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum.

The attendance records of the Directors for the Board, Board committees and general meetings of the Company for the Financial Year are as follows:

	No. of meetings attended/No. of meetings held				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meetings**
Executive Director					
Mr. Sun Jiusheng *(chairman)*	4/4	N/A	N/A	1/1	0/1
Mr. Cheung Yip Sang *(CEO)*	4/4	N/A	N/A	N/A	1/1
Mr. Li Dewen	4/4	N/A	N/A	N/A	0/1
Mr. Yeung Shing Wai	4/4	N/A	N/A	N/A	0/1
Independent Non-Executive Director					
Mr. Liu Yongxin	4/4	4/4	1/1	1/1	1/1
Mr. Cheong Siu Fai	4/4	4/4	1/1	1/1	1/1
Ms. Chong Wing Lum Cherrie	4/4	4/4	1/1	1/1	1/1

In compliance with the GEM Listing Rules, the Company appointed INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company received annual confirmation of independence under rule 5.09 of the GEM Listing Rules from each of the INEDs and believes that their independence is in compliance with the GEM Listing Rules.

Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum, Cherrie, the INEDs, entered into letter of appointment with the Company under which Mr. Liu, Mr. Cheong and Ms. Chong are appointed for an initial term of three years commencing from 14 August 2024, 4 June 2025 and 5 December 2024 respectively and shall continue thereafter on a yearly basis until termination by either party by giving to the other party three months' notice in writing.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the Financial Year, according to the records provided by the Directors, the participation by each Director in the continuous professional development was recorded as follows:

DIRECTORS	Types of training
EXECUTIVE DIRECTOR	
Mr. Sun Jiusheng *(chairman)*	B
Mr. Cheung Yip Sang *(CEO)*	B
Mr. Li Dewen	B
Mr. Yeung Shing Wai	B
INDEPENDENT NON-EXECUTIVE DIRECTOR	
Mr. Liu Yongxin	B
Mr. Cheong Siu Fai	B
Ms. Chong Wing Lum Cherrie	B

Note: A — Attending seminars/conferences/forums
B — Reading journals/updates/articles/materials

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development and increasing diversity at the Board level as an essential element, the Company adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity of the Board in supporting the attainment of its strategic objectives and its sustainable development.

In addressing the Board's composition, board diversity had been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The NC will monitor the implementation of the Board Diversity Policy; review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy; discuss any revisions that may be required; and recommend any such revisions to the Board for consideration and approval.

The Board currently comprises six male Directors and one female Director.

The Company has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. As at 31 March 2026, the gender ratio of the Group's workforce was 49% male to 51% female.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standards of Dealings") as its code of conduct regarding securities transactions by Directors and by relevant employees of the Company. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the Required Standards of Dealings and its code of conduct regarding the Directors' securities transactions during the Financial Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee on April 2011 with written terms of reference in compliance with the CG Code of the GEM Listing Rules. The RC comprised INEDs, namely Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum Cherrie. The committee is chaired by Mr. Liu Yongxin.

The primary duties of the RC are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approve the management's remuneration proposals and make recommendations to the Board on the remuneration of non-executive Directors. The Directors are remunerated with reference to their respective duties and responsibilities with the Company, the Company's performance and current market situation. The RC adopted the model under the CG Code to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

During the Financial Year, the RC reviewed the Group's remuneration policy and structure; and reviewed the remuneration packages of the Directors of the Company.

Details of the Directors' emoluments and five highest paid individuals during the Financial Year are set out in note 9 and note 10 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company established a nomination committee on April 2011 with written terms of reference in compliance with the CG Code of the GEM Listing Rules. The NC comprised both ED and INEDs, namely Mr. Sun Jiusheng, Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum Cherrie. The committee is chaired by Mr. Sun Jiusheng.

The primary duties of the NC are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of INEDs and make recommendations to the Board on the appointment or re-appointment of Directors.

The NC is to identify and evaluate a candidate for nomination to the Board for appointment or the shareholders of the Company for election, as a Director. The NC shall consider a number of factors in making nominations, including but not limited to the following:

— Skills and experience: The candidate should possess the skills, knowledge and experience which are relevant to the operations of the Company and its subsidiaries;

— Diversity: Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the Board Diversity Policy and the balance of skills and experience in the Board composition;

— Commitment: The candidate should be able to devote sufficient time to attend board meetings and participate in induction, trainings and other board associated activities. In particular, if the proposed candidate will be nominated as an INED and will be holding his/her seventh (or more) listed company directorship, the NC should consider the reason given by the candidate for being able to devote sufficient time to the Board;

— Standing: The candidate must satisfy the Board and the Stock Exchange that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence commensurate with the relevant position as a Director; and

— Independence: The candidate to be nominated as an INED must satisfy the independence criteria set out in the GEM Listing Rules.

If the NC determines that an additional or replacement Director is required, the NC may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate. The NC may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board. On making recommendation, the NC may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate(s) as Director(s) to fill a casual vacancy(ies) or as an addition to the Board or recommend such candidate to shareholders for election or re-election (where appropriate) at the general meeting of the Company.

All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

According to Articles 84(1)-(2) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election.

During the Financial Year, the NC reviewed the structure, size and composition of the Board; assessed the independence of the INEDs; and made recommendations to the Board on the re-appointment of the Directors.

AUDIT COMMITTEE

The Company established an audit committee on April 2011 with written terms of reference in compliance with the GEM Listing Rules. The AC comprised INEDs, namely Mr. Liu Yongxin, Mr. Cheong Siu Fai and Ms. Chong Wing Lum Cherrie. The committee is chaired by Mr. Cheong Siu Fai.

The primary duties of the AC are to review the risk management and internal control systems and the financial information, including accounting policies and practices and financial reporting of the Company; the financial statements and reports of the Group; and the terms of engagement and the scope of audit work of the auditor.

During the Financial Year, the AC reviewed the accounting principles and practices adopted by the Group with the management and the Company's auditor; and discussed auditing (including audit planning), internal control and financial reporting matters including the audited financial statements and unaudited interim and quarterly financial statements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Group. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

AUDITOR AND THEIR REMUNERATION

The statement of the auditor of the Company about their reporting responsibilities on the Group's financial statements for the year ended 31 March 2026 is set out in the section "Independent Auditor's Report" of this report. During the Financial Year, remuneration paid and payable to the auditor of the Group are approximately HK$780,000 for annual audit fee and nil for non-audit services.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is aiming to develop a sound and good risk management and internal control systems and build risk awareness and control responsibility into the Group. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems and reviewing their effectiveness in order to safeguard the interests of the shareholders and the assets of the Company against unauthorized use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The key elements of the Company's risk management and internal control systems include keeping track of and documentation of identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness. An ongoing risk management approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievements of its objectives.

The Company has employed a bottom-up approach for identification, assessment and mitigation of risk at all business unit levels and across functional areas. During the process of risk assessment, the Board captures and identifies the key inherent risks that affect the achievements of its objectives by performing the followings:

- understanding organizational objectives and business processes;
- determining the risk appetite and establishing the risk assessment criteria;
- identifying the risks associated with achieving or not achieving the objectives and assessing the
- likelihood and potential impact of particular risks; and
- monitoring and evaluating the risks and the arrangements in place to address them.

The Board reviews the effectiveness of the risk management and internal control systems by considering factors including but not limited to the followings:

- the changes since the last annual review in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;
- the scope and quality of managements' monitoring of risk and of the internal control system, and where applicable, the work of its internal audit function and other third party consultants;
- the extent and frequency of the communication of the results of the monitoring to the Board or the audit committee;
- the incidence of significant control failings or weakness that has been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have a material impact on the Group's financial performance or condition; and
- the effectiveness of the Group's processes relating to financial reporting and the compliance of GEM Listing Rules given the Group's business and scale of operations.

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the GEM Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all policies regarding the inside information.

In order to adapt the most cost-effective method of conducting periodic review of the Group's internal controls, the Board engaged an independent consultant Sinno Corporate Advisory Limited ("Sinno") to execute the internal control function. Sinno conducted an internal control review of the effectiveness of the Group's Revenue, account receivables, Purchase and account payables cycle for the period from 1 April 2025 to 31 March 2026, according to the scope of review agreed and approved by the AC. Sinno responded to the AC and the AC was satisfied that the Company had addressed all deficiencies identified by Sinno. The AC reviews annually the adequacy and effectiveness of the Company's financial reporting system, internal control and risk management systems and associated procedures and has access to information necessary to fulfill its duties and responsibilities with respect to risk assessment and management.

Risk management and internal control systems are reviewed on an annual basis. During the Financial Year, the Board reviewed the effectiveness of the Group's risk management and internal control systems. The Company considered the Group's risk management and internal control systems are effective and adequate.

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for internal control of the Group and for reviewing its effectiveness during the Financial Year.

SHAREHOLDERS' RIGHTS

Pursuant to the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings of the Company. Any one or more Shareholder(s) (including a recognized clearing house (or its nominee)) holding as at the date of deposit of the requisition in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting and such requisition should be made in writing, to the Board or the company secretary of the Company, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) convene a physical meeting at only one location which will be the principal place of meeting, 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.

The Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionist(s) and deposited at the Company's principal place of business in Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting.

For including a resolution to propose a person for election as a Director at general meeting of the Company, the Shareholders are requested to follow the Articles of Association. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven days and that the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting of the Company. The written notice must state that person's biographical details as required by rule 17.50(2) of the GEM Listing Rules. The procedures for a Shareholder to propose a person for election as a Director are posted on the Company's website.

The Shareholders should direct their questions about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the Company Secretary at the Company's principal place of business in Hong Kong at Room 202B, 2/F, Mirror Tower, 61 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

INVESTOR RELATIONS

The objective of the Shareholders' communication is to provide the Shareholders with information about the Company and enable them to engage actively with the Company and exercise their rights as the Shareholders in an informed manner. Effective and timely dissemination of information to the Shareholders shall be ensured at all times.

Information shall be communicated to the Shareholders mainly through the Company's financial reports (half-year, quarterly and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the corporate communication documents submitted to the Stock Exchange on the Company website and the Stock Exchange website. Information on the Company website (www.8132century.com) is updated on a regular basis.

Upon reviewing the implementation and effectiveness of the Shareholders' Communication Policy, the Board considers the Shareholders' Communication Policy and its implementation are effective as the policy provides effective channels for the Shareholders to communicate their views with the Company and the Company complied with the principles and required practices as set out in the Shareholders' Communication Policy during the Financial Year.

FUTURE BUSINESS DEVELOPMENT AND RISK MANAGEMENT

Looking ahead, the Group remains committed to exploring strategic opportunities that drive sustainable growth and long-term shareholder value. To ensure that any expansion or diversification aligns with our rigorous internal control framework, the Company has established a strict protocol for entering new business segments. Prior to the commencement of any new business ventures, the Group will engage auditors or specialized professional advisers to conduct comprehensive preparatory reviews and detailed operational planning. This proactive measure ensures that all potential financial, compliance, and operational risks are meticulously assessed. By doing so, the Company safeguards its ongoing business continuity, prevents disruptions to daily operations, and ensures that the accounting treatments and internal controls of any new venture are robust enough to avoid any negative impact on future audit opinions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Group is pleased to present this Environmental, Social and Governance (“ESG”) Report (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, and how the Group achieves its goals and subsequent development in a sustainable manner.

This Report covers the principal business of the Group for the period from 1 April 2025 to 31 March 2026 (the “Reporting Period”), i.e., the business in relation to (i) the manufacturing and sales of power cords and data cords; and (ii) the trading of refined oil and chemicals in Hong Kong and the People’s Republic of China (“PRC”), including the Hong Kong head office, Sun Fair Electric Wire & Cable (Shenzhen) Company Limited, and a group of companies (“Baineng Group”) including but not limited to Baineng (Tianjin) Energy Trading Co., and Guangdong Daosheng Energy Trading Co., Limited.

The determination of reporting scope is detailed in the below section headed “Stakeholder Engagement and Materiality Assessment”. For corporate governance section, please refer to the Corporate Governance Report section in this annual report.

BASIS OF PREPARATION

This Report has been prepared with reference to the Environmental, Social and Governance Reporting Guide in Appendix 20 to the GEM Listing Rules and has complied with the “comply or explain” provisions in the Listing Rules.

BOUNDARY SETTING

Setting a clear reporting boundary benefits the readers by providing a well-defined scope of quantitative information about the ESG performance of the Group. Considering the nature of the Group’s business, this Report covers the performance and management policies of major operations of the Group under an operational control approach which includes the Group’s offices and plants in Hong Kong and the PRC.

ESG MISSION AND VISION

Climate change and other environmental and social issues have continued to become the centre of attention. Both the Hong Kong and PRC governments have launched various policies to promote corporate social responsibility and green business principle. The Group is committed to developing its business and bringing stable and long-term returns to shareholders while establishing close ties with employees, customers, shareholders and the communities it serves. It also integrates sustainable development into its business and operates its business in an environmentally and socially friendly manner and contribute to the community through practical actions. The board of directors are responsible for supervising the ESG strategies, policies and measures of the Group and is vested with the power to make final decisions. The Group’s ESG initiatives are carried out by the management team, which ensures the effectiveness of ESG risk management and related internal control system, thereby driving its sustainable development.

FEEDBACK OF THIS REPORT AND CONTACT INFORMATION

This Report shall be published both in English and Chinese, should there be any discrepancy between the English and the Chinese versions, the English version shall prevail. The Group highly values the opinions from the relevant stakeholders, and welcome readers to contact it through the following contact methods. Your opinions will assist the Group to further improve this Report and enhance the overall ESG performance of the Group.

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- Tel: +852 2237-2000
- Fax: +852 2237-2011
- Email: ir@centuryen.com
- Official website: www.8132century.com

APPLICATION OF REPORTING PRINCIPLES

As the reporting principles underpin the preparation of the Report, the content of the Report has been determined, organised and presented under the principles of Materiality, Quantitative, Balance and Consistency.

Materiality — The Group conducts objective and systematic materiality assessments to identify and evaluate environmental and social issues that have a significant impact on the Group's operations, strategies, policies and performance. This process included interactions with stakeholders and the identification of material ESG factors for inclusion in the report.

Quantitative — The application of the Quantitative reporting principles was primarily reflected under the Emissions and Use of Resources sections in this Report. The principle is applied by the Group to provide comparable key performance indicators to evaluate the purpose, impact and performance of the Group.

Balance — The Report incorporated both its outstanding performance in ESG management and areas which might require improvement to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the Report readers.

Consistency — The Report incorporated consistent reporting techniques and calculation methodologies so that the Report readers can rely on the preciseness of data. Any changes to the reporting techniques and calculation methodologies will be disclosed.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement is essential to the Group — from communication with investors to everyday relationships with employees, customers and business partners — and is integral to the group's sustainability success. Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group build appropriate channels to engage with its stakeholders to develop mutually beneficial relationships, trying to identify stakeholders' expectations and concerns and to seek their views to promote sustainability in the marketplace, workplace, community and environment. These engagements help the Group learn about emerging sustainability topics, better inform its efforts, and help the Group create value for its company and society.

The Group has identified key stakeholders that are important to its business and established various channels for communications. The following table provides an overview of the Group's key stakeholders, and their possible ways of communication.

Stakeholders	Communication Channels
Shareholders	• General meetings • Company's announcements • Email and telephone communications • Company's website
Business partners	• Meetings • Email and telephone communications
Customers	• Customer hotlines • Suggestion box • Email and telephone communications
Employees	• Meetings • Email and telephone communications
The Public	• Company's announcements • Company's website

Materiality of ESG issues may be said to be "in the eye of the beholder" when it comes to sustainability, responsibility, ethical, and citizenship initiatives, disclosure and reporting. Not all ESG issues are relevant to all organizations, and understanding the material sustainability issues for the Group is critical to having a successful and strategic program. Materiality is an important cornerstone of an effective corporate sustainability process — and a key characteristic of the ESG framework. Determining the materiality of sustainability issues is a vital step in identifying risks and available opportunities to be addressed by the Group.

The Group has adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators ("KPIs") are reported in this Report according to the ESG Reporting Guide in Appendix 20 to the GEM Listing Rules.

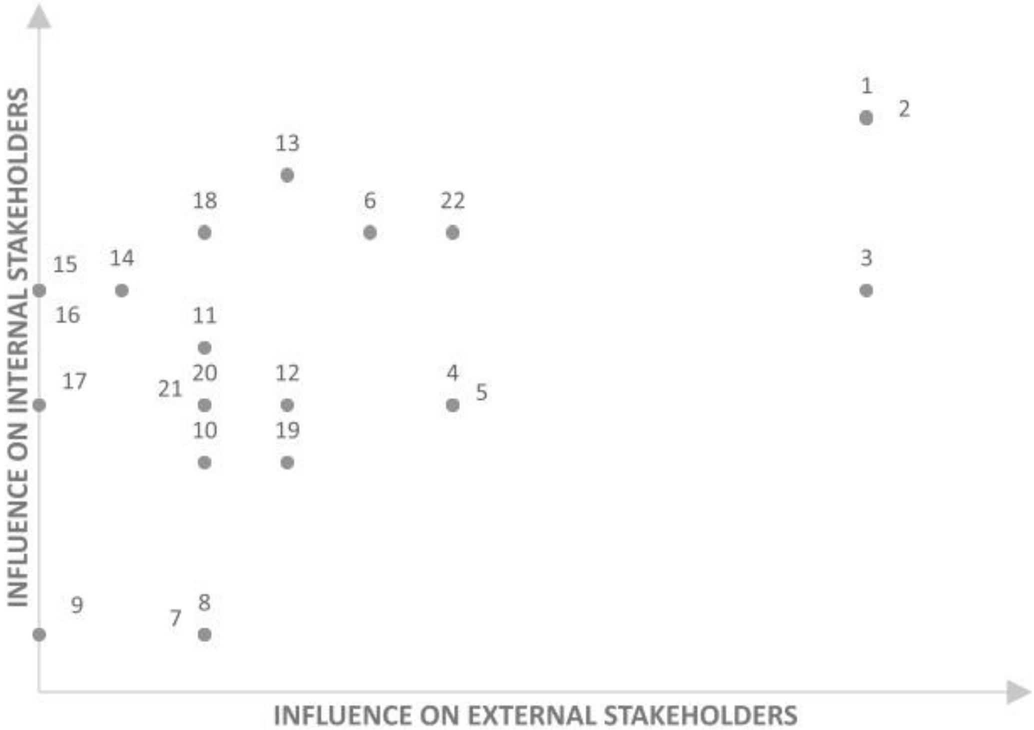
The Group has evaluated the materiality and importance in ESG aspects through the following steps:

Step 1: Identifying relevant ESG areas — Relevant ESG areas were identified through the review of the Group's business and relevant industry benchmark.

Step 2: Materiality and Prioritization — Materiality of each ESG aspect was determined based on the importance of each ESG aspects to the Group and to the relevant stakeholders.

Step 3: Validation — Based on internal discussion and discussion with key stakeholders, the Group ensured all material ESG aspects were reported and in compliance with the ESG Reporting Guide in Appendix 20 to the GEM Listing Rules.

The result of the materiality assessment of ESG issues is displayed in the following materiality matrix.



1. Safety and quality of products and services
2. Customer satisfaction
3. Customers' privacy and confidentiality
4. Effluents management
5. Waste management
6. Staff occupational health and safety
7. Water efficiency
8. Energy efficiency
9. Land use, pollution and restoration
10. Environmental compliance
11. Air emissions
12. Greenhouse gas emissions
13. Staff development and training
14. Anti-corruption training
15. Business ethics
16. Contributions to the society
17. Communication and connection with local community
18. Environmental friendliness on products and service purchased
19. Intellectual property
20. Diversity and equal opportunities
21. Anti-discrimination
22. Climate change

The Group determines the extent of disclosure in this Report according to the importance of the issues to the business and the stakeholders.

ENVIRONMENTAL PERFORMANCE

The major business of the Group did not have any significant adverse effect on the environment. In spite of this, the Group is committed to the sustainability strategy and puts in place a stringent management system to reduce energy consumption and emission in all production and operation activities with best efforts. The Group provides regulatory guidelines to staff on environmental protection, resources conservation and waste reduction, while encouraging recycling and environmentally-friendly office practices to raise employees' green awareness. The management monitors all resources consumption to promote production efficiency and energy saving.

1. EMISSIONS

The Group strives to comply with all environmental protection laws and regulations, including the "Environmental Protection Law of the People's Republic of China"; "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution"; "Law of the People's Republic of China on Prevention and Control of Water Pollution"; and "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution". During the Reporting Period, the Group has not identified any breach of environmental protection related laws and regulations.

The Group's operation did not produce significant emissions of solid wastes, sewage, hazardous wastes and noise. Air emissions, Greenhouse gas ("GHG") emissions and non-hazardous wastes produced during the Reporting Period are set out below.

1.1. Air Emission

Air pollution have an adverse impact on environment and human health so that it is essential to control the level of emission. During the Reporting Period, the Group's main sources of air emissions are the combustion of fuels for transportation. The Group will keep monitoring the use of vehicles internally and formulate relevant guidelines. During the Reporting Period, air emissions are as follows:

Air Emissions*	**Unit**	**2026**	2025
Nitrogen oxides	Kg	**17.3**	19.8
Sulphur oxides	Kg	**0.1**	0.1
Particular matters	Kg	**1.7**	1.9

* The calculation method of the corresponding air emissions and the emission factors used in the calculation are based on Appendix 20 of the GEM Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

The decrease of air emissions during the Reporting Period compared to the previous year was mainly attributed to the reduced use of motor vehicles for business travel in the PRC.

1.2. Greenhouse Gas Emission

It is widely accepted that climate change is unequivocally linked to the increasing concentrations of GHG in the atmosphere. During the Reporting Period, the Group's main sources of GHG emissions are the combustion of fuels for transportation and the electricity consumed for operations. The Group endeavours to reduce the carbon footprint by implementing various energy saving and emission reduction initiatives in daily operations, including the use of vehicles that outperform the national emission standards. It also carries out proper planning of the production and delivery schedule to coordinate all processes for maximum energy and time efficiency. It is the Group's aim to promote low-carbon travel and reduce air emissions through the effective use of resources.

During the Reporting Period, the Group's Scope 1 GHG emission mainly came from consumption of gasoline for vehicles (mobile combustion source) and the Group's Scope 2 GHG emission mainly came from electricity consumption in operations. The Group's Scope 3 GHG emission was primarily produced through paper waste disposal and water-related consumption.

The Group will keep monitoring the use of energy and formulate relevant guidelines in order to reduce GHG emission, such energy saving measures may include but not limited to proper planning of the production schedule and process improvement. The Group follows the low- carbon development goals of China's 14th Five-Year Plan, and targets to reduce the Group's greenhouse gas emissions by 5% by 2027 on the 2022 basis through the use of energy efficient fuels and fuel-saving vehicles whenever possible.

During the Reporting Period, the emission of GHG is as follows:

GHG Emissions*	**Unit**	**2026**	2025
Scope 1	Tonne of CO_2e	**7**	15
Scope 2	Tonne of CO_2e	**323**	913
Scope 3	Tonne of CO_2e	**3**	10
Total	**Tonne of CO_2e**	**333**	938
Emission intensity	Tonne of CO_2e/million dollars of revenue	**1.2**	1.4

* The calculation method of the corresponding air emissions and the emission factors used in the calculation are based on Appendix 20 of the GEM Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

The decrease of the Scope 1 to Scope 3 GHG emissions during the Reporting Period compared to the previous year was mainly attributed to the reduced use of motor vehicles for business travel and electricity in office in the PRC. Furthermore, the decrease in emission intensity during the Reporting Period was due to the fact that the magnitude of the decline in emissions was greater than that of the Group's revenue.

1.3. Non-hazardous Wastes

The Group does not generate material hazardous waste in its operation. Non-hazardous wastes produced by the Group were mainly attributed to the paper and plastics of the discarded packaging materials and domestic wastes of office.

During the Reporting Period, non-hazardous wastes produced are as follows:

Non-hazardous wastes	**Unit**	**2026**	2025
Paper	Tonnes	**0.2**	0.2
Paper intensity	Tonnes/million dollars of revenue	**0**	0
Plastic	Tonnes	**73**	108
Plastic intensity	Tonnes/million dollars of revenue	**0.3**	0.2

During the Reporting Period, the decrease of the plastic wastes was primarily attributed to the change of the manufacturing product lines which required different production and packaging materials.

The Group targets to reduce its non-hazardous wastes by 5% by 2027 on the 2022 basis by implementing the 3R approach, “reduce, reuse and recycle”, to minimize the wastes production. The relevant specific measures are as follows:

- e-platforms for paper-less operation, which encourages staff to print internal documents on both sides of paper whenever possible;
- Placing recycling boxes near photocopiers to collect single-sided paper for reuse as draft paper or printing of internal documents, so as to boost the rate of reuse; and
- Wastes are collected and processed by qualified waste recyclers in accordance with environmental regulations.

The Group was also promoting Green-Office idea in the workspace aimed to reduce other minor wastes. Such waste reduction measures in the office include stationery reuse and green pantry, which encourage employees to bring their own cups and lunch boxes in order to reduce the use of paper/plastic cups and lunch boxes.

2. USE OF RESOURCES

The Group aims to promote resource saving and implement suitable energy and water efficiency initiatives in order to improve the resources saving performance. The Group also motivates its employees to participate in resources conservation activities and encourages them to save energy and water.

The Group strives to comply with all relevant laws and regulations in relation to the Group's use of resources, including the "Energy Conservation Law of the People's Republic of China" and "Provisions on the Management of Water Conservation in Cities". During the Reporting Period, the Group has not identified any breach of related laws and regulations.

During the Reporting Period, the Group primarily consumes electricity, gasoline and diesel, water, paper and plastics. No other significant raw materials and energy were used by the Group during the Reporting Period.

2.1. Energy Consumption

The Group's main sources of energy consumption include electricity used in production and office spaces and gasoline and diesel for transportation. Decrease in energy consumption was mainly attributable to reduced use of office under the pandemic movement control measures in the PRC. The noticeable decrease in consumption intensity was caused by the significant increase in the Group's revenue during the Reporting Period. During the Reporting Period, consumption of energy are as follows:

Natural resources	**Unit**	**2026**	2025
Electricity	kWh	**1,068,254**	1,158,238
Consumption intensity	kWh/million dollars of revenue	**3,986**	1,731
Gasoline and diesel	Litre	**4,232**	5,763
Consumption intensity	Litre/million dollars of revenue	**16**	9

The Group targets to reduce its electricity consumption by 5% by 2027 on the 2022 basis by implementing the following energy saving initiatives at the plants and offices in Hong Kong and the PRC:

- Turn off lights when not in use;
- Setting the air conditioners at an optimal temperature;
- Installation of lights with motion sensors;
- Replacing electrical appliances with energy-saving models;
- Replacing LED lightings instead of fluorescent lightings; and
- Placing notices of energy saving messages in suitable areas to educate employees.

2.2. Water Consumption

The production and operation processes of the Group do not involve substantial water usage. The Group's water consumption is mainly for daily use and the Group did not face any problem in sourcing water that was fit for its purpose. During the Reporting Period, consumption of water resources are as follows:

Natural resources	**Unit**	**2026**	2025
Water	m^3	**9,909**	10,263
Water intensity	m^3/million dollars of revenue	**37**	15

The Group has established the water separation system and recycling program for the production lines at plants to reduce water consumption. Water conservation signs are placed in conspicuous places in the workplace to raise staff's awareness. The decrease of water consumption during the Reporting Period compared to the previous year was mainly due to the reduced use of office under the pandemic movement control measures in the PRC. The noticeable decrease in consumption intensity was caused by the significant increase in the Group's revenue during the Reporting Period. The Group targets to reduce its water consumption by 5% by 2027 on the 2022 basis through by implementing the following practices:

- Apply advanced technology to strengthen water recycling;
- Educate employees on the importance of water conservation;
- Perform proper maintenance of water taps, pipelines and tanks; and
- Consider the installation of water economizer.

2.3. Packaging Material

Save and except for the paper and plastic usage as stipulated in Section 1.3. Non-hazardous Wastes, there was no other significant raw material or packaging material used in operation.

3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group is not aware of any significant impacts of activities on the environment and natural resources during the Reporting Period.

The Group pays close attention to any possible impact of its business operation on the environment and natural resources. Thus, it not only follows national environmental regulations and international standards, but also adopts green management practices and encourages staff participation in environmental protection. To achieve green operation, a multi-pronged approach is adopted to raise staff awareness, formulate green policies, implement environmental initiatives and optimize monitoring on an ongoing basis. The Group also regularly assesses the possible environmental impact of its business activities to identify potential environmental risks.

A limited amount of hazardous substances is used by the Group in manufacturing power cords and data cords and trading of energy products, which include PVC, heavy metals and halogen compounds. With the view of reducing the risk, the Group adopts strict production procedures and minimizes the use of such materials in the products. All of the Group's products for export are designed to meet international quality standards and they have passed the Restriction of Hazardous Substances (RoHs), REACH, Waste Electrical and Electronic Equipment (WEEE) and other environmental tests which ensure that they are in line with various standards.

4. CLIMATE CHANGE

Climate change is one of the most crucial issues of the past decade. The Group has been closely monitoring the risk and capturing the opportunities from climate change. Investments will be allocated and prioritized to address the main climate related risk, which will enable the Group to facilitate a smooth transition to and thrive in a low-carbon economy. The Group identified that the following climate risks might have a potential impact on the Group's business:

4.1. Physical Risk

Climate change poses a significant threat to physical safety, particularly in the form of event-driven occurrences like storms, floods, and fires. These events can cause operational delays or even halt the manufacturing and assembling processes that support the Group's power and data cords business, and also the trading business segments. However, the Group has taken proactive measures to address these risks. By developing contingency plans that account for various weather-related incidents, the Group aims to minimize the impact of climactic risks on their operations. Additionally, to mitigate financial losses incurred by damage to assets due to extreme weather conditions, the Group maintains comprehensive insurance coverage.

4.2. Transition Risk

Climate change is a pressing issue that requires collective action from all nations. In 2020, President Xi Jinping announced the PRC's commitment to achieve (i) peak carbon emissions by 2030; and (ii) carbon neutrality by 2060 at the United Nations General Assembly. This ambitious goal will require the government to implement more stringent policies and initiatives to reduce carbon emissions, which may result in higher operating costs for businesses. As a result, the Group may need to replace its equipment and tools with more efficient models to comply with regulations, leading to higher expenses. To mitigate the impact of these changes, the Group is closely monitoring its carbon footprint and exploring alternative ways to reduce its environmental impact. Additionally, the Group is staying up-to-date with the latest policies and regulations related to climate change and environmental protection to ensure compliance and avoid non- compliance fines, safeguarding its operational, financial, and reputational stability.

SOCIAL PERFORMANCE

The element of social sustainability is the most comprehensive of the three components in ESG, yet it is often neglected due to the absence of standardized metrics to assess it. Sustainable development discussions typically concentrate on the environmental and economic dimensions of sustainability, disregarding social sustainability. The Group, however, recognizes that achieving the most sustainable outcome necessitates addressing all three aspects of sustainability. Therefore, the Group is committed to not only improving its environmental and economic performance but also ensuring its social sustainability.

1. EMPLOYMENT AND LABOUR PRACTICES

Employment

The success of the Group relies on the continued support of its dedicated workforce, the most valuable asset for sustaining business. The Group respects and cares for its employees by creating a delightful and safe workplace, as well as providing training opportunities. The Group strives to maintain employee turnover rate at an acceptable level so as to facilitate accumulation of professional skills and experience. As at the end of the Reporting Period, the Group has a total number of 70 (2025: 112) full-time employees.

	Number of staff	Staff turnover rate
Gender		
Male	37	30%
Female	33	41%
Age Group		
18–30	2	77%
31–50	36	42%
51 or above	32	13%
Geographical region		
PRC	62	36%
Hong Kong	8	38%
Employee categories		
Senior management	12	36%
Middle management	12	25%
General staff	46	31%

During the Reporting Period, the Group has not identified any significant breach of employment related laws and regulations, including the "Employment Ordinance (Cap. 57 of the Laws of Hong Kong)"; "Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)"; "Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)"; "Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)"; "Labour Law of the People's Republic of China"; "Law of the People's Republic of China on Promotion of Employment"; "Social Insurance Law of the People's Republic of China"; and "Labour Contract Law of the People's Republic of China".

Remuneration and benefits
The Group recognizes the importance of staff's contribution and cooperation in achieving business success, therefore the Group strives to develop a comprehensive staff motivation mechanism to attract and retain high-calibre talents who share its vision. For example, the Group offers basic benefits as required by laws such as the "Five Insurances and One Fund", medical insurance, annual leave, sick leave and double pay for overtime work. In addition, the Group provides other fringe benefits as well, which include performance-based bonus, free lunch, travel allowance, transport allowance, study subsidy, overseas training, marriage leave and maternity leave. Staff remuneration is determined based on the job nature, qualification, experience and performance of individual employees. The Group also conducts market studies on the remuneration level in the industry. The management of the Group adjusts employees' wages with reference to the performance appraisal and market studies every January.

Promotion and development
The Group carries out staff performance reviews annually. Staff members who have attained remarkable achievements and made outstanding contribution will be recognized by means of material rewards, honours and promotion opportunities. the Group offers suitable vocational training, arrangements and career path to promising employees as well, so as to equip them for more responsibilities and facilitate the growth of both the Group and the employees.

Equal opportunity
The Group offers fair and excellent employment and promotion opportunities. Staff members are not discriminated against or deprived of such opportunities on the basis of gender, nationality, marital status, religious belief, disability, pregnancy or any other grounds prohibited under applicable laws.

2. HEALTH AND SAFETY

The Group proactively works to reduce injury risks and occupational diseases by establishing related management systems and organizing safety training for its workforce. Furthermore, in order to ensure staff's safety, all employees are required to strictly follow the safety instructions on the proper storage of machines, equipment and raw materials for production.

In the meantime, the Group devotes its best efforts to raise staff awareness of occupational health and safety. It communicates health and safety knowledge and guidelines to employees by formulating health and safety policy and procedure, staff manual, orientation and on-the-job training, and various safety notices, posters and slogans, which remind them to stay safe when performing job duties. Occupational safety and health posters and warnings are placed at prominent position. Employees with driving duties contribute to workplace safety through orientation training for drivers and enhanced inspection of vehicle safety. These occupational health and safety initiatives help minimize risks and safeguard the interests of employees, customers and other stakeholders.

The Group strives to comply with all health and safety laws and regulations, including the "Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)"; "Production Safety Law of the People's Republic of China"; "Law of the People's Republic of China on Prevention and Control of Occupational Diseases"; "Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents of the PRC"; "Special Rules on the Labour Protection of Female Employees of the PRC"; and "Regulation on Work-Related Injury Insurance of the PRC". During the Reporting Period, the Group reported no work-related fatalities (2025: 0 and 2026: 0) and 28 lost days due to work injury (2025: 32 and 2026: 28). The Group was not aware of any violations of Hong Kong and the PRC health and safety laws and regulations.

3. DEVELOPMENT AND TRAINING

The Group has a well-established system to provide suitable training opportunities to different departments and positions, so that staff members, regardless their roles, have access to the knowledge and skills required to keep the efficiency and productivity, which is beneficial to its long-term development.

The Group encourages all staff to participate in essential external training and courses, such as negotiation courses, as necessary to sharpen their skills. In order to foster team spirit, the Group invites external organization to organize team building activities, where staff in different positions can get to know each other and develop cohesion and mutual trust through cooperation. As a result, they can work towards the common goal more efficiently.

During the Reporting Period, approximately 10% of the employees of the Group participated in different types of training. The percentages of employees trained and the average training hours completed per employee are shown below:

Percentage of Employees trained (By Gender)	**Male**	**Female**
2026	15%	7%
2025	10%	1%

Percentage of Employees trained (By Employment Category)	**Senior Management**	**Middle Management**	**General Staff**
2026	38%	17%	0%
2025	42%	15%	0%

During the Reporting Period, the average training hours per employee are approximately 0.9 hours. The breakdowns of the average training hours completed per employee by gender and employee category are as follows:

Average Training Hours (By Gender)	**Male**	**Female**
2026	1.3	0.2
2025	1.4	0.2

Average Training Hours (By Employment Category)	**Senior Management**	**Middle Management**	**General Staff**
2026	4.3	2.3	0
2025	4.4	2.1	0

4. LABOUR STANDARDS

The Group adopts all measures and internal control procedures to prevent any forms of child labour and forced labour. The Human Resource Department of the Group is responsible for monitoring the compliance of the Group with the relevant laws and regulations that prohibit child labour and forced labour employment. The Group requires job applicants to provide valid identity documents before confirmation of employment to ensure that the applicants are lawfully employable. Upon discovery of any child labour and use of forced labour, the person will be dismissed immediately and the management and responsible person will be disciplined accordingly.

During the Reporting Period, the Group was not aware of any non-compliance of labour related laws and regulations, including the "Employment Ordinance (Cap. 57 of the Laws of Hong Kong)" and "Labour Law of the People's Republic of China".

5. SUPPLY CHAIN MANAGEMENT

The Group believes managing ESG issues throughout the supply chain bring the following benefits both to the Group and to the investors:

- Quicker response to emerging regulations and legal obligations;
- Avoiding loss of contracts of ESG focused customers;
- Enhancing business continuity;
- Increased stakeholders' confidence;
- Opportunity for the Group to develop and maintain long-term and trusting partnership with the suppliers;
- Make the Group more attractive to invest; and
- Better financial performance from increased labour and process productivity.

The Group has established a standardized procurement system that operates in an efficient, fair and open manner, thereby safeguarding the interests of itself and other stakeholders. To ensure good supply chain management, the Group conducts background check and on-site evaluation of potential suppliers against criteria such as quality of goods, track record, production capacity, reputation, staffing and business qualification. Meanwhile, the Group requires suppliers to provide business licences, identity cards of the legal persons, articles of association, organizational structure and photos in all workshops including packaging workshop, technical workshop and warehouse for verification before making decisions.

The Group maintains a close relationship with suppliers to ensure that their business complies with local laws and regulations, such as the prohibition of child and forced labour. The Group believes that good sourcing practice is determined not just by the high product quality and timely delivery, but also the continuous reduction of the environmental footprint in the supply chain. The Group's green procurement involves assessing the suppliers' performance and contribution to environmental protection.

During the Reporting Period, the Group has 110, 2, and 1 suppliers located in the PRC, Hong Kong, and Taiwan, respectively.

6. PRODUCT RESPONSIBILITY

The Group strives to comply with all product responsibility related laws and regulations, including the "The Law of the People's Republic of China on Product Quality"; "The Metrology Law of the People's Republic of China"; "Law of the People's Republic of China on the Protection of Consumer Rights and Interests"; "Advertisement Law of the People's Republic of China"; and "Trade Descriptions Ordinance of Hong Kong". During the Reporting Period, the Group has not identified any breach of product responsibility related laws and regulations.

Quality management

To enhance product quality, the Group aims at meeting international standards and its power cord products have passed different environmental tests including the RoHS, REACH and WEEE, as well as the standards and specifications established by USB Implementation Forum, Inc. All of the Group's products are in line with international and domestic regulatory requirements and industry practices. The Group has formulated product recall policies which allow customers to contact the Group through customer services hotline. Complaints and product recall request will be properly followed up respective departments. During the Reporting Period, the Group did not receive any significant product recalls for safety and health reasons, the Group also did not receive any significant complaints regarding product flaws.

Advertising and marketing

In full compliance with the laws and regulations, the Group's sales documents give a true description of the specifications and features of its products without containing exaggerated and misrepresented information.

Data protection

In its daily operation, the Group processes various types of commercial information and personal data. For the purpose of protecting the information of the Group and its stakeholders, the Group has installed authorized software on all computers at the workplace. Employees are forbidden to install software without permission or handle personal matters on company computers, thereby minimising the risks of hacker attacks, Trojan horse and other computer viruses. The Group also has stringent data protection procedure for customers' information. The Group includes a confidentiality clause in all employment contracts which prohibits unauthorized disclosure or leakage of company information. Without the consent of the Group, employees are not allowed to disclose any sensitive information to any third parties or use such information for other unauthorized use. Staff members who are in breach of the policy and regulations will be subject to disciplinary actions or termination of employment.

Intellectual property rights

The Group's business operation does not involve significant intellectual property rights issues, and the Group does not hold any significant patent and trademark with regards to its products.

7. ANTI-CORRUPTION

The Group has formulated the comprehensive company regulations and employee code of conduct (the "Code of Conduct") as the standards of staff conduct. With the view of maintaining efficiency and integrity, the Group requires all staff members to follow the rules of the Code of Conduct and remain responsible and professional at all times. The Group's employees are not allowed to offer, solicit or accept any gifts of material value to or from colleagues, customers, suppliers or other business partners of the Group that raise concern over conflict of interest. All new employees are required to read and sign the Group's policy on conflict of interest, which stipulates that staff members should avoid personal conflicts of interest when dealing with any third parties on behalf of the Group.

A whistleblowing mechanism has been set up to provide a reporting channel for staff. As a result, employees can report suspected corruption, theft, fraud and embezzlement cases to the immediate head of the department, human resources department or other management members. The management may, in accordance with the local laws, report to government authorities such as the Police or Independent Commission Against Corruption for follow up actions as necessary. In addition, throughout the Reporting Period, training was regularly provided to employees in order to equip them with an understanding of the latest regulations and best practices relating to anti- bribery, extortion, fraud and money-laundering matters, including but not limited to the national anti-corruption policies and the Group's internal Code of Conduct.

The Group strives to comply with all anti-corruption related laws and regulations, including the "Anti-Corruption Law of the People's Republic of China"; "Law of the People's Republic of China on Anti- money Laundering"; "Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong)"; and "Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)". During the Reporting Period, the Group has not identified any breach of anti-corruption related laws and regulations.

During the reporting period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

8. COMMUNITY INVESTMENT

The Group recognizes that social prosperity is a crucial aspect of sustainable development and has integrated it into the heart of its business operations. The Group is committed to improving the well- being of the communities in which it operates and strives to build positive relationships with local stakeholders. The Group has adopted a proactive approach to community investment and encourages its employees to participate in various community initiatives such as volunteering, charity events, and donations. By leading by example, the Group aims to demonstrate the importance of corporate social responsibility and inspire others to follow suit. The Group is aware of the importance of addressing all three aspects of sustainability: environmental, economic, and social, and is committed to achieving the most sustainable outcome possible.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURY ENERGY INTERNATIONAL HOLDINGS LIMITED
百能國際能源控股有限公司
(Incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Century Energy International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 133, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Limitation of audit scope in respect of corresponding figures

On 27 August 2025, the predecessor auditor issued a report on the consolidated financial statements of the Group for the year ended 31 March 2025 and expressed a qualified opinion because the predecessor auditor was unable to obtain sufficient appropriate audit evidence on the net realisable value of certain inventories and allowance for obsolete stock as at 31 March 2025.

While the matter giving rise to the qualification described above has no possible effect on the current year's consolidated statement of financial position, our opinion on the current year's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows is modified because of the possible effects of the matter on the comparability of the current year's figures with the corresponding figures.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as 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 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 qualified opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by Confucius International CPA Limited, Certified Public Accountants, who expressed a qualified opinion in respect of the net realisable value of certain inventories and the allowance for obsolete stock on those consolidated financial statements on 27 August 2025.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$11,363,000 during the year ended 31 March 2026 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK$4,842,000 and HK$59,460,000, respectively. These conditions, together with other matters set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Provision for Expected Credit Losses ("ECLs") on Trade and Other Receivables

(Refer to note 20 and note 33(b) to the consolidated financial statements and the Group's significant accounting judgements and estimates in relation to provision for ECLs on trade and other receivables set out in note 3)

As at 31 March 2026, the Group's gross trade and other receivables amounted to approximately HK$63,339,000, for which an ECL allowance of approximately HK$23,619,000 had been recognised. The net trade and other receivables amounted to approximately HK$39,720,000, representing approximately 52.69% of the Group's total assets.

At the end of each reporting period, management assesses whether there has been a significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life of the trade and other receivables as at the reporting date with that at the date of initial recognition. In performing this assessment, management considers reasonable and supportable information that is available without undue cost or effort, including quantitative and qualitative information, historical repayment patterns, debtor-specific factors and forward-looking economic information, as well as valuation performed in respect of ECLs by the external valuation specialist engaged by the Group.

We identified provision for ECLs on trade and other receivables as a key audit matter due to its materiality to the consolidated financial statements and complexity of management's judgements in incorporating forward-looking economic conditions, historical trends, and debtor-specific credit risk assessment.

KEY AUDIT MATTERS (Continued)

Provision for Expected Credit Losses ("ECLs") on Trade and Other Receivables (Continued)

Our response:

Our key audit procedures included:

— Obtaining an understanding of the Group's credit risk management framework and assessing the design and implementation of relevant controls over the identification, measurement and monitoring of ECLs, with reference to the requirements of the prevailing accounting standards;

— Evaluating the competence, capabilities, independence and objectivity of the external valuation specialist engaged by the Group, and assessing the appropriateness of the valuation methodologies adopted, including, on a sample basis, testing the accuracy and completeness of data used in the ECL models and corroborating key judgements and assumptions against available market and external evidence;

— Testing the mathematical accuracy of the ECL models by reperforming calculations based on the Group's accounting policies, historical loss experience and relevant forward-looking information;

— Performing sample-based substantive procedures over trade and other receivables, including (i) obtaining direct confirmations from debtors and reviewing credit reports from public sources and other relevant information to assess the credit status and recoverability of outstanding balances; (ii) testing subsequent settlements by inspecting supporting documents in relation to cash receipts from the debtors subsequent to the end of the reporting period; and (iii) testing the accuracy of the ageing analysis; and

— Assessing the adequacy and appropriateness of the related disclosures in note 20 and note 33(b) to the consolidated financial statements with reference to the prevailing accounting standards.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT (Continued)

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

— Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with the Audit Committee, we determine 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.

The engagement partner on the audit resulting in this independent auditor's report is Zhang Linshu (practising certificate number: P08189).

SUYA WWC CPA LIMITED
Certified Public Accountants
Unit 04, 27/F, Wu Chung House,
213 Queen's Road East,
Wan Chai, Hong Kong
29 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	5	**267,664**	668,780
Cost of sales		**(258,225)**	(667,101)
Gross profit		**9,439**	1,679
Other income and gains/(losses), net	6	**2,952**	(2,017)
Selling and distribution expenses		**(4,169)**	(6,053)
Administrative expenses		**(14,005)**	(23,430)
Loss from operations		**(5,783)**	(29,821)
Gain on deregistration of subsidiaries	29	**-**	3
Share of profit of an associate	17	**7**	1
Finance costs	7	**(5,373)**	(5,017)
Loss before tax	8	**(11,149)**	(34,834)
Income tax expenses	11	**(214)**	(194)
Loss for the year		**(11,363)**	(35,028)
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation of foreign operations		**(2,574)**	336
Other comprehensive (loss)/income for the year, net of tax		**(2,574)**	336
Total comprehensive loss for the year		**(13,937)**	(34,692)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(11,419)**	(25,692)
Non-controlling interests		**56**	(9,336)
		(11,363)	(35,028)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	NOTE	2026 HK$'000	2025 HK$'000
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(13,995)**	(25,288)
Non-controlling interests		**58**	(9,404)
		(13,937)	(34,692)
Loss per share attributable to owners of the Company	13		
Basic and diluted (HK$ cents)		**(0.42)**	(0.95)

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	**2026** HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	14	**1,732**	3,423
Right-of-use assets	15(a)	**1,396**	1,798
Investment property	16	**4,345**	5,555
Interest in an associate	17	**411**	404
Financial asset measured at fair value through profit or loss ("FVTPL")	18	**-**	-
		7,884	11,180
Current assets			
Inventories	19	**3,098**	5,794
Trade and other receivables	20	**39,720**	40,842
Cash and bank balances	21	**24,688**	20,927
		67,506	67,563
Current liabilities			
Trade and other payables	22	**42,271**	43,006
Bank and other borrowings	23	**22,058**	66,203
Lease liabilities	15(b)	**185**	472
Tax payables		**7,834**	7,655
		72,348	117,336
Net current liabilities		**(4,842)**	(49,773)
Total assets less current liabilities		**3,042**	(38,593)
Non-current liabilities			
Bank and other borrowings	23	**62,326**	6,697
Lease liabilities	15(b)	**138**	195
Deferred tax liabilities	24	**38**	38
		62,502	6,930
NET LIABILITIES		**(59,460)**	(45,523)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	**2026** **HK$'000**	2025 HK$'000
Equity			
Share capital	25	**10,778**	10,778
Reserves	27	**(63,727)**	(49,732)
Capital deficiency attributable to owners of the Company		**(52,949)**	(38,954)
Non-controlling interests		**(6,511)**	(6,569)
TOTAL CAPITAL DEFICIENCY		**(59,460)**	(45,523)

Approved and authorised for issue on behalf of the Board of Directors on 29 June 2026.

Mr. Sun Jiusheng
Director

Mr. Cheung Yip Sang
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to Owners of the Company								
	Share capital HK$'000 (note 25)	Share premium HK$'000 (note 27(a))	Statutory reserve HK$'000 (note 27(b))	Share option reserve HK$'000 (note 27(c))	Exchange fluctuation reserve HK$'000 (note 27(d))	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2024	10,778	760,473	1,998	3,030	(414)	(789,531)	(13,666)	3,360	(10,306)
Loss for the year	–	–	–	–	–	(25,692)	(25,692)	(9,336)	(35,028)
Exchange differences arising on translation of foreign operations	–	–	–	–	404	–	404	(68)	336
Total comprehensive loss for the year	–	–	–	–	404	(25,692)	(25,288)	(9,404)	(34,692)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(525)	(525)
Appropriations to statutory reserve	–	–	234	–	–	(234)	–	–	–
At 31 March 2025 and 1 April 2025	**10,778**	**760,473**	**2,232**	**3,030**	**(10)**	**(815,457)**	**(38,954)**	**(6,569)**	**(45,523)**
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**(11,419)**	**(11,419)**	**56**	**(11,363)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(2,576)**	**–**	**(2,576)**	**2**	**(2,574)**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**(2,576)**	**(11,419)**	**(13,995)**	**58**	**(13,937)**
Appropriations to statutory reserve	**–**	**–**	**35**	**–**	**–**	**(35)**	**–**	**–**	**–**
At 31 March 2026	**10,778**	**760,473***	**2,267***	**3,030***	**(2,586)***	**(826,911)***	**(52,949)**	**(6,511)**	**(59,460)**

* These reserve accounts comprise the consolidated reserves of approximately HK$63,727,000 (2025: HK$49,732,000) in the consolidated statement of financial position.

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	NOTES	**2026** **HK$'000**	2025 HK$'000
Cash flows from operating activities			
Loss before tax		**(11,149)**	(34,834)
Adjustments for:			
Interest income	6	**(60)**	(75)
Finance costs	7	**5,373**	5,017
Change in fair value of investment property	6	**1,206**	-
Depreciation of property, plant and equipment	14	**1,922**	2,700
Depreciation of right-of-use assets	15(a)	**328**	1,093
Loss on write-off of property, plant and equipment	6	**-**	529
Impairment loss on property, plant and equipment	14	**-**	1,998
Write-down of inventories to net realisable value	19	**2,061**	6,886
Provision of expected credit losses on trade receivables, net	6	**441**	67
Provision of expected credit losses on other receivables, net	6	**554**	3,604
Write-off of trade receivables	6	**2,808**	-
Share of profit of an associate	17	**(7)**	(1)
Gain on early termination of leases	15(c)	**(24)**	(3)
Gain on deregistration of subsidiaries	29	**-**	(3)
Operating cash flows before movements in working capital		**3,453**	(13,022)
Changes in inventories		**635**	4,147
Changes in trade and other receivables		**(7,520)**	1,861
Changes in trade and other payables		**(735)**	6,460
Cash used in operations		**(4,167)**	(554)
Income tax paid		**(35)**	(84)
Net cash used in operating activities		**(4,202)**	(638)
Cash flows from investing activities			
Purchases of items of property, plant and equipment	14	**(108)**	(157)
Interest received	6	**60**	75
Net cash used in investing activities		**(48)**	(82)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	NOTES	2026 HK$'000	2025 HK$'000
Cash flows from financing activities			
Interest paid		**(534)**	(908)
Principal portion of lease payments		**(246)**	(1,135)
Advances from the ultimate holding company		**-**	3,096
Repayments to the ultimate holding company		**-**	(22)
Advances from a director		**500**	3,011
Advances from a shareholder		**5,476**	409
Repayment to a shareholder		**(227)**	-
Advances from an associate		**-**	347
Advances from a non-controlling interest		**13**	217
Proceeds from bank borrowings		**8,841**	13,405
Repayment of bank borrowings		**(8,588)**	(17,659)
Proceeds from other borrowings		**5,837**	13,700
Repayment of other borrowings		**(2,040)**	(9,760)
Net cash generated from financing activities		**9,032**	4,701
Net increase in cash and cash equivalents		**4,782**	3,981
Cash and cash equivalents at beginning of year		**20,927**	16,983
Effect of foreign exchange rate changes, net		**(1,021)**	(37)
Cash and cash equivalents at end of year		**24,688**	20,927
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents as state in note 21 to the consolidated financial statements		**24,687**	20,717
Restricted cash		**1**	210
Cash and cash equivalents as stated in the consolidated statement of cash flows		**24,688**	20,927

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

1. CORPORATE AND GROUP INFORMATION

Century Energy International Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Room 202B, 2/F., Mirror Tower, 61 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong. The shares of the Company are listed on The GEM Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- Investment holding
- Trading of natural gas
- Manufacturing and trading of power and data cords

In the opinion of the directors, the immediate and ultimate holding company of the Company is Baineng Holdings Limited, a limited liability company incorporated in Hong Kong.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Company name	Place of registration and business	Registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Century Energy International Global Limited	British Virgin Islands ("BVI")	US$100	100%	-	Investment holding
Century Energy Investment Limited	Hong Kong	HK$10,000	-	100%	Investment holding
Century Energy International (HK) Limited	Hong Kong	HK$100	100%	-	Investment holding
Able One Investments Limited	BVI	US$100	51%	-	Investment holding
Joint Market Limited	BVI	US$100	-	51%	Investment holding
Logic Dynamic Limited	Hong Kong	HK$10,000	-	51%	Inactive
Sun Fair Electric Wire & Cable (HK) Company Limited	Hong Kong	HK$3,000,000	-	51%	Trading of power and data cords
百能能源（北京）有限公司 (note a)	Mainland China	HK$200,000,000	100%	-	Investment holding
百能（天津）能源科技有限公司 (note b)	Mainland China	RMB30,000,000	-	100%	Investment holding
百能國恒（北京）能源有限公司 (note a)	Mainland China	HK$200,000,000	-	100%	Investment holding
百能國瑞（北京）新能源有限公司(note b)	Mainland China	RMB50,000,000	-	100%	Investment holding
高創百能（山東）能源國際貿易有限公司	Mainland China	RMB10,000,000	51%	-	Investment holding
佰能國隆（河北）新能源有限公司(note a)	Mainland China	HK$25,000,000	-	100%	Investment holding
百能國華（北京）新能源有限公司 (note b)	Mainland China	RMB500,000	-	100%	Inactive
韶關市國榮新能源科技有限公司 (note b)	Mainland China	RMB3,000,000	-	100%	Inactive
天津百能維克能源有限公司	Mainland China	RMB10,000,000	-	60%	Investment holding
廣東道生能源貿易有限公司	Mainland China	RMB10,000,000	-	51%	Trading of natural gas
百能（天津）能源貿易有限公司 (note b)	Mainland China	RMB50,000,000	-	100%	Trading of natural gas
三輝電線電纜（深圳）有限公司 (note a)	Mainland China	RMB10,000,000	-	51%	Manufacturing and trading of power and data cords

Notes:

(a) The subsidiaries are wholly-foreign-owned enterprises established in Mainland China.

(b) The subsidiaries are wholly owned enterprises established in Mainland China under PRC laws.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment property and certain equity investment which have been measured at fair value. These financial statements are presented in Hong Kong Dollars, and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of presentation

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors noted that for the year ended 31 March 2026, the Group incurred a net loss attributable to owners of the Company of approximately HK$11,419,000 and as at that date, the Group had net current liabilities and net liabilities of approximately HK$4,842,000 and HK$59,460,000, respectively. In addition, as at 31 March 2026, the Group had total borrowings of approximately HK$84,384,000, of which approximately HK$22,058,000 were repayable within the next twelve months, while the Group's cash and bank balances amounted to approximately HK$24,688,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstance, the directors have undertaken and are implementing the following measures to improve the Group's liquidity and financial position:

(a) The ultimate controlling shareholders and a director of the Company have provided undertakings to furnish adequate financial support to enable the Group to meet its liabilities and settle its financial obligations as and when they fall due for a period of at least twelve months from the date of approval of these consolidated financial statements. The ultimate holding company and ultimate controlling shareholders have further undertaken not to demand repayment of amounts due to them until all other liabilities of the Group have been settled in full.

(b) The directors will continue to implement measures aimed at improving the Group's working capital and cash flows, including cost control measures and enhancement of working capital management.

The directors have reviewed the Group's cash flow projections covering a period of not less than twelve months from the date of approval of these consolidated financial statements. Taking into account the abovementioned measures and assumptions, the directors are of the opinion that the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements for the year ended 31 March 2026 have been prepared on a going concern basis.

2.1 BASIS OF PREPARATION (Continued)

Basis of presentation (continued)

Notwithstanding the above, significant uncertainties remain as to whether the Group will be able to achieve the plans and measures described above. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangements with the other vote holders of the investee;
(b) Rights arising from other contractual arrangements; and
(c) The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associate for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards that have been issued but are not yet effective in these consolidated financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards - Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 and its amendments *Subsidiaries without Public Accountability: Disclosures*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity*

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKAS 21 *Translating to a Hyperinflationary Presentation Currency*

Amendments to HKAS 21 Translating to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11

Annual Improvements to HKFRS Accounting Standards - Volume 11 set out amendments to HKFRS 1, HKFRS 7, (and the accompanying Guidance on implementing HKFRS7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investment in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

The Group assesses whether there is objective evidence that the investment in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contributes to the ability to create outputs.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combination and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its investment property and certain equity investment at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (continued)

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

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

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

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

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (continued)

(c) the party is an entity where any of the following conditions applies (continued):

(i) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;

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

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

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

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for " Non-current assets and disposal groups held for sale or disposal". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Furniture and office equipment	4 -5 years
Leasehold improvements	4 -5 years
Motor vehicles	4 -5 years
Moulding and equipment	5 years
Buildings	Shorter of 40 years or lease term

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

For a transfer from investment from investment properties to owner occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with HKAS 16 Property, plant and equipment.

Leases

The Group assesses at contract inception 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.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (continued)

Group as a lessee

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Shorter of 40 years and the land lease term
Leasehold properties	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of certain office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at amortised cost (debt instruments)
  Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

- Financial assets measured at fair value through other comprehensive income (debt instruments)
  For debt investments measured at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

- Financial assets measured at fair value through other comprehensive income (equity investments)
  Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments measured at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset to be credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be credit-impaired when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt financial assets other than trade receivables which applies simplified approach are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 - Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 - Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 - Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, borrowings, and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at amortised cost
  After initial recognition, the Group's financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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, whose existence will only be confirmed by the occurrence or non-occurrence of one of more future uncertain events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the jurisdictions in which the Group operates.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

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 excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

Revenue from sales of goods, including liquefied natural gas ("LNG"), piped natural gas ("PNG"), and power and data cords and inlet sockets and medical control devices, is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Other income

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(b) Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer.)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments

Equity-settled share-based payments to directors and employees are measured at the fair value of the equity instruments granted at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date, excluding the impact of all non-market vesting conditions, is recognised as an expense on a straight-line basis over the vesting period, based on the Group's estimate of the equity instruments that will ultimately vest, with a corresponding increase recognised in the share option reserve within equity. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on an assessment of all relevant non-market vesting conditions. The impact of any revision to the original estimates is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payments to consultants and other service providers are measured at the fair value of the goods or services received, unless such fair value cannot be estimated reliably, in which case the transactions are measured at the fair value of the equity instruments granted. The fair value is measured at the date the Group obtains the goods or the counterparty renders the services. The fair value of the goods or services received is recognised as an expense unless the goods or services qualify for recognition as assets.

For share options that vest immediately on the grant date, the fair value of the share options granted is recognised immediately in profit or loss with a corresponding increase in the share option reserve.

Upon exercise of share options, the amount previously recognised in the share option reserve is transferred to share premium. Where share options are forfeited after the vesting date or lapse upon expiry without being exercised, the amount previously recognised in the share option reserve is transferred to accumulated losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Other employee benefits

(a) 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 services.

(b) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all its employees. Contributions are made based on the percentage of the employees' basic salaries and are charged to the statement of profit or loss as they became 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 into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 5% of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

(c) 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.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain oversea subsidiaries and associate are currencies other than Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such estimate cannot be made, if applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

Current tax and deferred tax

The Group is subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the amount of the provision for taxes and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

Estimation Uncertainty

Provision for expected credit losses on trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in note 20 to the consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable operating segments as follows:

Natural gas segment:	Engages in trading of natural gas.
Power and data cords manufacturing and trading segment:	Engages in the manufacture and trading of power cords and inlet sockets for household electrical appliances, power and data cords for mobile handsets and medical control devices, raw cables, as well as general trading activities.

4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss for the year. The adjusted loss for the year is measured consistently with the Group's loss for the year except that other income and gains/(losses), net (excluding impairment and ECLs), gain on deregistration of subsidiaries, share of profit of an associate, as well as finance costs, and corporate expenses are excluded from such measurement.

Segment assets exclude financial asset measured at FVTPL, investment properties, and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings and other corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Trading of natural gas		**Trading of power and data cords and inlet sockets**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
For the year ended 31 March						
Revenue from external customers	**232,417**	635,692	**35,247**	33,088	**267,664**	668,780
Segment loss	**(417)**	(3,921)	**(4,129)**	(22,654)	**(4,546)**	(26,575)
Others:						
- Interest income.	**48**	48	**12**	25	**60**	73
Depreciation:						
- Property, plant and equipment	**(36)**	(45)	**(1,795)**	(2,419)	**(1,831)**	(2,464)
-Right-of-used assets	**-**	(32)	**(281)**	(259)	**(281)**	(591)
Impairment loss						
- Property, plant and equipment	**-**	-	**-**	(1,998)	**-**	(1,998)
- Impairment losses on trade and other receivables, net	**(260)**	-	**(181)**	(67)	**(441)**	(67)
- Impairment losses on prepayments, net	**-**	-	**(54)**	(3,604)	**(54)**	(3,604)
- Write-down of inventory	**-**	-	**(2,061)**	(6,886)	**(2,061)**	(6,886)
Other expenses:						
- Income tax expense	**(35)**	(53)	**(179)**	(141)	**(214)**	(194)
Addition to non-current assets						
- Property, plant and equipment	**-**	-	**108**	129	**108**	129
- Right-of-use assets	**-**	266	**343**	-	**343**	266
As at 31 March						
Segment assets	**16,602**	15,810	**28,454**	29,333	**45,056**	45,143
Segment liabilities	**13,310**	14,642	**23,716**	24,386	**37,026**	39,028

4. OPERATING SEGMENT INFORMATION (Continued)

Reconciliation of Segment Financial Information

	2026 HK$'000	2025 HK$'000
Revenue		
Total Revenue of reportable segments	**267,664**	668,780
Loss of reportable segments		
Total loss of reportable segments	**(4,546)**	(26,575)
Other income and gains, net	**6,755**	3,659
Corporate expenses	**(8,206)**	(7,099)
Gain on deregistration of subsidiaries	**-**	3
Share of profit of an associate	**7**	1
Finance costs	**(5,373)**	(5,017)
Consolidated loss for the year	**(11,363)**	(35,028)
Assets		
Total assets of reportable segments	**45,056**	45,143
Investment property	**4,345**	5,555
Other corporate assets	**25,989**	28,045
Consolidated total assets	**75,390**	78,743
Liabilities		
Total liabilities of reportable segments	**37,026**	39,028
Bank and other borrowings	**84,384**	72,900
Other corporate liabilities	**13,440**	12,338
Consolidated total liabilities	**134,850**	124,266

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical Information

	Revenue		Non-current assets	
	2026	2025	**2026**	**2025**
	HK$'000	HK$'000	**HK$'000**	**HK$'000**
Hong Kong	**370**	473	**3,034**	2,162
PRC (other than Hong Kong)	**246,236**	651,492	**4,439**	8,613
United States	**20,026**	15,394	**–**	–
Other countries	**1,032**	1,421	**–**	–
Total	**267,664**	668,780	**7,473**	10,775

In presenting the geographical information, revenue is based on the locations of the customers.

4. OPERATING SEGMENT INFORMATION (Continued)

Major Customers

Revenue from major customers, which amounted to 10% or more of the total revenue, is as follows:

	2026		2025	
	HK$'000	**Proportion of total revenue**	HK$'000	Proportion of total revenue
Customer A	**-**	**N/A**	215,375	32.2%
Customer B	**124,992**	**46.70%**	117,750	17.6%

* Customer does not contribute 10% or more of total revenue.

5. REVENUE

An analysis of revenue is as follows:

	2026	2025
	HK$'000	HK$'000
Revenue from contracts with customers	**267,664**	668,780

(a) Disaggregated revenue information

	2026	2025
	HK$'000	HK$'000
Type of goods		
Trading of natural gas	**232,417**	635,692
Trading of power and data cords and inlet sockets and medical control devices	**35,247**	33,088
	267,664	668,780
Timing of revenue recognition		
Goods transferred at a point in time	**267,664**	668,780

(b) Performance obligations

The Group has no unsatisfied performance obligations at the end of the reporting period.

Contract liabilities of approximately HK$5,063,000 were recognised as revenue during the year ended 31 March 2026 (2025: HK$3,020,000).

6. OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of the Group's other income and gains/(losses), net is as follows:

	2026	2025
	HK$'000	HK$'000
Interest income	**60**	75
Loss on write-off of property, plant and equipment	**-**	(529)
Impairment loss on property, plant and equipment	**-**	(1,998)
Change in fair value of investment property	**(1,206)**	-
Gain on early termination of leases	**24**	3
Foreign exchange (losses)/gains, net	**(96)**	326
Rental income	**3,114**	3,237
Impairment losses on trade receivables, net	**(441)**	(67)
Impairment losses on other receivables, net	**(554)**	(3,604)
Write-off of trade receivables (note a)	**(2,808)**	-
Government grants (note b)	**714**	-
Commission income	**1,993**	-
Sample income	**1,547**	548
Others	**605**	(8)
	2,952	(2,017)

Note:

(a) The write-off of trade receivables represents amounts directly written off during the year after management assessed that the relevant balances were no longer recoverable. Such write-off was recognised directly in profit or loss and did not arise from, nor was it recorded through, movements in the ECL allowance.

(b) The government grants represent subsidies provided by the relevant government authorities to incentivise the development of the energy sector. There are no unfulfilled conditions or contingencies attached to these grants.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2026	2025
	HK$'000	HK$'000
Interest expenses on bank borrowings	**517**	706
Interest expenses on advance from a director	**692**	332
Interest expenses on advance from a shareholder	**587**	329
Interest expenses on advance from an associate	**12**	7
Interest expenses on advance from non-controlling interests	**18**	11
Interest expenses on other borrowings	**3,530**	3,566
Interest expenses on lease liabilities	**17**	66
	5,373	5,017

8. LOSS BEFORE TAX

The Group's loss before income tax is arrived at after charging:

	2026	2025
	HK$'000	HK$'000
Auditor's remuneration	**780**	780
Cost of inventories sold (including impairment)	**245,540**	653,835
Depreciation of property, plant and equipment (note 14)	**1,922**	2,700
Depreciation of right-of-use assets (note 15(a))	**328**	1,093
Write-down of inventories to net realisable value (note 19)	**2,061**	6,886
Employee benefit expense (including directors' emoluments)		
Salaries, bonuses and allowances	**12,148**	15,952
Pension scheme contributions	**1,457**	1,830
Termination benefits	**-**	95
	13,605	17,877
Lease payments not included in the measurement of lease liabilities	**5,024**	5,078

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383 of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

For the year ended 31 March 2026

	Fees HK$'000	Salaries, allowances and other benefit in kind HK$'000	Bonuses HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive directors					
Sun Jiusheng	-	378	-	-	378
Yeung Shing Wai	-	-	-	-	-
Cheung Yip Sang	-	338	-	-	338
Li Dewen	-	-	-	-	-
	-	716	-	-	716
Independent non-executive directors					
Chong Wing Lum Cherrie	120	-	-	-	120
Liu Yongxin	120	-	-	-	120
Cheong Siu Fai (note (i))	99	-	-	-	99
Chan Hon Wan (note (ii))	21	-	-	-	21
	360	-	-	-	360
	360	716	-	-	1,076

Notes:

(i) Appointed on 4 June 2025.

(ii) Resigned on 4 June 2025.

9. DIRECTORS' REMUNERATION (Continued)

For the year ended 31 March 2025

	Fees HK$'000	Salaries, allowances and other benefit in kind HK$'000	Bonuses HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Executive directors					
Sun Jiusheng	60	572	–	42	674
Yeung Shing Wai	60	–	–	–	60
Cheung Yip Sang	60	92	–	24	176
Li Dewen	60	–	–	–	60
Ma Shenyuan (note (i))	41	194	1,830	–	2,065
	281	858	1,830	66	3,035
Non-executive director					
Leung Wing Cheong Eric (note (ii))	20	–	–	–	20
Independent non-executive directors					
Chan Hon Wan (note (iii))	48	–	–	–	48
Chong Wing Lum Cherrie (note (iv))	39	–	–	–	39
Chu Kin Ming (note (v))	53	–	–	–	53
Lim Haw Kuang (note (vi))	40	–	–	–	40
Liu Yongxin (note (vii))	76	–	–	–	76
Lui Ho Ming Paul (note (v))	53	–	–	–	53
	309	–	–	–	309
	610	858	1,830	66	3,364

Notes:

(i) Resigned on 5 December 2024.

(ii) Resigned on 31 July 2024.

(iii) Appointed on 8 November 2024 and resigned on 4 June 2025.

(iv) Appointed on 5 December 2024

(v) Resigned on 8 September 2024.

(vi) Resigned on 1 August 2024.

(vii) Resigned on 14 August 2024.

10. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included two directors (2025: two), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2025: three) highest paid individuals are as follows:

	2026	2025
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**1,149**	1,967
Pension scheme contributions	**48**	48
	1,197	2,015

The number of highest paid individuals whose remuneration fell within the following bands is as follows:

	Number of individuals	
	2026	2025
Nil to HK$1,000,000	**5**	3
HK$1,000,001 to HK$1,500,000	**-**	1
HK$1,500,001 to HK$2,000,000	**-**	-
HK$2,000,001 to HK$2,500,000	**-**	1
	5	5

During the years ended 31 March 2026 and 2025, no emoluments were paid to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors have waived or agreed to waive any emoluments in respect of their services to the Company for the years ended 31 March 2026 and 2025.

11. INCOME TAX

Income tax expenses in the consolidated statement of profit or loss represents:

	2026	2025
	HK$'000	HK$'000
Hong Kong Profits Tax		
- Current year	**23**	-
PRC Corporate Income Tax		
- Current year	**180**	175
- Under-provision in prior years	**11**	19
	191	194
	214	194

Under the two-tiered Profits Tax rates regime, the first HK$2 million taxable profits of qualifying corporations will be taxed at 8.25%, and taxable profits above HK$2 million will be taxed at 16.5%. Hong Kong Profits Tax has been provided in accordance with the two-tiered Profits Tax rates regime on the estimated assessable profits arising in Hong Kong during the years ended 31 March 2026. No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2025 as the Group's subsidiaries domiciled in Hong Kong incurred tax losses during that year.

The Group's subsidiaries domiciled in Mainland China are subject to PRC Corporate Income Tax at the statutory rates of 25 % (2025: 25%).

As at 31 March 2026, the Group had unutilised estimated tax losses of approximately HK$49,506,000 (2025: HK$41,821,000) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of these tax losses, as management has concluded that it is not probable that sufficient future taxable profits will be available against which the tax losses can be utilised, in accordance with the recognition requirements of HKAS 12 *Income Taxes*. The unutilised tax losses may be carried forward indefinitely under the relevant tax legislation.

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2026 HK$'000	2025 HK$'000
Loss before tax	**(11,149)**	(34,834)
Tax credit at the statutory rates	**(1,839)**	(5,418)
Effect of different tax rates in other jurisdictions	**(716)**	(1,709)
Tax effect of income not subject to tax	**(200)**	(9)
Tax effect of expenses not deductible for tax	**2,066**	5,714
Tax effect of temporary differences not recognised	**124**	10
Tax effect of tax loss not recognised	**768**	1,587
Under-provision in respect of prior years	**11**	19
	214	194

12. DIVIDENDS

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

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount is based on loss for the year attributable to the owners of the Company of approximately HK$11,419,000 (2025: HK$25,692,000) and the weighted average number of ordinary shares of approximately 2,694,465,000 (2025: 2,694,465,000) outstanding during the year.

The Group had no potential dilutive ordinary shares in issue during the year ended 31 March 2026 (2025: Nil).

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvements HK$'000	Moulding and equipment HK$'000	Motor vehicles HK$'000	Furniture and office equipment HK$'000	Total HK$'000
COST						
At 1 April 2024	11,357	4,313	13,348	4,947	1,058	35,023
Additions	–	21	118	–	18	157
Transfer to investment property (note 16)	(8,068)	–	–	–	–	(8,068)
Disposals	–	–	–	–	(2)	(2)
Write-off	–	(1,518)	(23)	–	(170)	(1,711)
Exchange realignment	(132)	(34)	(172)	(54)	(5)	(397)
At 31 March 2025 and 1 April 2025	**3,157**	**2,782**	**13,271**	**4,893**	**899**	**25,002**
Additions	**–**	**–**	**105**	**–**	**3**	**108**
At 31 March 2026	**3,157**	**2,782**	**13,376**	**4,893**	**902**	**25,110**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
At 1 April 2024	3,042	3,621	9,992	3,484	690	20,829
Charge for the year (note 8)	294	254	1,441	575	136	2,700
Transfer to investment property (note 16)	(2,517)	–	–	–	–	(2,517)
Write-off	–	(1,076)	(9)	–	(97)	(1,182)
Impairment losses	1,998	–	–	–	–	1,998
Exchange realignment	(31)	(33)	(141)	(40)	(4)	(249)
At 31 March 2025 and 1 April 2025	**2,786**	**2,766**	**11,283**	**4,019**	**725**	**21,579**
Charge for the year (note 8)	**29**	**5**	**1,245**	**553**	**90**	**1,922**
Exchange realignment	**–**	**(3)**	**(83)**	**(40)**	**3**	**(123)**
At 31 March 2026	**2,815**	**2,768**	**12,445**	**4,532**	**818**	**23,378**
NET CARRYING AMOUNT						
At 31 March 2026	**342**	**14**	**931**	**361**	**84**	**1,732**
At 31 March 2025	371	16	1,988	874	174	3,423

15. LEASES

The Group as a lessee

The Group has lease agreements for various leasehold land and office premises. Lump sum payments were made upfront to acquire the leased land from the owners with lease period of 21 years (2025: 22 years), and no ongoing payments will be made under the terms of the land lease. Leases of office premises generally have lease terms between 2 and 3 years (2025: 2 and 3 years).

(a) Right-of-use assets

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

	Leasehold land HK$'000	Leasehold properties HK$'000	Total HK$'000
At 1 April 2024	1,275	1,155	2,430
Additions	-	461	461
Depreciation charge	(99)	(994)	(1,093)
At 31 March 2025 and 1 April 2025	**1,176**	**622**	**1,798**
Additions	**-**	**343**	**343**
Early termination of leases	**-**	**(417)**	**(417)**
Depreciation charge	**(98)**	**(230)**	**(328)**
At 31 March 2026	**1,078**	**318**	**1,396**

15. LEASES (Continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2026 HK$'000	2025 HK$'000
At 1 April	**667**	1,296
New leases	**343**	461
Accretion of interest recognised during the year	**17**	66
Payments	**(263)**	(1,021)
Early termination of leases	**(441)**	(135)
At 31 March	**323**	667
Analysed into:		
Current portion	**185**	472
Non-current portion	**138**	195
	323	667

The maturity analysis of lease liabilities is disclosed in note 33(b) to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2026 HK$'000	2025 HK$'000
Interest expense on lease liabilities	**17**	66
Depreciation of right-of-use assets	**328**	1,093
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	**5,024**	5,078
Gain on early termination of leases	**(24)**	(3)
Total amount recognised in profit or loss	**5,345**	6,234

15. LEASES (Continued)

The Group as a lessor

The Group leases its investment property (note 16) and sub-leases its short-term leasehold plants under operating lease arrangements. Rental income recognised by the Group during the year ended 31 March 2026 was approximately HK$3,114,000 (2025: HK$3,237,000), details of which are included in note 6 to the consolidated financial statements.

At the end of the reporting periods, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2026	2025
	HK$'000	HK$'000
Within one year	**552**	1,315
After one year but within two years	**-**	656
Total	**552**	1,971

16. INVESTMENT PROPERTY

	2026	2025
	HK$'000	HK$'000
At 1 April	**5,555**	–
Transfer from owner-occupied property (note 14)	**–**	5,551
Net loss from a fair value adjustment	**(1,206)**	–
Exchange realignment	**(4)**	4
At 31 March	**4,345**	5,555

The Group's investment property comprises a commercial property located in Mainland China. The investment property was revalued as at 31 March 2026 by Norton Appraisals Holdings Limited (2025: Valplus Consulting Limited), an independent qualified professional valuer not connected with the Group and possessing appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

In estimating the fair value of the investment property, the highest and best use of the property is its current use.

The investment property is leased to third parties under an operating lease. At 31 March 2026, the Group's investment property with a carrying amount of HK$4,345,000 (2025: HK$5,555,000) was pledged to secure banking facilities granted to the Group.

There were no transfers into or out of Level 3 of the fair value hierarchy during the year.

16. INVESTMENT PROPERTY (Continued)

Fair value hierarchy

The following table illustrates the fair value hierarchy of the Group's investment property:

	Fair value measurement at 31 March 2026 using			
	Level 1 input HK$'000	Level 2 input HK$'000	Level 3 input HK$'000	Total HK$'000
Recurring fair value measurement for:				
Commercial property	-	-	4,345	4,345

	Fair value measurement at 31 March 2025 using			
	Level 1 input HK$'000	Level 2 input HK$'000	Level 3 input HK$'000	Total HK$'000
Recurring fair value measurement for:				
Commercial property	-	-	5,555	5,555

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation techniques	Level 3 inputs	2026	2025
Commercial property located in Mainland China	Investment approach (using the term and reversion method)	Market rental value (per sq.m.)	HK$96	HK$163
		Market yield	4.62%	4.87%

The fair value of the investment property has been determined using the investment approach by adopting the term and reversion method, whereby the existing rental income receivable under the current tenancy together with the estimated reversionary market rental income upon expiry of the existing lease are capitalised using an appropriate market yield derived from comparable investment properties. In determining the market rental value and market yield, the valuer has considered recent market transactions and rental evidence of comparable properties, after making appropriate adjustments for differences in location, size, floor level, building age, physical condition, tenancy profile and other relevant characteristics.

The significant unobservable inputs used in the valuation are the market rental value and market yield. A significant increase/(decrease) in the market rental value would result in a significant increase/(decrease) in the fair value of the investment property. Conversely, a significant increase/(decrease) in the market yield would result in a significant decrease/(increase) in the fair value of the investment property.

17. INVESTMENT IN AN ASSOCIATE

	2026 **HK$'000**	2025 HK$'000
Share of net assets, net of impairment	**411**	404

Particulars of the associate are as follows:

		Percentage equity attributable to the Company		
Company name	**Place of registration and business**	**2026**	**2025**	**Principal activities**
海南百能海液通能源物流有限公司	PRC	40%	40%	Engaged in LNG tank trading and energy logistics services

	2026 **HK$'000**	2025 HK$'000
Share of the associate's profit for the year	**7**	1

18. FINANCIAL ASSET MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 **HK$'000**	2025 HK$'000
Listed equity investment, at fair value	**-**	-

As at 31 March 2026, the Group's financial asset measured at FVTPL comprised an equity investment in a company listed on the Indian Stock Market. Trading of the investee company's shares has been suspended since 1 January 2018. In light of the prolonged suspension and the significant uncertainty over the recoverability and realisation of the investment, management assessed the fair value of the investment to be negligible. Consequently, the investment was measured at a negligible carrying amount through the recognition of fair value losses in profit or loss. The shares remained suspended from trading as at the date of this report.

19. INVENTORIES

	2026 HK$'000	2025 HK$'000
Raw materials	**1,159**	783
Work in progress	**1,603**	1,925
Finished goods	**336**	3,086
	3,098	5,794

During the year ended 31 March 2026, HK$2,061,000 (2025: HK$6,886,000) write-down of inventories was recorded in cost of sales.

20. TRADE AND OTHER RECEIVABLES

	2026 HK$'000	2025 HK$'000
Trade receivables (note a)	**33,419**	32,176
Less: impairment	**(19,461)**	(19,020)
	13,958	13,156
Other receivables (note b)	**29,920**	31,290
Less: impairment	**(4,158)**	(3,604)
	25,762	27,686
Trade and other receivables, net	**39,720**	40,842

Notes:

(a) Trade receivables

The Group's trading terms with its customers are generally on credit, with credit periods ranging from 30 to 60 days from the end of the month in which the invoice is issued. The Group maintains stringent controls over its trade receivable balances and monitors customers' outstanding balances on an ongoing basis.

In assessing the recoverability of trade receivables, management performs regular reviews of individual account balances and considers factors including customers' repayment history, ageing profile, current creditworthiness, historical default experience and forward-looking information available at the end of the reporting period. Changes in the credit quality of trade receivables from the date credit was initially granted up to the reporting date are also taken into consideration in evaluating expected credit losses.

The Group does not hold any collateral or other credit enhancements as security for its trade receivable balances.

20. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2026	2025
	HK$'000	HK$'000
Within 30 days	**7,547**	8,032
31 to 60 days	**4,219**	4,044
61 to 90 days	**1,081**	503
91 to 180 days	**1,111**	577
	13,958	13,156

The movements in the loss allowance for impairment of trade receivables are as follows:

	2026	2025
	HK$'000	HK$'000
At 1 April	**19,020**	18,953
Impairment losses	**441**	74
Reversal of impairment losses	**–**	(7)
At 31 March	**19,461**	19,020

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2026		Past due			
	Current	1 to 3 months	3 to 12 months	12 months	Total
Expected credit loss rate	2.41%	2.41%	2.65%	100%	58.23%
Gross carrying amount (HK$'000)	3,230	10,922	151	19,116	33,419
Expected credit losses (HK$'000)	78	263	4	19,116	19,461

As at 31 March 2025		Past due			
	Current	1 to 3 months	3 to 12 months	Over 12 months	Total
Expected credit loss rate	0.56%	0.55%	0.61%	100%	59.11%
Gross carrying amount (HK$'000)	6,805	5,273	1,152	18,946	32,176
Expected credit losses (HK$'000)	38	29	7	18,946	19,020

20. TRADE AND OTHER RECEIVABLES (Continued)

(b) Other receivables

The Group's other receivables represent the following:

	2026	2025
	HK$'000	HK$'000
Advances to staff	**38**	50
Amount due from ultimate holding company *(note i)*	**22,500**	22,500
Prepayments for purchases	**1,579**	1,778
Other prepayments and deposits	**758**	1,743
Others *(note ii)*	**887**	1,615
	25,762	27,686

(i) On 12 July 2018, a wholly-owned subsidiary of the Company ("Subsidiary A") paid trade deposits of HK$17,000,000 and HK$5,500,000 (collectively, the "Oil Trade Deposits") to two suppliers (the "Trade Suppliers") pursuant to certain oil supply contracts. The Oil Trade Deposits were intended for the purchase of oil products from the Trade Suppliers for resale in the ordinary course of the Group's business.

On 30 June 2020, Subsidiary A entered into deeds of assignment (the "Deeds") with the Trade Suppliers and Baineng Holdings Limited ("Baineng"), which was then a potential investor of the Company and has subsequently become its ultimate holding company. Pursuant to the Deeds, Baineng assumed the obligations of the Trade Suppliers in respect of the Oil Trade Deposits and agreed to refund the deposits to the Group upon the successful resumption of trading in the Company's shares. Details of the proposed investment were disclosed in the Company's announcements dated 23 December 2019 and 6 March 2020.

The balance due from the ultimate holding company is unsecured, interest-free and repayable on demand.

(ii) This category primarily comprises deductible value added tax of approximately HK$755,000 (2025: HK$1,332,000).

The movements in the loss allowance for impairment of other receivables are as follows:

	2026	2025
	HK$'000	HK$'000
At 1 April	**3,604**	-
Impairment losses	**554**	3,604
At 31 March	**4,158**	3,604

21. CASH AND BANK BALANCES

	2026	2025
	HK$'000	HK$'000
Cash and bank balances	**24,688**	20,927
Less: Restricted cash	**(1)**	(210)
Cash and cash equivalents	**24,687**	20,717

Restricted cash represents cash and cash equivalents over which the Group did not have effective control, or access to, as at the end of the reporting period. As at 31 March 2026, this restriction arose from an ongoing bank account closure procedure. In prior year, as at 31 March 2025, access was similarly restricted due to administrative delays in updating statutory records with the bank, which prevented the Group from transacting on the account.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK$8,392,000 (2025: HK$8,299,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE AND OTHER PAYABLES

	2026 HK$'000	2025 HK$'000
Trade payables *(note a)*	**7,095**	5,288
Other payables *(note b)*	**35,176**	37,718
	42,271	43,006

Notes:

(a) Trade payables

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

	2026 HK$'000	2025 HK$'000
Within 30 days	**5,523**	4,533
31 to 60 days	**1,224**	745
61 to 90 days	**165**	9
91 to 180 days	**65**	1
Over 180 days	**118**	-
	7,095	5,288

The credit periods granted by the Group's suppliers generally range from 30 to 120 days. Trade payables are non-interest bearing and are expected to be settled within one year.

(b) Other payables

The Group's other payables represent the following:

	2026 HK$'000	2025 HK$'000
Accruals	**5,294**	6,226
Contract liabilities[(i)]	**436**	5,374
Interest payables	**12,773**	8,102
Salary and welfare payables	**8,248**	8,598
Others	**8,425**	9,418
	35,176	37,718

22. TRADE AND OTHER PAYABLES (Continued)

(b) Other payables (continued)

(i) Movements of contract liabilities are as follows:

	2026 HK$'000	2025 HK$'000
At 1 April	**5,374**	5,918
Increase in contract liabilities arising from advances received from customers during the year	**120**	2,542
Recognition of revenue during the year that was included in contract liabilities at the beginning of the year	**(5,063)**	(3,020)
Exchange realignment	**5**	(66)
At 31 March	**436**	5,374

23. BANK AND OTHER BORROWINGS

	2026 HK$'000	2025 HK$'000
Secured and unsecured bank loan *(note a)*	**13,410**	13,285
Advance from ultimate holding company *(note b)*	**14,695**	14,695
Advance from a shareholder *(note c)*	**7,853**	2,604
Advance from a director *(note d)*	**5,629**	4,978
Advance from an associate *(note e)*	**363**	343
Advance from a non-controlling interest *(note f)*	**227**	214
Other loans *(note g)*	**42,207**	36,781
	84,384	72,900
Less: Amount classified as current liabilities	**(22,058)**	(66,203)
Amount classified as non-current liabilities	**62,326**	6,697

23. BANK AND OTHER BORROWINGS (Continued)

An analysis of the Group's secured and unsecured borrowings is as follows:

	2026 HK$'000	2025 HK$'000
Secured	**9,569**	9,719
Unsecured	**74,815**	63,181
	84,384	72,900

Notes:

(a) Bank loans

The Group's bank loans as at the end of the reporting period are repayable as follows:

	2026 HK$'000	2025 HK$'000
Within one year	**8,862**	8,588
After one year but less than two years	**4,548**	22
After two years but less than five years	**–**	4,675
	13,410	13,285

As at 31 March 2026, a secured bank loan of HK$4,568,000 (2025: HK$4,719,000), denominated in RMB, was secured by (i) the Group's investment property with a carrying amount of HK$4,345,000 (2025: HK$5,555,000), (ii) guarantees provided by a director of a subsidiary of the Company and his spouse, and (iii) corporate guarantees provided by a subsidiary of the Group. The secured bank loan bears interest at 2.95% (2025: 3.30%) per annum.

As at 31 March 2026, a bank loan of HK$8,842,000 (2025: HK$8,566,000), denominated in RMB, was supported by guarantees provided by a director of a subsidiary of the Company and his spouse, as well as corporate guarantees provided by a subsidiary of the Group. The loan bears interest at 5.70% (2025: 4.20%) per annum.

23. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(b) Advance from ultimate holding company

On 8 September 2021, the ultimate holding company granted a loan facility of up to HK$10,000,000 to the Company, bearing interest at 18% per annum and maturing in one year. On 23 June 2022, the facility was increased to HK$30,000,000 and the interest rate was reduced to 15% per annum. On 7 September 2023, the maturity date was extended to 7 September 2025. On 7 September 2025, the maturity date was further extended to 7 September 2027. The ultimate holding company waived all interest otherwise chargeable to the Group up to the 31 March 2026.

(c) Advance from a shareholder

On 25 October 2022, the Company entered into a loan agreement with Mr. Cheung Yip Sang ("Mr. Cheung"), a shareholder and executive director, pursuant to which Mr. Cheung granted a loan facility of up to HK$25,000,000 to the Company, bearing interest at 15% per annum and maturing in one year. On 24 October 2023, the maturity date was extended to 24 October 2025. On 24 October 2025, the maturity date was further extended to 24 October 2027. As at 31 March 2026, total amount of loan drawn under the aforesaid loan facility was approximately HK$7,853,000.

(d) Advance from a director

Pursuant to the loan agreements between the Company and Mr. Sun Jiusheng ("Mr. Sun") dated 4 April 2023, 4 April 2024 and 3 April 2026, total amount of loans advanced to the Company by Mr. Sun was HK$2,908,000 as at 31 March 2026, which bears interest at 15% per annum and will mature on 3 April 2028.

On 31 March 2025, Mr. Sun entered into a loan agreement with a subsidiary of the Group, pursuant to which he granted a loan of RMB2,400,000 (equivalent to approximately HK$2,721,000), bearing interest at 10% per annum and maturing on 31 March 2026. The maturity date was later extended to 31 March 2027.

(e) Advance from an associate

On 27 May 2024, the Group entered into a loan agreement with its associate, Hainan Baineng Haiyetong Energy Logistics Company Limited (海南百能海液通能源物流有限公司), pursuant to which the associate granted a loan of RMB320,000 (equivalent to approximately HK$363,000) to the Group, bearing interest at 3.45% per annum and maturing on 29 December 2025. On 12 December 2025, the maturity date was extended to 29 December 2026.

(f) Advance from a non-controlling interest

On 2 August 2024, the Group entered into a loan agreement with a non-controlling interest, Shandong Gaochuang Construction Investment Group Co., Limited (山東高創建設投資集團有限公司), pursuant to which the non-controlling interest granted a loan of RMB200,000 (equivalent to approximately HK$227,000) to the Group, bearing interest of 8% per annum and maturing on 1 August 2025. The loan remained outstanding upon its maturity and was overdue as at 31 March 2026. As at 31 March 2026, no extension of the maturity date or other renegotiation of the loan terms had been greed between the Group and the lender.

23. BANK AND OTHER BORROWINGS (Continued)

(g) **Other loans**

As at 31 March 2026, the Group had other loans of approximately HK$42,207,000 (2025: HK$36,781,000), which bear interest at rates ranging from 2% to 12% (2025: 2% to 12%) per annum and are repayable between 1 and 5 years (2025: between 1 and 2 years) from the end of the reporting period. As at 31 March 2026, two of these loans were overdue.

	2026	2025
	HK$'000	HK$'000
Overdue	**11,888**	32,841
Within one year	**170**	3,940
After one year but within two years	**5,667**	-
After two years but within five years	**24,482**	-
	42,207	36,781
Analyzed into:		
Secured *(note)*	**5,000**	5,000
Unsecured	**37,207**	31,781

Note: The Group's 51% (2025: 51%) equity interests in Able One Investments Limited, a subsidiary of the Company, was pledged to an independent third party to secure an interest-bearing loan.

24. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised by the Group.

	Accelerated tax depreciation
	HK$'000
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	**38**

25. SHARE CAPITAL

	2026	2025
	HK$'000	HK$'000
Authorised:		
10,000,000,000 (2025: 10,000,000,000) ordinary shares at HK$0.004 each	**40,000**	40,000
Issued and fully paid:		
2,694,465,453 (2025: 2,694,465,453) ordinary shares at HK$0.004 each	**10,778**	10,778

There was no movement in the Company's issued share capital during the year (2025: Nil).

26. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme 2021") pursuant to a resolution passed by its shareholders on 29 September 2021. The purpose of the Scheme 2021 is to attract and retain qualified personnel and to provide incentives to employees (both full-time and part-time), directors, advisors and consultants of the Group, thereby promoting the long-term growth and success of the Group.

The Scheme 2021 became effective on 29 September 2021 and, unless otherwise terminated or amended, will remain valid for a period of ten years from the date of adoption.

Eligible participants include any director, employee, advisor or consultant of the Company or any of its subsidiaries who, in the absolute discretion of the Board, has contributed or may contribute to the development and success of the Group's business.

The total number of shares available for issue under the Scheme 2021 and any other share option schemes of the Group shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the date on which dealings in the Company's shares commenced on the Hong Kong Stock Exchange.

The maximum number of shares issued and to be issued upon exercise of options granted and to be granted under the Scheme 2021 and any other share option schemes of the Group to any individual participant (including both exercised and outstanding options) within any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares in issue.

Any grant of share options to a substantial shareholder of the Company, an independent non-executive director, or any of their respective associates, which, if exercised in full, would result in the aggregate number of shares issued and to be issued upon exercise of all options granted and to be granted (including exercised and outstanding options) to such participant during the 12-month period up to and including the proposed grant date (the "Relevant Date") exceeding 0.1% of the Company's issued share capital as at the Relevant Date, and having an aggregate value (based on the closing price of the Company's shares as quoted in the Hong Kong Stock Exchange's daily quotations sheet on the Relevant Date) exceeding HK$5,000,000, is subject to shareholders' approval in a general meeting.

26. SHARE OPTION SCHEME (Continued)

The subscription price for shares under the Scheme 2021 shall be determined by the Board at its absolute discretion and shall not be less than the highest of:

(a) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;

(b) the average closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and

(c) the nominal value of the Company's shares on the date of grant.

For the years ended 31 March 2026 and 31 March 2025, no share options were granted, exercised, lapsed or expired under the Scheme 2021.

27. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 61 of the annual report.

(a) Share premium
Under the Companies Act of the Cayman Islands, the share premium account of the Company may be distributed to the shareholders of the Company, provided that immediately following the date on which such distribution or dividend is proposed, the Company remains able to settle its liabilities as they fall due in the ordinary course of business.

(b) Statutory reserve
The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's subsidiaries domiciled in Mainland China in accordance with the applicable PRC laws and regulations.

(c) Share option reserve
The share option reserve comprises the fair value of share options granted which are yet to be exercised, recognised in accordance with the accounting policy for share-based payments, as detailed in note 2.4 to the consolidated financial statements. The amount will be transferred to the share premium account upon exercise of the related share options, or transferred to accumulated losses if the related share options lapse or are forfeited.

(d) Exchange fluctuation reserve
The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and is accounted for in accordance with the Group's accounting policy on foreign currency translation, as detailed in note 2.4 to the consolidated financial statements.

28. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2026	2025
Percentage of equity interests held by non-controlling interests:		
Able One Investments Limited and its subsidiaries ("Able One Group")	**49%**	49%
Guangdong Daosheng Energy Trading Co., Limited* 廣東道生能源貿易有限公司("Guangdong Daosheng")	**49%**	49%

* *For identification purpose only*

	2026 **HK$'000**	2025 HK$'000
Profit/(loss) for the year allocated to non-controlling interests:		
Able One Group	**(562)**	(5,598)
Guangdong Daosheng	**626**	(42)
Dividends paid to non-controlling interests:		
Able One Group	**-**	-
Guangdong Daosheng	**-**	525
Accumulated balances of non-controlling interests at the reporting date:		
Able One Group	**(13,156)**	(12,379)
Guangdong Daosheng	**6,624**	5,920

28. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2026	**Able One Group HK$'000**	**Guangdong Daosheng HK$'000**
Revenue	**35,247**	**228,446**
(Loss)/profit for the year	**(1,146)**	**1,277**
Total comprehensive (loss)/income for the year	**(1,586)**	**1,437**
Current assets	**25,510**	**17,297**
Non-current assets	**7,349**	**9**
Current liabilities	**(54,652)**	**(3,994)**
Non-current liabilities	**(4,724)**	**-**
Net cash inflows from operating activities	**3,454**	**653**
Net cash (outflows)/inflows from investing activities	**(83)**	**48**
Net cash outflows from financing activities	**(449)**	**-**
Net increase in cash and cash equivalents	**2,922**	**701**

2025	Able One Group HK$'000	Guangdong Daosheng HK$'000
Revenue	33,088	445,028
Loss for the year	(11,301)	(79)
Total comprehensive loss for the year	(11,424)	(86)
Current assets	26,225	14,466
Non-current assets	10,061	428
Current liabilities	(56,813)	(3,397)
Non-current liabilities	(4,735)	(152)
Net cash inflows/(outflows) from operating activities	7,307	(4,399)
Net cash outflows from investing activities	(105)	-
Net cash outflows from financing activities	(1,390)	(287)
Net increase/(decrease) in cash and cash equivalents	5,812	(4,686)

29. DEREGISTRATION OF SUBSIDIARIES

During the year ended 31 March 2025, the Group completed the deregistration of certain wholly-owned subsidiaries. Accordingly, gains on deregistration of subsidiaries of approximately HK$3,000 were recognised in the consolidated statement of profit or loss and other comprehensive income for that year.

No disposal or deregistration of subsidiaries was undertaken during the year ended 31 March 2026.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Interest payables HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2024	4,035	66,640	1,491	72,166
Changes from financing cash flows:				
New lease	–	–	461	461
Advance from ultimate holding company	–	3,096	–	3,096
Advance from a shareholder	–	409	–	409
Advance from a director	–	3,011	–	3,011
Advance from an associate	–	347	–	347
Advance from a non-controlling interest	–	217	–	217
New bank borrowings	–	13,405	–	13,405
Other borrowings raised	–	13,700	–	13,700
Repayment to ultimate holding company	–	(22)	–	(22)
Repayment of bank borrowings	–	(17,659)	–	(17,659)
Repayment of other borrowings	–	(9,760)	–	(9,760)
Principal portion of lease payments	–	–	(1,135)	(1,135)
Interest accrued	4,952	–	66	5,018
Interest paid	(842)	–	(66)	(908)
Early termination of leases	–	–	(144)	(144)
Exchange realignment	(43)	(484)	(6)	(533)
At 31 March 2025 and 1 April 2025	**8,102**	**72,900**	**667**	**81,669**
Changes from financing cash flows:				
New lease	**-**	**-**	**343**	**343**
Advance from a shareholder	**-**	**5,476**	**-**	**5,476**
Advance from a director	**-**	**500**	**-**	**500**
Advance from a non-controlling interest	**-**	**13**	**-**	**13**
New bank borrowings	**-**	**8,841**	**-**	**8,841**
Other borrowings raised	**-**	**5,837**	**-**	**5,837**
Repayment to a shareholder	**-**	**(227)**	**-**	**(227)**
Repayment of bank borrowings	**-**	**(8,588)**	**-**	**(8,588)**
Repayment of other borrowings	**-**	**(2,040)**	**-**	**(2,040)**
Principal portion of lease payments	**-**	**-**	**(246)**	**(246)**
Interest accrued	**5,356**	**-**	**17**	**5,373**
Interest paid	**(517)**	**-**	**(17)**	**(534)**
Early termination of leases	**-**	**-**	**(441)**	**(441)**
Exchange realignment	**(168)**	**1,672**	**-**	**1,504**
At 31 March 2026	**12,773**	**84,384**	**323**	**97,480**

31. COMMITMENTS

(a) The Group had the following contracted commitments at the end of the reporting period:

	2026	2025
	HK$'000	HK$'000
Capital contribution in respect of formation of an associate	**1,814**	1,749

(b) The Group had the following operating lease commitments at the end of the reporting period:

	2026	2025
	HK$'000	HK$'000
Repayable within one year	944	1,356
Repayable after one year but within two years	31	749
Repayable after two years but within five years	-	-
	975	2,105

32. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions during the year:

(a) Significant related party transactions

	2026	2025
	HK$'000	HK$'000
Purchase of natural gas		
From a non-controlling interest	**-**	174,920
From an associate of a connected entity[(i)]	**-**	7,161

(i) On 19 October 2023, the Group entered into a Master Natural Gas Purchase Agreement with Shandong Gaochuang Energy Development Co., Ltd. (山東高創能源發展有限公司) ("Shandong Gaochuang"), an associate of a connected entity of the Group, as 39% of its equity interests are held by an entity wholly owned by Mr. Cheung Yip Sang, an executive director and a controlling shareholder of the Company. Pursuant to the agreement, Shandong Gaochuang agreed to supply, and the Group agreed to purchase, natural gas in the Mainland China for a term of three years commencing from 21 December 2023, with an annual cap of RMB150,000,000 (equivalent to approximately HK$162,660,000). There were no such transactions during the year ended 31 March 2026.

32. RELATED PARTY TRANSACTIONS (Continued)

(b) Other related party transactions

As at 31 March 2025, Baineng (Tianjin) Energy Trading Co., Limited (百能（天津）能源貿易有限公司), a subsidiary of the Group, had outstanding loans from Shijiazhuang Canghai Metal Material Company Limited (石家莊滄海金屬材料有限公司), one of whose directors is a close family member of a director of the Group, with an aggregate principal amount of RMB26,000,000 (equivalent to approximately HK$27,841,000). The loans were unsecured, bore interest at a fixed rate of 10% per annum and were overdue as at 31 March 2025.

On 18 June 2025, Baineng (Tianjin) Energy Trading Co., Limited, Shijiazhuang Canghai Metal Material Company Limited and Hebei Shengdao Trading Co., Limited (河北勝道商貿有限公司), an entity not related to the Group, entered into a tripartite agreement pursuant to which the outstanding loan principal of RMB26,000,000 (equivalent to approximately HK$27,841,000), together with accrued interest of RMB3,517,000 (equivalent to approximately HK$3,766,000), was transferred from Shijiazhuang Canghai Metal Material Company Limited to Hebei Shengdao Trading Co., Limited. The repayment date was extended to 30 June 2026, while the interest rate remained unchanged at 10% per annum.

Subsequently, on 22 September 2025, the loan was transferred to Hebei Likuo Pipeline Sales Co., Ltd. (河北厉阔管道销售有限公司), an entity not related to the Group, and the repayment date was further extended to 30 June 2028. The interest rate remained unchanged at 10% per annum.

Accordingly, as at 31 March 2026, the outstanding loan was due to Hebei Likuo Pipeline Sales Co., Ltd., an entity not related to the Group, and no related party balance remained outstanding in respect of this borrowing.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Financial instruments by category and fair value measurement

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2026	2025
	HK$'000	HK$'000
Equity investment at FVTPL	**-**	-
Financial assets at amortised cost	**57,613**	58,318
	57,613	58,318

Financial liabilities

	2026	2025
	HK$'000	HK$'000
Financial liabilities at amortised cost	**104,981**	111,199

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

(b) Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and bank balances, bank and other borrowings, and lease liabilities. The Group has various other financial assets and liabilities such as trade and other receivables, and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates related primarily to the Group's interest-bearing bank deposits and borrowing with floating rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared on the assumption that the financial instruments outstanding at the end of the reporting period were outstanding throughout the year. A 100 basis points (2025: 100 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel, and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points (2025: 100 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2026 would increase/decrease by approximately HK$134,000 (2025: HK$162,000). This is mainly attributable to the Group's exposure to interest rates on its bank borrowings and bank balances.

Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in the functional currencies of the respective group entities. The Group does not currently have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The directors consider that the foreign currency risk of the Group for the years ended 31 March 2026 and 2025 is insignificant and therefore no sensitivity analysis has been presented.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 31 March 2026 and 2025, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which would give rise to a financial loss due to failure of counterparties to discharge their obligations is represented by the carrying amount of the respective financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to mitigate its credit risk exposure on its financial assets.

Trade receivables

To minimise credit risk, management of the Group has delegated staff responsible for determining credit limits and approving credit terms. Prior to accepting any new customer, the Group assesses the customer's credit quality and establishes credit limits by customer. Ongoing monitoring procedures are in place to ensure that follow-up action is taken for the recovery of overdue balances. In addition, the Group performs impairment assessment under the ECL model in accordance with HKFRS 9 on trade receivables, either on an individual basis or using a provision matrix. In this regard, the directors consider that the Group's credit risk is significantly mitigated.

Other receivables and bank balances

The Group performs impairment assessment under the ECL model in accordance with HKFRS 9 on other receivables and bank balances based on 12-month ECL.

The credit risk on bank balances is considered to be limited as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The credit risk of the Group's other financial assets, which include certain deposits included in other receivables, arises from counterparty default, and the maximum exposure to credit risk equals their carrying amounts.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are carrying amounts of financial assets.

As at 31 March 2026	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables *	-	-	-	13,958	13,958
Financial assets included in other receivables					
- Normal **	18,967	-	-	-	18,967
Cash and bank balances					
- Not yet past due	24,688	-	-	-	24,688
	43,655	-	-	13,958	57,613

As at 31 March 2025	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables *	-	-	-	13,156	13,156
Financial assets included in other receivables					
- Normal **	24,445	-	-	-	24,445
Cash and bank balances					
- Not yet past due	20,717	-	-	-	20,717
	45,162	-	-	13,156	58,318

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the consolidated financial statements.

** The credit quality of the financial assets included in other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be doubtful.

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management regularly monitors current and expected liquidity requirements to ensure that the Group maintains sufficient cash reserves to meet its funding needs in both the short and long term.

The following table details the remaining contractual maturities of the Group's non-derivative financial liabilities as at the end of the reporting period. The table has been prepared based on the undiscounted cash flows of the financial liabilities, including interest payments calculated using contractual interest rates or, in the case of floating-rate instruments, interest rates prevailing at the end of the reporting period. The table is prepared based on the earliest date on which the Group may be required to make payment.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted cash flows, is set out below:

	Weighted average interest rate %	On demand or within one year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
At 31 March 2026						
Financial liabilities included in trade and other payables	**N/A**	**20,274**	**–**	**–**	**20,274**	**20,274**
Bank and other borrowings	**5.16%**	**23,357**	**36,196**	**30,188**	**89,741**	**84,384**
Lease liabilities	**7.05%**	**193**	**141**	**–**	**334**	**323**
		43,824	**36,337**	**30,188**	**110,349**	**104,981**
At 31 March 2025						
Financial liabilities included in trade and other payables	N/A	37,632	–	–	37,632	37,632
Bank and other borrowings	6.83%	67,563	2,179	4,759	74,501	72,900
Lease liabilities	6.53%	495	192	6	693	667
		105,690	2,371	4,765	112,826	111,199

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by the total assets. Net debts are defined as total debts (including borrowings) less bank balances and cash. Total assets comprise both current assets and non-current assets.

The gearing ratios as at the end of the reporting period were as follows:

	2026 **HK$'000**	2025 HK$'000
Total debts	**84,384**	72,900
Less: cash and bank balances	**(24,688)**	(20,927)
Net debts	**59,696**	51,973
Total assets	**75,390**	78,743
Gearing ratio	**79%**	66%

34. EVENTS AFTER THE REPORTING PERIOD

There were no material events requiring disclosure after the reporting period and up to the date of this report.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2026** **HK$'000**	2025 HK$'000
Non-current assets			
Investment in subsidiaries		**–**	–
Property, plant and equipment		**37**	81
Right-of-use assets		**41**	138
		78	219
Current assets			
Deposits, prepayments and other receivables		**140**	643
Amount due from subsidiaries *(note a)*		**1,986**	2,042
Amount due from ultimate holding company		**22,500**	22,500
Cash and bank balances		**171**	52
		24,797	25,237
Current liabilities			
Accruals and other payables		**13,790**	12,185
Amounts due to subsidiaries *(note a)*		**764**	764
Advance from ultimate holding company	23(b)	**14,695**	14,695
Advance from a shareholder	23(c)	**–**	2,604
Advance from a director	23(d)	**–**	408
Other borrowings		**10,074**	5,000
Lease liabilities		**43**	100
		39,366	35,756
Net current liabilities		**(14,569)**	(10,519)
Total assets less current liabilities		**(14,491)**	(10,300)
Non-current liabilities			
Advance from ultimate holding company	23(b)	**–**	–
Advance from a shareholder	23(c)	**–**	–
Advance from a director	23(d)	**2,908**	2,000
Lease liabilities		**–**	43
		2,908	2,043
Net liabilities		**(17,399)**	(12,343)

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	Note	**2026** **HK$'000**	2025 HK$'000
Equity			
Share capital	25	**10,778**	10,778
Reserves (note b)		**(28,177)**	(23,121)
TOTAL CAPITAL DEFICIENCY		**(17,399)**	(12,343)

Note a: the amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

Mr. Sun Jiusheng	**Mr. Cheung Yip Sang**
Director	*Director*

Note b: A summary of the Company's reserves is as follows:

	Share premium HK$'000	**Accumulated losses HK$'000**	**Total HK$'000**
At 1 April 2024	760,473	(776,148)	(15,675)
Total comprehensive loss for the year	–	(7,446)	(7,446)
At 31 March 2025 and 1 April 2025	**760,473**	**(783,594)**	**(23,121)**
Total comprehensive loss for the year	**–**	**(5,056)**	**(5,056)**
At 31 March 2026	**760,473**	**(788,650)**	**(28,177)**

36. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 June 2026.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

	For year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**267,664**	668,780	595,171	603,125	56,605
(Loss)/profit before tax	**(11,149)**	(34,834)	(23,750)	(32,103)	101,432
Income tax expense	**(214)**	(194)	(240)	(216)	(1,045)
(Loss)/profit for the year	**(11,363)**	(35,028)	(23,990)	(32,319)	100,387
(Loss)/profit for the year attributable to:					
Owners of the Company	**(11,419)**	(25,692)	(19,953)	(30,744)	104,744
Non-controlling interests	**56**	(9,336)	(4,037)	(1,575)	(4,357)
	(11,363)	(35,028)	(23,990)	(32,319)	100,387

	As at 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**75,390**	78,743	97,886	160,723	101,116
Total liabilities	**(134,850)**	(124,266)	(108,192)	(147,867)	(82,071)
Non-controlling interests	**(6,511)**	(6,569)	3,360	6,755	5,816
Total (capital deficiency)/equity	**(52,949)**	(38,954)	(13,666)	6,101	13,229