Hao Bai International (Cayman) Limited
浩柏國際（開曼）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8431)

ANNUAL REPORT 2025/26

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

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

This report will remain on the "Latest Listed Company Information" page of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at http://www.irasia.com/listco/hk/haobai/.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Wan Lok
Ms. Wong Wing Hung
Mr. Zhang Jiaqing (appointed on 16 February 2026)
Ms. Wang Zhixian (appointed on 24 April 2026)
Mr. Liu Mingqing (appointed as chairman on 22 August 2025 and resigned as chairman on 16 February 2026)
Mr. Jiang Bin (appointed on 27 October 2025 and resigned on 16 February 2026)

Non-executive Director

Ms. Shu Huajuan (ceased on 29 September 2025)

Independent non-executive Directors

Mr. Cheung Hiu Fung
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Tung Yee Shing (appointed on 24 April 2026)
Mr. Yuen Wai Keung (resigned on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

COMPANY SECRETARY

Mr. Lee Kun Yin

AUTHORISED REPRESENTATIVES

Mr. Ng Wan Lok
Ms. Wong Wing Hung

AUDIT COMMITTEE

Mr. Tung Yee Shing (appointed as chairman on 24 April 2026)
Mr. Cheung Hiu Fung
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Yuen Wai Keung (resigned as chairman on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

REMUNERATION COMMITTEE

Mr. Tung Yee Shing (appointed as chairman on 24 April 2026)
Mr. Cheung Hiu Fung
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Yuen Wai Keung (resigned as chairman on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

NOMINATION COMMITTEE

Mr. Tung Yee Shing (appointed as chairman on 24 April 2026)
Mr. Cheung Hiu Fung
Ms. Wong Wing Hung (appointed on 5 December 2025)
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Ng Wan Lok (resigned as chairman on 5 December 2025)
Mr. Yuen Wai Keung (re-designated as chairman on 5 December 2025 and resigned as chairman on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

AUDITOR

Infinity CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 210, 2nd Floor
Yick Tai Industrial Building
650–652 Castle Peak Road
Lai Chi Kok, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Nanyang Commercial Bank, Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

WEBSITE ADDRESS

www.irasia.com/listco/hk/haobai/

STOCK CODE

8431

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Hao Bai International (Cayman) Limited (the "Company"), it is my pleasure to present the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2026.

REVIEW AND RESULTS

During the year under review, the Group, a Hong Kong-based contractor, was principally engaged in the design, procurement and installation of water circulation systems, as well as related maintenance services, including but not limited to swimming pools, water fountains and water curtains. Our services are mainly categorised as follows: (i) management contracting services – encompassing the design, procurement and installation of water circulation systems along with associated maintenance; (ii) sales and supply chain of agricultural and health products – a new business line introduced in March 2026; and (iii) consultancy services – providing advisory services on water circulation systems, as well as engineering, procurement and construction management ("EPCM") services for commercial and residential buildings and infrastructure in China (this segment was discontinued following the disposal of subsidiaries during the year ended 31 March 2026).

For the year ended 31 March 2026, the Group delivered a steady recovery. This improvement was driven by successful financing and fundraising activities, along with gains on the disposal of subsidiaries. Through these efforts, the Group is strengthening its competitive standing while building a more resilient foundation for future growth.

The Group has continued to strengthen its business relationships with customers, subcontractors, suppliers and business partners, securing their full support while consistently meeting their evolving needs. This strong network foundation enables the Group to monitor market trends closely and respond with prompt, appropriate adjustments to strategy and resource allocation, even under challenging conditions.

Over the next 12 months, the Group will focus strategically on increasing its revenue share through market expansion and the development of new business channels, including the agricultural and health products trading operations in China launched in March 2026. At the same time, the Group will continue to evaluate investment opportunities that align with its core business mandate, with the aim of strengthening its existing service capabilities while prudently broadening its operational scope.

During the year ended 31 March 2026, our total revenue reduced by approximately HK$4.6 million or 19.1% from approximately HK$23.8 million for the year ended 31 March 2025 to approximately HK$19.3 million for the year ended 31 March 2026.

The Group recorded a net loss of approximately HK$32.6 million for the year ended 31 March 2026 as compared to a net loss of approximately HK$19.3 million for the year ended 31 March 2025. The additional net loss of HK$13.3 million is mainly attributable to a HK$15.5 million impairment loss of certain assets.

Overall, the Board believes that the financing and fundraising activities undertaken over the past 12 months have significantly strengthened the Group's foundation. These efforts have enabled us to reduce indebtedness, reinforce our balance sheet, sustain day-to-day operations, and seize selected investment opportunities, all of which have positioned us for the next phase of growth. With an improved financial position and a more favorable business environment offering greater opportunities, the Board is confident that 2026/27 will be a stronger year for the Group.

LETTER TO THE SHAREHOLDERS

OUTLOOK

Looking ahead, the global economic outlook remains uncertain due to ongoing geopolitical tensions, including trade disputes and the Russia-Ukraine war. These factors, coupled with persistent inflationary pressures, are expected to drive up the Group's operational costs. Nonetheless, we remain optimistic that our businesses and sectors will continue to thrive and uphold their strong reputation despite growing competition.

Regarding the business operations in Hong Kong, the Group will continue to participate in the tendering process with a major focus on government related projects in Hong Kong while trying to expand our agricultural and health products trading business in China.

The Group remains committed to a prudent evaluation of all opportunities to boost profitability and optimise its utilisation of capital. At the same time, the Group will actively pursue emerging business ventures as they arise, with the goals of expanding and diversifying its income streams, as well as delivering exceptional returns and enduring value to its shareholders.

Acting in the best interests of the Company and its shareholders as a whole, the Group will continue to explore various financing options aimed at reinforcing its capital base and facilitating the Company's ongoing expansion. Overall, the Board is of the view that the Group operates a viable and sustainable business, possessing adequate operational scale and assets to sustain its activities and remain compliant with the requirements under the GEM Listing Rules.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deep gratitude to our shareholders, clients, business partners, and suppliers for their continuous support. Our sincere appreciation also goes to the Group's management and staff for their commitment, contributions and dedication throughout the years.

Ng Wan Lok
Executive Director
Hong Kong, 30 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group, a Hong Kong-based contractor, is principally engaged in the design, procurement and installation of water circulation systems for applications including swimming pools, water fountains, and water curtains. Its primary clientele comprises property developers, main contractors and subcontractors across a range of private residential, hotel, casino, shopping and recreation complex projects in Hong Kong. In addition, the Group has expanded its operational scope to include design, construction and renovation services within Hong Kong. Furthermore, in March 2026, the Group ventured into the trading of agricultural and health products in China.

From a macroeconomic perspective, import tariffs and high interest rates have served as key headwinds for most businesses. At the microeconomic level, additional pressures emerged from cash flow constraints and unemployment across all sectors, which have only intensified the overall challenges. As the Chinese government continues to encourage domestic consumption and strengthen investor confidence, Hong Kong will continue to benefit from the strong support of the Central Government, maintaining its long-standing position as an international financial, trading, and shipping centre.

In short, Hong Kong's economy is experiencing a resilient recovery with strong momentum in exports, finance, and tourism. This improvement has significantly boosted business sentiment. However, this positive narrative is counterbalanced by persistent external risks such as geopolitical tensions and global economic fragmentation, alongside internal structural challenges like an aging population and high operating costs. The coming period will likely test Hong Kong's ability to sustain this recovery amid a volatile global landscape.

Although our Directors remain confident in the mid-to-long-term business outlook of Hong Kong and China, as well as the Group's performance, the Group's near-term financial results may be affected by these adversities.

Overall, the Group will continue to pursue business and investment opportunities in both Hong Kong and China while simultaneously implementing cost reduction programmes to minimise cash outflows, staff costs, general expenses and taking considerable efforts to control capital expenditures. The Directors will regularly evaluate the Group's business strategies and any potential business opportunities will be discussed and reviewed internally. Business decisions are made with a view to improving the Group's short and long term growth potential while we continue to leverage our network to enhance our financial positions for the benefit of our shareholders and stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our total revenue reduced by approximately HK$4.6 million or 19.1% from approximately HK$23.8 million for the year ended 31 March 2025 to approximately HK$19.3 million for the year ended 31 March 2026.

While our agricultural and health products trading business in China, which we launched in March 2026, has delivered relatively solid results this year, revenue from management contracting services has fallen short of expectations. However, we are hopeful that it will pick up later this year, as we have started focusing on government-related tenders.

Cost of sales

The Group's cost of sales mainly consists of (i) consumables; (ii) sub-contracting fees; (iii) staff costs; (iv) consulting fees; (v) labour cost; and (vi) other expenses.

Our cost of sales increased by approximately HK$4.7 million or 30.0% from approximately HK$15.7 million for the year ended 31 March 2025 to approximately HK$20.3 million for the year ended 31 March 2026. Management expects cost of sales to decrease relative to revenue over the next 12 to 18 months, driven by our sharpened focus on cost discipline across the organisation.

Gross (loss)/profit

The Group recorded a gross loss of HK$1.1 million for the year ended 31 March 2026, against a gross profit of HK$8.2 million in the prior year. Although project volumes remained broadly unchanged, the gross margin declined from 34.3% to a negative 5.6%. Looking ahead, management anticipates a return to positive gross margins within the next 12 to 18 months, underpinned by continued cost discipline and enhanced revenue contributions from existing project streams.

Other income and gains/(losses), net

We recorded a significant turnaround in other income and gains/(losses), net, which improved from a loss of HK$3.8 million for the year ended 31 March 2025 to a gain of HK$2.6 million for the year ended 31 March 2026, a positive swing of HK$6.4 million, mainly due to gain on disposal of subsidiaries.

Impairment loss

Impairment loss on intangible assets, contract assets, trade receivables and deposits and other receivables increased by approximately HK$15.5 million year-on-year, from HK$17.3 million for the year ended 31 March 2025 to HK$32.8 million for the year ended 31 March 2026.

Administrative expenses

Our administrative expenses reduced by approximately HK$1.1 million or 19.3% from approximately HK$5.8 million for the year ended 31 March 2025 to approximately HK$4.7 million for the year ended 31 March 2026 due to management's ongoing effort to reduce costs and general expenses during the reporting period.

Finance costs

Our finance costs increased by approximately HK$11,000 or 2.1% from approximately HK$0.53 million for the year ended 31 March 2025 to approximately HK$0.55 million for the year ended 31 March 2026.

Income tax expense

Our income tax expense increased by approximately HK$79,000 from approximately HK$167,000 for the year ended 31 March 2025 to approximately HK$246,000 for the year ended 31 March 2026. Income tax expense is subject to Hong Kong Profits Tax and PRC Enterprise Income Tax.

Net loss

The Company recorded a net loss of approximately HK$32.6 million for the year ended 31 March 2026 as compared to a net loss of approximately HK$19.3 million for the year ended 31 March 2025. The additional net loss of HK$13.3 million is mainly attributable to a HK$15.5 million impairment loss of certain assets.

Impairment assessment on contract assets and trade receivables

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and retention receivables, deposits and other receivables, contract assets, cash and cash equivalents) on an annual basis. The Group has made appropriate impairment adjustments on its contract assets and trade debtors in accordance with the relevant reporting standards for the year ended 31 March 2026.

DIVIDENDS

No dividend was declared or proposed by the Board for both years ended 31 March 2026 and 2025.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 31 March 2026, the Group had total assets of approximately HK$46.3 million (2025: approximately HK$81.1 million), which is financed by total liabilities and shareholders’ equity (comprising share capital and reserves) of approximately HK$32.4 million (2025: approximately HK$75.1 million) and approximately HK$13.9 million (2025: approximately HK$6.0 million) respectively.

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2026 were approximately HK$3.3 million (2025: approximately HK$5.7 million), and current ratio as at 31 March 2026 was approximately 1.41 times (2025: approximately 1.01 times).

The Group’s borrowings and bank balances are mainly denominated in Hong Kong dollars and there was no significant exposure to foreign exchange rate fluctuations during the year.

The Group’s gearing ratio, which is calculated by total borrowings and bank overdrafts divided by total equity, reduced from approximately 94.4% as at 31 March 2025 to approximately 24.0% as at 31 March 2026, primarily due to the significant increase in total equity during the reporting period.

The Group closely monitors its cash flow to ensure adequate working capital for operational needs. Cash flow forecasts, which underpin liquidity planning, are prepared using trade receivables, trade payables, cash balances, and administrative and capital expenditure data.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The Shares were successfully listed on the GEM of the Stock Exchange on 26 May 2017 (the "Listing"). As at 31 March 2026, the Company's issued share capital was HK$2,274,650 (31 March 2025: HK$42,193,000) divided into 227,465,000 (31 March 2025: 421,930,000) ordinary Shares of par value of HK$0.01 (31 March 2025: HK$0.10) each.

The share capital of the Group comprises ordinary shares only.

CAPITAL COMMITMENTS

As at 31 March 2026 and 2025, the Group did not have any capital commitments contracted but not provided for.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed on note 4 to the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group has no future plans for material investments and capital assets as at 31 March 2026 and as at the date of this report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

TREASURY POLICY

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

CONTINGENT LIABILITIES

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

FOREIGN CURRENCY EXPOSURE

Since the Company's business activities are mainly operated in Hong Kong and China, and the relevant transactions are denominated in Hong Kong dollars and Renminbi, the Directors consider that the Company's foreign exchange risk is insignificant. The Group did not enter into any derivatives agreements nor commit to any financial instrument to hedge its foreign exchange exposure during the year ended 31 March 2026.

PLEDGE OF ASSETS

Save for the pledged deposits to an insurance company with a value of approximately HK$158,000, as at 31 March 2026 and 2025, the Group did not have other pledge of assets.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed a total of 11 employees (2025: 10 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$2.4 million for the year ended 31 March 2026 (2025: approximately HK$3.1 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual contribution.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 39 to the consolidated financial statements and otherwise disclosed in this annual report, there have been no material events affecting the Group from 31 March 2026 up to the date of this report.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The board of directors (the "Directors") of Hao Bai International (Cayman) Limited (the "Company") (the "Board") is pleased to present this corporate governance report for the year ended 31 March 2026 in accordance with Rule 18.44(2) of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Board is committed to high corporate governance standards, emphasising transparency, independence, accountability, responsibility and fairness. It ensures robust self-regulatory practices to protect shareholder interests and enhance long-term shareholder value.

CORPORATE GOVERNANCE PRACTICES

The directors and management of the Company and its subsidiaries (the "Group") recognise the importance of sound corporate governance to the Group's long-term success and development. Accordingly, the Board is committed to upholding high corporate governance standards and procedures in order to enhance the Group's accountability and transparency, as well as to protect the interests of, and create value for, the Company's shareholders (the "Shareholders"). The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

As of the date of this report, there are three independent non-executive Directors in the Board, each of them possesses adequate level of independence with diverse background and experience, and therefore the Board considers the Company has achieved a balance of power and authority, accountability and independent decision-making under the present arrangement and provided sufficient protection to its shareholders' interests. Also, the audit committee of the Board has free and direct access to the Company's external auditors and independent professional advisers when it considers necessary.

During the year ended 31 March 2026 and up to the date of this annual report, the Company has adopted and complied with all the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the GEM Listing Rules, except for the below deviations.

CG Code F.2

Ms. Shu Huajuan, a non-executive Director of the Company, was absent from the last annual general meeting of the Company held on 29 September 2025, as she was required to attend other important engagements.

Resignation of an independent non-executive Director

Rules 5.05 and 5.05A of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") of the Stock Exchange provide that the board of directors of a listed issuer must include at least three independent non-executive directors and these independent non-executive directors must represent at least one-third of the board. Rule 5.28 of the GEM Listing Rules provides that the audit committee shall comprise at least three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, while Rules 5.34 and 5.36A require that the remuneration committee and nomination committee shall comprise a majority of independent non-executive directors.

Due to the resignation of Mr. Yuen Wai Keung as an independent non-executive Director, the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 26 January 2026, the Company did not comply with the requirements as set out in Rules 5.05, 5.05A, 5.28, 5.34 and 5.36A of the GEM Listing Rules.

Following the appointment of Mr. Tung Yee Shing as an independent non-executive Director, the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 24 April 2026, the Company has re-complied with Rules 5.05, 5.05A, 5.28, 5.34 and 5.36A of the GEM Listing Rules.

Save as disclosed above, the Board is pleased to report compliance with all applicable code provisions of the CG Code during the Reporting Period. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with any new Corporate Governance Code and align with the latest developments.

BOARD OF DIRECTORS

The Board and management are committed to maintaining high corporate governance standards that best serve the Group's business needs and shareholder interests. The Board believes effective governance is vital to sustaining competitiveness and fostering healthy growth.

The Board, both directly and through its Committees, oversees the Group's overall management, sets its strategic direction, and provides review, challenge, and guidance to management. Day-to-day management and administration are delegated to the Management, who provide the Board with regular updates to ensure a balanced and clear view of the Group's performance, developments, and prospects.

As the ultimate decision-making body for all material matters, the Board is responsible for corporate governance functions – either directly or via its Committees – as required under Provision A.2 of the CG Code. These functions include:

1. to develop and review the policies and practice on corporate governance of the Group and make recommendations;

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

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

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

5. to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company.

COMPOSITION OF THE BOARD

As at the date of this report, the Board comprises seven Directors, including four executive Directors ("ED") and three independent non-executive Directors ("INED") as set out below:

Executive Directors
Mr. Ng Wan Lok
Ms. Wong Wing Hung
Mr. Zhang Jiaqing (appointed on 16 February 2026)
Ms. Wang Zhixian (appointed on 24 April 2026)
Mr. Liu Mingqing (appointed as chairman on 22 August 2025 and resigned as chairman on 16 February 2026)
Mr. Jiang Bin (appointed on 27 October 2025 and resigned on 16 February 2026)

Non-executive Director
Ms. Shu Huajuan (ceased on 29 September 2025)

Independent Non-executive Directors
Mr. Cheung Hiu Fung
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Tung Yee Shing (appointed on 24 April 2026)
Mr. Yuen Wai Keung (resigned on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

An updated list of Directors identifying their roles and functions has been published on the websites of the Company and the Stock Exchange. The profiles of the Directors, including relationship between Board members, are set out in the section "Biographical Details of the Directors" of this annual report.

CHANGES IN DIRECTORS' INFORMATION

The change in director's information as required to be disclosed pursuant to (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules since the publication of the 2025 Interim Report of the Company, is set out below:

– Ms. Wong Wing Hung, an executive Director of the Company, was appointed as a member of the Nomination Committee on 5 December 2025;

– Mr. Ng Wan Lok, an executive director of the Company and the chairman of the Nomination Committee, resigned to act as the chairman of the Nomination Committee on 5 December 2025;

– Mr. Yuen Wai Keung, an independent non-executive director of the Company and a member of the Nomination Committee, was re-designated as the chairman of the Nomination Committee on 5 December 2025;

– Mr. Yuen Wai Keung resigned as an independent non-executive Director, chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 26 January 2026;

– Mr. Zhang Jiaqing was appointed as an executive Director of the Company on 16 February 2026;

– Mr. Liu Mingqing resigned as the executive Director of the Company and chairman of the Board on 16 February 2026;

– Mr. Jiang Bing resigned as the executive Director of the Company on 16 February 2026;

– Mr. Wong Ming Fair Victor was appointed as an independent non-executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 16 February 2026;

– Ms. Wang Zhixian was appointed as an executive Director of the Company on 24 April 2026;

– Mr. Yiu Chi Wai resigned as an independent non-executive Director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 24 April 2026; and

– Mr. Tung Yee Shing was appointed as an independent non-executive Director and chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company on 24 April 2026.

Except for the period between 26 January 2026 and 24 April 2026, the Company has complied with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, in which the Company has appointed three independent non-executive Directors, representing at least one-third of the board and at least one of whom has appropriate professional qualifications, accounting or related financial management expertise. The Company has received from the INEDs the annual confirmation of their independence as of the date of this report, and the Company considers such Directors to be independent in accordance with Rule 5.09 of the GEM Listing Rules.

The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired because of the diverse background and experience of our INEDs. Furthermore, all Board Committees including the Audit Committee of the Company (the "Audit Committee") have free and direct access to the Company's external professional adviser(s) when they consider necessary.

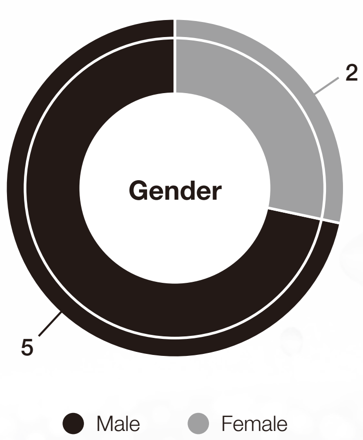
To the best knowledge of the Board, there are no other relationship (including financial business, family and other material/relevant relationships) among the members of the Board as of the date of this report.

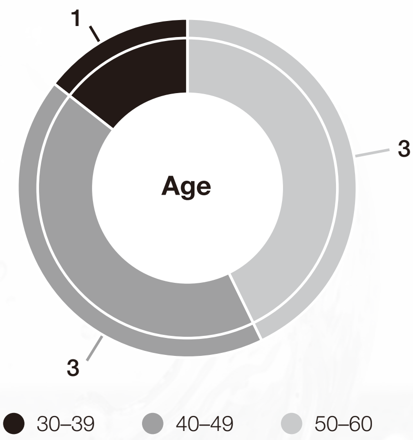
THE SEPARATE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

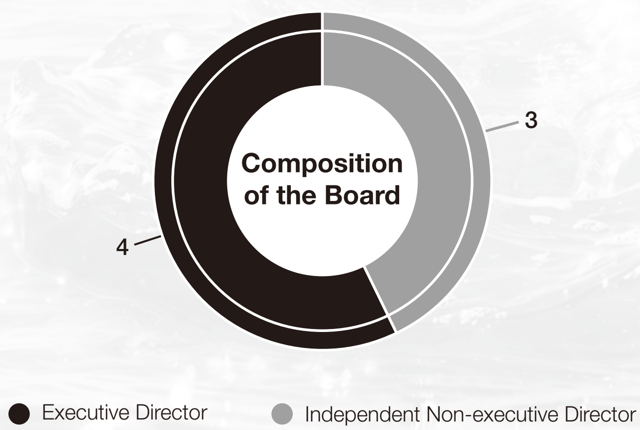
During the financial year, the Company did not have a chief executive officer or a chairman of the Board, except for the period between 22 August 2025 and 16 February 2026, when it did have a chairman. The day-to-day management of the Group's business was handled by the executive Directors of the Company collectively. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's present business operations. The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the appointment of a chief executive officer, are necessary.

BOARD DIVERSITY

The Board recognises that diversity is increasingly important for enhancing corporate governance and board effectiveness. Its current composition is well balanced, with each Director bringing relevant skills, experience, and expertise to the Group's operations, development, and strategy, and representing diverse backgrounds, including education, profession, functional expertise, gender, age, culture, and industry experience.







A Board Diversity Policy was adopted in preparation for the Company's listing ("Listing") and may be amended by the Board as needed. The Policy outlines the approach to achieving Board diversity and sets out the factors considered in determining composition – such as skills, regional and industry experience, professional background, education, race, gender, age, culture, and other relevant attributes. These factors help ensure the Board has the appropriate balance of skills, experience, and perspectives to support its business strategy and maximise its effectiveness. The Policy is reviewed regularly to assess its ongoing effectiveness.

Gender Diversity

The Board believes that gender diversity is a manifestation of board diversity, among all other measurable objectives. As of the date of this report, the Board comprises five male directors and two female directors. The Company will continue to apply the principle of appointments based on merits with reference to the Board Diversity Policy as a whole.

Pursuant to revised Rule 17.104 of the GEM Listing Rules, which came into effect on 1 January 2022, the Stock Exchange considers that a single-gender Board does not achieve board diversity. The Company has been in full compliance with this requirement since its Shares were first listed on the GEM of the Stock Exchange in May 2017. The Board will continue to explore opportunities to increase the proportion of female members as suitable candidates are identified, and will conduct an annual review of the implementation and effectiveness of the diversity policy to ensure its ongoing adequacy and relevance.

The Group acknowledges the importance of diversity and is committed to maintaining a workforce that is diverse in terms of gender, which provides a broad range of perspectives, experiences, and competencies that support the Group's continued success. In its recruitment process, the Company considers a variety of measurable factors, including but not limited to gender, age, cultural and educational backgrounds, ethnicity, professional specialisation, experience, skills, knowledge, and other relevant qualifications. All appointments are made strictly on the basis of merit, and candidates are evaluated against objective criteria, with due regard for the benefits that diversity brings to the Group.

As of 31 March 2026, the gender ratio of the Group's workforce is 73% male and 27% female. Overall, the Board considers the recruitment strategy adopted by the Group is effective and adequate. In determining the independence of Directors, the Board follows the requirements as set out in the GEM Listing Rules.

Measurable Objectives

For the purpose of implementing of the Board Diversity Policy, the following measurable objectives are being implemented:

1. at least one third of the Directors shall be independent non-executive Directors;

2. at least one Director is female; and

3. at least one Director shall have obtained accounting or other professional qualifications.

Except for the period between 26 January 2026 and 24 April 2026, points 1 and 3 were fulfilled during the financial year while point 2 was fulfilled for the entire financial year.

BOARD PROCESS AND MEETINGS

The Board meets regularly to determine the overall strategies, receives updates from management, approves interim and annual results and to consider other significant matters. Management also provides updates to the Board with respect to the business activities and the latest development of the Group on a regular basis.

Each Director is expected to devote sufficient time and attention to the Company's affairs and to contribute to the Group's development through constructive and informed contributions. All Directors are required to disclose and regularly update their number and nature of offices held in other organisations, as well as the time commitment involved.

For the year ended 31 March 2026, the Board held five meetings to approve financial results, receive management updates, and review compliance with the CG Code, as well as the Group's overall strategies and development. Attendance records for these Board and Committee meetings, and for the annual general meeting, are summarised below:

	Number of Board meetings attended/ eligible to attend	Number of Audit Committee meetings attended/ eligible to attend	Number of Remuneration Committee meetings attended/ eligible to attend	Number of Nomination Committee meetings attended/ eligible to attend	Annual General Meeting held on 29 September 2025
Executive Directors					
Mr. Ng Wan Lok	5/5	N/A	N/A	3/3	1/1
Ms. Wong Wing Hung	5/5	N/A	N/A	1/1	1/1
Mr. Zhang Jiaqing (appointed on 16 February 2026)	N/A	N/A	N/A	N/A	N/A
Ms. Wang Zhixian (appointed on 24 April 2026)	N/A	N/A	N/A	N/A	N/A
Mr. Liu Mingqing (appointed as chairman on 22 August 2025 and resigned as chairman on 16 February 2026)	1/1	N/A	N/A	2/2	1/1*
Mr. Jiang Bin (appointed on 27 October 2025 and resigned on 16 February 2026)	0/1	N/A	N/A	N/A	N/A
Non-executive Director					
Ms. Shu Huajuan (ceased on 29 September 2025)	1/1	N/A	N/A	N/A	0/1
Independent non-executive Directors					
Mr. Cheung Hiu Fung	5/5	2/2	1/1	4/4	1/1*
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)	N/A	N/A	N/A	N/A	N/A
Mr. Tung Yee Shing (appointed on 24 April 2026)	N/A	N/A	N/A	N/A	N/A
Mr. Yuen Wai Keung (resigned on 26 January 2026)	4/4	2/2	1/1	3/3	1/1*
Mr. Yiu Chi Wai (resigned on 24 April 2026)	5/5	2/2	1/1	4/4	1/1*

* attended the annual general meeting through electronics means

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

On 26 May 2026, the Company renewed the service agreements with two executive Directors, Mr. Ng Wan Lok and Ms. Wong Wing Hung, for a three-year term ending 25 May 2029, on substantially the same terms and conditions. In addition, three-year service agreements with the other executive Directors, Mr. Zhang Jiaqing and Ms. Wang Zhixian, were signed and became effective on 16 February 2026 and 24 April 2026 respectively.

On 23 December 2025, the Company renewed the service agreement of Mr. Cheung Hiu Fung, an independent non-executive Director, for a fixed term of three years. Separately, the remaining independent non-executive Directors, Mr. Wong Ming Fair Victor and Mr. Tung Yee Shing, were each appointed for a three-year term, effective 16 February 2026 and 24 April 2026 respectively.

All directors' appointments are subject to re-election in accordance with the amended and restated Articles of Association of the Company (the "Articles") and termination in accordance with their respective terms.

Pursuant to Article 84 of the Articles, one-third of the Directors shall retire from office by rotation at each Annual General Meeting (AGM) and every Director shall be subject to retirement by rotation at least every three years. However, a retiring Director shall be eligible for re-election. Any Director who is appointed by the Board to fill the casual vacancy shall hold office until next following general meeting of the Company and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall be eligible for re-election pursuant to Article 83(3).

Accordingly, Mr. Ng Wan Lok, Ms. Wong Wing Hung, and Mr. Cheung Hiu Fung will retire by rotation at the forthcoming annual general meeting and, being eligible, will stand for re-election. Details of these proposed re-elections will be included in the circular to Shareholders. Separately, Ms. Wang Zhixian and Mr. Wong Ming Fair Victor (both appointed on 16 February 2026), and Mr. Zhang Jiaqing and Mr. Tung Yee Shing (both appointed on 24 April 2026), will hold office until the conclusion of the 2026 AGM and, being eligible, will also stand for re-election at that meeting.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by the Directors on the terms no less exacting than the required standard of dealing set out in Rules 5.46 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry to all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the year ended 31 March 2026. The Company has also established written guidelines on no less exacting terms than the Model Code regarding securities transactions by relevant employees (including the employees and Directors of the subsidiaries or holding company) who are likely to possess inside information of the Company and/or its securities.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Directors are regularly briefed and updated to ensure that they are fully aware of their roles, functions, duties, and responsibilities under the GEM Listing Rules, applicable legal and regulatory requirements, and the Group's governance policies. As at the date of this report, all Directors have confirmed to the Company that they have participated in continuing professional development activities, including seminars, conferences, webcasts, and reading materials such as newspapers, journals, and updates on the economy, the Company's business, and Directors' duties and responsibilities.

BOARD COMMITTEES

The Board has established three committees under its authority, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which is responsible for overseeing specific aspects of the Group's affairs. Each committee operates under written terms of reference, which have been drawn up in compliance with the applicable code provisions of the CG Code. The terms of reference of all three committees are available on the Stock Exchange's website and the Company's website.

Audit Committee

The Company established an Audit Committee on 19 January 2017 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and paragraph D.3.3 and D.3.7 of the CG Code. Mr. Tung Yee Shing was appointed as the chairman of the Audit Committee on 24 April 2026 while Mr. Wong Ming Fair Victor was appointed as a member of the Audit Committee on 16 February 2026. Mr. Yuen Wai Keung resigned as the chairman of the Audit Committee on 26 January 2026 while Mr. Yiu Chi Wai resigned as a member of the Audit Committee on 24 April 2026.

As of the date of this report, the audit committee (the "Audit Committee") is chaired by our independent non-executive Director, Mr. Tung Yee Shing, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules and consists of two other independent non-executive Directors, Mr. Cheung Hiu Fung and Mr. Wong Ming Fair Victor.

The Audit Committee is responsible for reviewing the accounting policies and practices adopted by the Group, as well as reviewing and discussing matters relating to the effectiveness of financial reporting, internal control, and audit. It also performs such other duties as may be assigned by the Board from time to time. Following each meeting, the Committee reports its work, findings, and recommendations to the Board in respect of the foregoing matters and the operating risks faced by the Group.

In addition, the Audit Committee is responsible for:

(a) recommending the appointment, reappointment, and removal of the external auditor;

(b) approving the remuneration and terms of engagement of the external auditor;

(c) reviewing and monitoring the independence, objectivity, and performance of the external auditor; and

(d) maintaining effective communication and discussion with the external auditor regarding the nature and scope of the audit.

Two meetings were held during the year ended 31 March 2026. The audit committee also oversees the relationship with the external auditor, to review the Group's preliminary interim results and annual results and to monitor compliance with statutory and listing requirements.

Remuneration Committee

The Company established a Remuneration Committee on 19 January 2017 with written terms of reference in compliance with paragraph E.1.2 of the CG Code. Mr. Tung Yee Shing was appointed as the chairman of the Remuneration Committee on 24 April 2026 while Mr. Wong Ming Fair Victor was appointed as a member of the Remuneration Committee on 16 February 2026. Mr. Yuen Wai Keung resigned as the chairman of the Remuneration Committee on 26 January 2026 while Mr. Yiu Chi Wai resigned as a member of the Remuneration Committee on 24 April 2026. As of the date of this report, the Remuneration Committee was chaired by our independent non-executive Director, Mr. Tung Yee Shing and consists of two independent non-executive Directors, Mr. Cheung Hiu Fung and Mr. Tung Yee Shing.

The Remuneration Committee's principal functions include recommending to the Board the Group's overall remuneration policy and structure applicable to all Directors, senior management and general staff, and ensuring that no Director or any of their associates determines their own remuneration.

During the financial year ended 31 March 2026, the Committee convened one meeting to review the Company's remuneration policy and structure, the remuneration packages of the executive Directors, independent non-executive Directors and senior management, the performance appraisal of executive Directors and other related matters. The attendance record of each member is set forth in the "Board Process and Meetings" section of this report.

Further details of the Directors' remuneration for the year ended 31 March 2026 are set out on pages 125 to 126 of this annual report.

Nomination Committee

The Company established a Nomination Committee on 19 January 2017 with written terms of reference in compliance with paragraph B.3.1 of the CG Code. Mr. Ng Wan Lok resigned as the chairman of the Nomination Committee on 5 December 2025 while Mr. Tung Yee Shing was appointed as chairman of the Nomination Committee on 24 April 2026. Ms. Wong Wing Hung and Mr. Wong Ming Fair Victor were appointed as members of the Nomination Committee on 5 December 2025 and 16 February 2026 respectively. Mr. Yuen Wai Keung was re-designated as chairman of the Nomination Committee on 5 December 2025 and resigned on 26 January 2026 while Mr. Yiu Chi Wai resigned as a member of the Nomination Committee on 24 April 2026. As at the date of this report, the Nomination Committee consists of four members which is chaired by Mr. Tung Yee Shing, an independent non-executive Director of the Company, and Ms. Wong Wing Hung who is an executive Director along with two other independent non-executive Directors, namely Mr. Cheung Hiu Fung and Mr. Wong Ming Fair Victor.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, identify individuals suitably qualified to become Board members; assess independence of independent non-executive Directors and make recommendation to the Board on matters relating to appointment and re-appointment of Directors.

A Nomination Policy was adopted to enhance the nomination process and to provide guidance on the selection process and board succession planning. The Nomination Committee employs various methods to identify director candidates, including recommendations from Board members, Management, and professional search firms. The Committee may also review resumes and employment histories, conduct personal interviews, verify professional and personal references, and perform background checks. When evaluating director candidates — including incumbent Directors and candidates nominated by Shareholders — the Board and the Nomination Committee assess each candidate's qualifications, skills, and experience, as well as factors such as gender diversity that would complement the existing Directors' range of skills, experience, and background. In recommending potential new Directors to the Board or considering the continued service of existing Directors, the Committee shall take into account the minimum qualifications required of a director candidate and they are as follow:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing Board;
- the ability to assist and support the Management and make significant contributions to the Company's success;
- an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- independence as required by the GEM Listing Rules.

Four Nomination Committee meetings were held during the year ended 31 March 2026. At these meetings, the Committee assessed the independence of the INEDs, review the structure, size and composition of the Board and made recommendations to the Board on the re-election of the Directors at the Company's annual general meeting held in 2025. The Nomination Committee also reviewed the Nomination Policy and Board Diversity Policy and made recommendations to the Board on the appointment of the new INEDs. A summary of the Board Diversity Policy and its implementation can be found on page 14 of this annual report. Members' attendance records are set out in section headed "Board Process and Meetings" of this report.

COMPANY SECRETARY

Mr. Lee Kun Yin was appointed as the chief financial officer and company secretary of the Company on 15 July 2021 pursuant to Rule 5.14 of the GEM Listing Rules. Mr. Lee qualified as a chartered accountant at the Big 4 firms in Sydney, Australia. He previously managed the Asia Pacific commission sales and client strategy in equities for Credit Suisse and Standard Chartered Bank in Hong Kong, and also established and managed the business process outsourcing (BPO) business for Accenture in Hong Kong. Mr. Lee holds a Master of Commerce Degree from The University of New South Wales, Bachelor of Commerce and Bachelor of Arts Degrees from The University of Melbourne. He is a member of the Chartered Accountants Australia & New Zealand and the Hong Kong Institute of Certified Public Accountants.

His primary contact person of the Company is Mr. Ng Wan Lok, an executive Director of the Company. Mr. Lee confirms that he has taken no less than 15 hours of relevant professional training for the year ended 31 March 2026 and is in compliance with Rules 5.15 of the GEM Listing Rules.

DIRECTORS' AND EXTERNAL AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Group's consolidated financial statements, which have been prepared on a going concern basis. The respective responsibilities of the Directors and the auditors in respect of the consolidated financial statements are set out in the independent auditor's report contained in this annual report.

The Board is responsible for presenting a balanced, clear and understandable assessment in its annual and interim reports, in announcements relating to disclosure of inside information and in other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided the Board with all necessary explanations and information to enable it to make an informed assessment of the Group's consolidated financial statements, which are presented to the Board for approval.

The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The external auditor's statement on its reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report on pages 73 to 79 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Group and the Board recognise the importance of maintaining effective internal control procedures, including those relating to the handling and dissemination of confidential information, and their effectiveness in safeguarding Shareholders' interests. The Group has in place a strict prohibition against the unauthorised use of confidential information, or any use of such information for the personal benefit of any individual.

In addition to its oversight of the Company's financial reporting, and as delegated by the Board, the Audit Committee is responsible for overseeing the Company's risk management and internal control systems. The Audit Committee conducts regular reviews of the Company's financial controls, risk management, and internal control systems.

The Group has also adopted a comprehensive set of risk management policies and measures. The Group's risk management process commences with the identification of major risks associated with its business, industry, and market in the ordinary course of operations. The Board and senior management are responsible for identifying and analysing the risks pertaining to their respective functions, formulating and evaluating risk mitigation strategies, and reporting on the status of risk management. Further details regarding the principal risks and uncertainties facing the Group are set out on page 69 of this annual report.

During the year under review, the Company's internal audit team conducted a review of the effectiveness of the Group's internal control systems. The internal audit team is mandated to perform reviews of operational, financial, and compliance aspects, and to alert management to any findings or irregularities identified, advise on the implementation of remedial measures, and recommend enhancements to the Group's internal control systems. The internal audit team also assessed the Group's risk management functions. The findings of the internal control and risk management reviews, together with agreed action plans, are reported to the Audit Committee and the Board for further consideration and follow-up.

During the year under review, the Group complied with Principle D.2 of the Corporate Governance Code by maintaining appropriate and effective risk management and internal control systems. The Group will continue to utilise its internal audit team to review its internal control and risk management functions on an ongoing basis.

INSIDE INFORMATION

The Group provides guidelines to its Directors, management, and relevant staff to ensure inside information is disseminated to the public in a timely and equal manner, in compliance with applicable laws and regulations. Procedures include regular reminders on securities dealing restrictions under the GEM Listing Rules and blackout periods for annual and interim results. Strict controls prohibit unauthorised access to and use of inside information. All Directors and employees with access to such information are responsible for preventing its misuse, and are strictly prohibited from using it for personal benefit.

DIVIDEND POLICY

The Company's goal is to provide stable and sustainable returns to its Shareholders, and it endeavours to maintain a dividend policy in furtherance of this objective.

The Company has adopted a Dividend Policy to serve as a framework for the payment of dividends. In considering whether to declare a dividend and in determining the dividend amount, the Board takes into account the Group's results of operations, earnings performance, cash flows, financial condition, future prospects, statutory and regulatory restrictions on dividend payments, and such other factors as the Board may deem relevant. The Board will review the dividend policy periodically when determining proposed dividends, having regard to the foregoing factors. Nevertheless, there can be no assurance that dividends will be declared or paid in any particular amount or for any given period.

EXTERNAL AUDITOR

The Audit Committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, which is subject to the approval by the Board and at the general meetings of the Company by its shareholders. During the year ended 31 March 2026, the Audit Committee and Board had reviewed the term and conditions for the appointment and re-appointment of Infinity CPA Limited.

Set out below is a breakdown of the remuneration paid or payable to the external auditor in respect of audit and non-audit services rendered to the Company during the year:

	Fee paid or payable for the services rendered	
	FY2026	FY2025
	HK$'000	*HK$'000*
Audit services	**529**	390
Non-audit services	**160**	–
	689	390

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Communications with the Shareholders

The Board recognises the importance of maintaining effective communications with Shareholders. As part of its commitment to safeguarding Shareholders' interests and rights, the Company will propose separate resolutions at shareholders' meetings on each substantial issue, including the re-election of individual Directors. All resolutions tabled at a shareholders' meeting will be decided by way of a poll in accordance with the GEM Listing Rules, and the poll voting results will be published on the websites of the Stock Exchange and the Company.

An annual general meeting of the Company was held on 29 September 2025 to seek the shareholders' approval on, among other things, the granting of the general mandates to issue and repurchase the Company's shares and the re-election of the Directors. The Board members' attendance record is set out on page 16 of this annual report. The next annual general meeting will be held on 30 September 2026 and notice of the meeting will be sent to the Shareholders at least 20 clear business days in advance of that meeting.

Shareholders' Communication Policy

To promote effective communication, the Company has adopted a Shareholders' communication policy designed to foster a two-way relationship and ongoing dialogue between the Company and the Shareholders. The Company has established various channels to communicate with Shareholders, which are set out as follows:

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

– periodic announcements are published on the websites of the Stock Exchange and the Company;

– corporate information is made available on the Company's website; and

– annual and extraordinary general meetings, if any, provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company reviewed the implementation and effectiveness of the Shareholders' communication policy and is satisfied that it was operating effectively throughout the reporting period.

Procedures and Rights for the Shareholders to Convene Extraordinary General Meeting

The following procedures for Shareholders to convene an extraordinary general meeting (the "EGM") are subject to the Articles, and the applicable legislation and regulation and the GEM Listing Rules:

1. Any Shareholder or Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company carrying the right to vote at general meetings may submit a written requisition to the Board or the Company Secretary, requiring the Board to call an EGM for the transaction of any business specified in such requisition. The EGM shall be held within two (2) months after the deposit of the requisition.

2. The Board shall, within 21 days from the date of the deposit of the requisition, duly proceed to convene the EGM. If the Board fails to do so, the requisitionist(s) may convene the EGM in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may also make reference to Article 58 of the Articles for further details.

Shareholders who have enquiries regarding the above procedures may write to the Board at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong.

In relation to the procedures for putting forward proposals at a Shareholders' meeting, Shareholders who wish to make proposals or propose a resolution may convene an EGM in accordance with the procedures set out above.

Procedures for Shareholders to Propose a Person for Election as a Director of the Company

If a Shareholder duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), wishes to propose a person for election as a Director at that meeting, the Shareholder may lodge a written notice at the Company's principal place of business in Hong Kong at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong, marked for the attention to the Board. Detailed procedures for the Shareholders to propose a person for election as a Director of the Company can be found on the Company's website.

Investors Relations

The Board recognises the importance of maintaining an ongoing dialogue with Shareholders through various channels including general meetings, announcements and corporate communications such as the interim report and the annual report. Up-to-date information on the Group is also available at the Company's website.

The Company has adopted a Shareholders' Communications Policy. The Board welcomes enquiries and proposals from Shareholders, investors and other stakeholders. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong, marked for the attention to the Board. All such written enquires or proposals should include the sender's full name, contact details and identification, and must be sent to the above address.

Any enquires in relation to the Company's shareholdings, share transfer or share registration may contact the Company's Hong Kong branch share registrar. Their contact details are set out in the section headed "Corporate Information" of this annual report.

WHISTLE-BLOWING POLICY

In accordance with paragraph D.2.6 of the CG Code, the Company has established a whistle-blowing policy applicable to all directors and employees of the Group (including permanent, full-time, part-time, and contract staff), as well as all external parties having dealings with the Group (including investors, customers, contractors, suppliers, creditors, and debtors). The policy is designed to provide employees and external parties with confidential reporting channels through which they may raise concerns to the Group regarding any actual or suspected illegal activities or misconduct in financial reporting, internal controls, or other areas.

Whistle-blowers have direct access to the Board and senior management. All reports, together with the identity of the whistle-blower and the concerns raised, will be handled in strict confidence, and the Company will take all reasonable measures to safeguard confidentiality throughout the reporting and investigation process.

The Board, which is responsible for the oversight and monitoring of the whistle-blowing policy and related mechanisms, will determine the appropriate course of action in response to any reports received. The Company is further committed to ensuring that whistle-blowers are protected from any detrimental or unfair treatment arising from their reports.

ANTI-CORRUPTION POLICY

The Company maintains a zero-tolerance policy towards corruption, bribery, extortion, fraud, and money laundering in all its business activities.

Pursuant to paragraph D.2.7 of the CG Code, the Company has established an anti-corruption and integrity promotion framework that applies to all employees and is incorporated into the Company's staff manual. Employees are required to conduct themselves with integrity and to report any suspected cases of bribery, corruption, or money laundering to senior management or the Board. Employees are further required to disclose any conflicts of interest in the performance of their duties. This anti-corruption and integrity promotion framework constitutes an integral part of the Group's governance structure, setting out the Group's expectations and standards on business ethics, as well as the procedures for investigating and reporting suspected corrupt practices.

CONSTITUTIONAL DOCUMENTS

The Company first adopted its Memorandum and Articles of Association on 23 November 2015. An up-to-date version of the Company's Memorandum and Articles of Association is also available on the Company's website and the Stock Exchange's website. During the year ended 31 March 2026, there were no significant changes to the Company's constitutional documents, save that the terms of reference of the Nomination Committee were revised on 5 December 2025.

CONCLUSION

The Company will continue to review its corporate governance practices regularly to uphold its high standards of transparency. It is also committed to enhancing competitiveness and operating efficiency to deliver greater long-term value to its stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GENERAL

This is the Environmental, Social and Governance ("ESG") report by Hao Bai International (Cayman) Limited (the "Company") together with its subsidiaries (collectively referred to as the "Group"), reviewing and disclosing its environmental and social performance for the period from 1 April 2025 to 31 March 2026 (the "Reporting Period"). This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on the GEM Board of The Stock Exchange of Hong Kong Limited ("HKEx"). This Report has also been prepared in full compliance with the mandatory disclosure requirements and "Comply or explain" provisions stipulated in the ESG Reporting Guide and takes into account the latest HKEx guidance on enhanced climate-related disclosures applicable to financial years commencing on or after 1 January 2025.

This Report has been approved by the Board of the Group. Unless otherwise stated, the ESG Report covers the overall performance, risks, strategies, measures and commitment of the Group's business operations in Hong Kong and Mainland China during the Reporting Period.

The principal activity of the Group is principally engaged in the design, procurement, and installation of water circulation systems, as well as related maintenance services, including but not limited to swimming pools, water fountains, and water curtains. Their services are mainly categorised as follows: (i) management contracting services – encompassing the design, procurement, and installation of water circulation systems along with associated maintenance; (ii) sales and supply chain of agricultural and health products – a new business line introduced in March 2026; and (iii) consultancy services – providing advisory services on water circulation systems, as well as engineering, procurement, and construction management ("EPCM") services for commercial and residential buildings and infrastructure in China (this segment has been discontinued following the disposal of subsidiaries during the year ended 31 March 2026).

BOARD STATEMENT

The Board is pleased to present the Group's ESG Report, which demonstrates the Group's ongoing achievements and commitment to enhancing its sustainability performance in areas including employment and labour practices, environmental protection, business operations, supply chain management, and corporate governance. As a responsible, corporation the Group views ESG commitments as part of its broader responsibilities and is dedicated to integrating ESG considerations into its decision-making processes.

The Group believes that prudent management of environmental and social issues is a key factor in long term success. To better understand the risks and opportunities related to environmental protection, the Group ensures compliance with regulatory requirements through efficient operational management, robust policies and procedures, as well as the establishment of achievable targets, effective energy-saving measures, and proper waste treatment practices.

ESG Governance Structure

The Group adopts a top-down management approach with respect to ESG issues and has developed a core governance framework to ensure the alignment of ESG governance with its strategic growth, while advocating the integration of ESG into its business operations. The ESG governance structure is divided into two components, namely the Board and ESG Task Force (the "Task Force").

The Board holds ultimate responsibility for the Group's ESG strategy and reporting, as well as for overseeing and managing its ESG-related issues. With the assistance of the Task Force, the Board regularly reviews and confirms the Group's ESG-related risks and opportunities, performance, goals and targets, progress made against those goals and targets, management approach, strategies, and priorities of material ESG issues and policies. The Board also ensures the effectiveness of the Group's ESG risk management and internal control mechanisms.

The Task Force comprises representatives from different functional departments of the Group. Its responsibilities includes collecting and analysing ESG data, identifying and prioritising ESG issues, monitoring and evaluating ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The Task Force arranges regular meetings to discuss and review ESG-related issues including but not limited to the effectiveness of current ESG policies and procedures, the Group's strategic goals for sustainable development, ESG-related risks and opportunities, and progress made against ESG-related goals and targets. The Task Force reports to the Board periodically and assists the Board to discharge its responsibilities.

REPORTING SCOPE

The senior management of the Group discusses, identifies and confirms the reporting scope based on the materiality principle, the core business and main sources of revenue. The reporting scope of this ESG Report has been approved by the Board.

The reporting scope of this ESG Report comprises of the Group's management contracting services which account for majority of the Group's revenue. The ESG Report generally covers the Group's business and operational activities in the Hong Kong office. The Group will continue to access the major ESG aspects of its different businesses and extend the scope of disclosures when and where applicable.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group between 1 April 2025 and 31 March 2026.

OUTLOOK FOR THE GROUP

In the future, the Group will endeavour to allocate greater manpower and resources towards sustainable development, including resource efficiency and carbon reduction, with a view to protecting our planet. We are dedicated to fostering a humanized and high-quality working environment for our employees, while ensuring product safety and quality throughout the production process.

At the same time, we will maintain close and effective engagement with our stakeholders, namely customers, employees, communities, suppliers, business partners, investors and regulatory authorities, and proactively consider their perspectives on social and environmental progress. We recognise that the continued trust of our stakeholders is fundamental to achieving our sustainable development and operational goals.

REPORTING FRAMEWORK

The ESG Report has been prepared in compliance with the ESG Reporting Guide as set out in Appendix C2 of the Rules Governing the Listing Securities on GEM of the Stock Exchange.

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report of this annual report.

In preparing this ESG Report, the Group has applied the following reporting principles which are set out in the ESG Reporting Guide:

Materiality: The Group has conducted a materiality assessment to identify material issues and has adopted the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of these issues was reviewed and confirmed by the Board and the Taskforce. Details are set out in the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards, applicable assumptions and methodologies used in the calculation of KPIs data are supplemented by explanatory notes where applicable.

Consistency: The preparation approach of this ESG Report were substantially consistent with 2025. If there are any changes that may affect comparison with previous reports, explanation will be provided to the corresponding data.

This ESG Report has undergone the internal review process of the Group and was approved by the Board.

REPORT PUBLICATION

This ESG Report is published in both Chinese and English. It is uploaded to the HKEx's website and the Company's website. Should there be any discrepancy between the Chinese and English versions, the English version shall prevail.

REPORTING BOUNDARY

To ensure meaningful comparability, there were no material changes to the methodologies applied to KPIs used by the Group in the years ended 31 March 2025 and 31 March 2026. Unless otherwise stated, this Report primarily discloses the Group's ESG performance. For the year ended 31 March 2026, the Board is pleased to confirm that the Group has complied with and maintained strict standards in respect of its ESG related goals.

STAKEHOLDER ENGAGEMENT

The Group greatly values opinions and feedback from its stakeholders regarding its businesses and ESG matters, as their expectations and concerns guide the Group towards sustainability and inform the formulation of appropriate business and ESG strategies. The Group maintains close communication with key stakeholders through various engagement methods, and has summarised their respective expectations and concerns as follows:

Stakeholders	Expectations and Concerns	Communication Channels
Shareholders and investors	• Corporate governance system • Business strategies and performance • Financial results	• Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars • Company website and email
Customers and business partners	• Privacy protection • Business integrity and ethics • Quality of the services	• Email communications • Business visits • Regular meetings
Employees	• Career development • Health and safety • Remuneration and benefits • Equal opportunities	• Training, orientation, seminars, and briefing sessions • Staff appraisals • Internal meetings and email communication
Members of board of directors	• Strategic planning and its effectiveness and sustainability • Comprehensiveness and effectiveness of financial and internal control system	• Regular meetings and/or conference calls between board members
Sub-contractors	• Fair tendering • Business ethics and reputation • Timely payment for supplied goods and services	• Management meetings and emails • Business visits • Review and evaluation
Suppliers	• Product quality of the Company • Operational stability of the Company	• Website of the Company • Regular review of suppliers • Supplier management meetings and events • Supplier selection
Regulatory bodies and government authorities	• Compliance with laws and regulations • Implementation of policies	• Communication with regulatory authorities • On-site inspections • Tax returns
Media, non-governmental organizations and the public	• Environmental protection • Health and safety	• ESG reports • Company's website • Issue of financial reports

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the community on a continuing basis.

MATERIALITY ASSESSMENT

To consider feedback from various stakeholders on relevant ESG issues, the Group has assessed their importance to its businesses and stakeholders as summarised in the table below:

ESG Index	Material ESG Issues	Materiality
A. Environmental		
A1: Emissions	Air emissions	Low
	Noise emissions	Medium
	Waste management	Low
A2: Use of Resources	Electricity consumption	Medium
	Water consumption	Medium
	Paper, packaging and other raw material consumption	Low
A3: The Environment and Natural Resources	Impact on environment and natural resources	Low
A4: Climate Change	Impact of climate-related issues on the Group	Medium
B. Social		
B1: Employment	Recruitment, promotion and dismissal	Medium
	Remuneration and benefits	Medium
	Diversity and equal opportunity	Medium
B2: Health and Safety	Working environment	Medium
	Work-related fatalities and injuries	High
B3: Development and Training	Staff development and training	Medium
B4: Labour Standards	Prevention of child and forced labour	Low
B5: Supply Chain Management	Fair and open procurement	Medium
	Environmental and social risks of the supply chain	Medium
	Promotion of environmental preferable products and services	Medium
B6: Product Responsibility	Product quality and customer complaints	High
	Advertising and labelling	Low
	Protection of IP rights	Medium
	Data privacy protection	Medium
B7: Anti-corruption	Whistleblowing policy and anti-corruption training	Medium
	Corrupt practices	Medium
B8: Community Investment	Community involvement and resources contribution	Medium

During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues, and that the information disclosed complies with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes stakeholders to provide feedback on its ESG approach and performance. If you have any enquiries, you are welcome to contact us by:

Address: Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong
Tel: +852 2388 8311
Email: sales@harmony-asia.com

(A) ENVIRONMENTAL

The Group recognises that while the earth provides abundant natural resources, unlimited demand is unsustainable given the interdependent relationship between humankind and the natural environment. Accordingly, the Group is committed to reducing the environmental footprint of its business operations and upholding its responsibility for environmental protection. The Group's operational activities encompass both indoor planning and management works, as well as outdoor heavy duty construction and installation works. As a responsible corporation dedicated to protecting the environment, site workers, and society, the Group strictly adheres to relevant environmental laws and industry regulations to ensure sustainable and eco-friendly operations and production processes. This commitment is embedded as one of the Group's core "business goals" across the planning, design, procurement, and implementation stages of its installation projects. To this end, the Group has implemented policies and measures to ensure that all operations and activities are conducted in an environmentally responsible manner, minimising adverse impacts on the environment, site workers, and surrounding communities.

The Group hopes to encourage its employees to make good use of resources, develop energy conservation habits, and reduce its environmental impact through the implementation of relevant environmental protection policies and codes. To reinforce the implementation of these environmental measures, the Group maintains a clear division of labour amongst its departments, with the administration department taking charge of overall environmental control. It monitors the implementation of various environmental measures, including energy consumption, and has established relevant reward initiatives.

During installation works, resources such as electricity, fuel, diesel, plywood, water, and various materials (e.g., pipes, filters, and valves) are consumed. In line with industry practice, the majority of installation works are subcontracted or carried out in cooperation with other subcontractors, typically on a lump-sum underwriting contract basis. The Group generally prepares budgets for the value and quantities of raw materials and utilities required, and closely monitors actual consumption across subcontractors. This enables the Group to minimise both the cost and volume of raw materials used, thereby reducing the environmental impact of its installation activities.

Scope of greenhouse emission	Unit	Total in 2025/26	Total in 2024/25	Increase/ decrease (+/-)
Scope 1 – direct emissions	Tonnes	N/A	N/A	N/A
Scope 2 – indirect emissions (electricity)	Tonnes	10.29	12.72	-19.1%
Scope 3 – other indirect emissions (water)	Tonnes	0.03	0.03	0%
Total emissions	Tonnes	10.32	12.75	-19.1%

As a social and environmentally conscious corporation, the Group plays an active role to patrol and/or to station in the construction and installation sites to ensure:

- The working procedure and process are in compliance with all the relevant laws and rules of industries;
- The polluted emissions and wastes generated are appropriately handled;
- The working environment is almost risk free; and
- The natural resources, power (electricity, fuel and diesel), water, and construction materials are not excessively used or unreasonably wasted.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental related laws and regulations, including but not limited to the Air Pollution Control Ordinance, the Waste Disposal Ordinance and the Water Pollution Control Ordinance of Hong Kong.

A1 Emissions

(i) Air Pollutant and Noxious Odour Emissions

Indirect non-hazardous gas emission of carbon dioxide (CO_2) from the use of electricity, and hazardous gases emission of sulphur oxide (SO_x), nitrogen oxide (NO_x) and particulate matter (PM) from the use of fuel and diesel are generated during the installation works on the construction sites. A special type of dust pollutant will also be produced. In many circumstances, the use of certain chemicals to cleanse the environment or to burn out the wastes generates noxious odours which may irritate site workers and people in surrounding areas.

We are dedicated to managing these emissions and our business is subject to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Waste Disposal Ordinance, Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise (中華人民共和國環境噪聲污染防治法), Law of the People's Republic of China on Environmental Impact Assessment (中華人民共和國環境影響評價法), Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法), Decision of the State Council on Several Issues Concerning Environmental Protection (國務院關於環境保護若干問題的決定) and other relevant regulations promulgated by the government and applicable to the Group. We have devised and arranged procedures, and carried out works in a manner so as to minimise the greenhouse gas emissions. With regard to dust pollutants, we have implemented several simple and effective measures, such as using waste water to hose down and clear dust from surfaces to reduce its emissions. To effectively manage these air emissions, we have engaged experienced personnel with appropriate training to provide guidance on the implementation of these measures.

Apart from the project sites, as disclosed in last year's ESG report, the Group has continued to implement measures in our Hong Kong office to monitor the use of electricity and other forms of energy in order to reduce their usage on one hand to reduce operation costs, and on the other hand to reduce greenhouse gas emissions.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations for the above matters.

(ii) Noise Emissions

During installation works on construction site, disturbing noises will be generated. The Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) govern noise from construction, industrial and commercial activities. We are required to obtain noise permits from the Environmental Protection Department for relevant construction activities in advance, and to carry out such activities during restricted hours. As a means to reduce the impacts on the public, the Group has carried out construction activities during permitted hours and days, conducted noise level monitoring, and installed noise barriers where required.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations on noise emission control, and had not received any direct complaints from the public nor any fines or warning notices from the Environmental Protection Department.

(iii) Hazardous and Non-Hazardous Wastes

During installation works on construction site, wastes, mostly bulky and non-hazardous, are generated. The storage, collection, treatment, and disposal of these wastes are subject to requirements under laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法), the Circular Economy Promotion Law of the People's Republic of China (中華人民共和國循環經濟促進法), Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and other relevant laws and regulations. Pursuant to the Waste Management System of Waste Area (廢品區廢棄物管理制度) and Management System of Photocopier Repair and Waste Toner (影印機修理及廢棄墨粉管理制度), the Group has implemented a waste management hierarchy that prioritises avoidance, reduction, reuse and recycling over disposal. Our project teams have carefully planned work programmes to avoid over-ordering of construction materials. Furthermore, good site practices have been adopted to prevent cross contamination of materials. Reusable plywood and metal formwork have been carefully selected for reuse at site or at other sites to reduce material consumption. Excavated materials from the site have been sorted, segregated and reused as refilling materials at the premises as frequently as possible. Remaining construction materials generated have been sent to designated landfills by qualified waste collectors in accordance with relevant requirements.

For our Hong Kong office, the major hazardous wastes during the Reporting Period were light bulbs, printer toner cartridges, batteries and obsolete computers and small machines. All these hazardous wastes were collected by qualified collectors for further handling. Only a small amount of office and staff living non-hazardous wastes such as typing paper and packaging materials are generated, and these are collected by the property management offices.

During the Reporting Period, the Group was not aware of any material non-compliance with all the relevant laws and did not receive any complaints, fines or warning notices from the public or the relevant environmental agencies regarding its waste disposal activities.

(iv) Waste Water

The Group, as a specialist in the design, procurement and installation of water circulation systems, fully understands the art, technology and requirements of managing water efficiently, economically, and effectively, including both fresh and wastewater. During construction and installation works, large amounts of water are used for cooling and cleaning purposes and waste water is generated. Waste water discharge is regulated under the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong). The Group has implemented all necessary measures to reduce waste water production. At our work sites, waste water is collected, filtered and treated for reuse on site, for purposes such as wheel washing and mud cleaning. When waste water is produced in a larger volumes, the Group applies for a special permit to collect and discharge it to specially approved sites.

The Group also encourages employees to consume less and generate less waste water at our offices.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and did not receive any complaints, fines or warning notices from the public or relevant environmental agencies in relation to its wastewater disposal activities.

(v) Mitigation Measures on Emission and Results

At construction sites where our installation work takes place, a substantial volume of hazardous and non-hazardous emissions including air, water and solid wastes as mentioned above is generated. Even though we can only play a relatively passive role in controlling emissions across the construction site as a whole, as a socially and environmentally responsible corporation, we have been proactively involved in the emission management process alongside other sub-contractors and site-work operators. As discussed in our previous ESG reports, we advocate minimising emissions through economic, efficient and smart uses of resources, controlling and stopping wastage, recycling of water and construction materials for reuse, properly handling water and solid wastes, and saving energy in our daily operations and activities, etc. During the Reporting Period, the Group was not aware of any material non-compliance with all the relevant environmental laws and industries regulations that the Group is required to abide by. The Group believes that through our strict measures and strong implementation stance, we have discharged our duties satisfactorily in terms of social and environmental improvements.

A2 Use of Resources

The Group's operations at construction and installation sites use a variety of resources: energy in the form of electricity directly from the city grid, fuel and diesel, fresh water, printing paper, plywood, steel and many types of construction materials such as sand, clay and tiles. In our management office, electricity, water and paper are also used. However, as discussed above, the sites' resources usage is not directly under our account. Nevertheless, as a socially and environmentally responsible corporation, we have actively been involved in management and control and we aim to protect the environment by conserving the natural resources through the implementation of various measures to reduce their consumption.

The Group understands that effective resource management is conducive to environmental protection and is closely related to the Company's sustainable development goals. We actively enhance our energy efficiency, promote green office practices, and encourage energy conservation and emission reduction, while requiring our employees to strictly comply with the relevant regulations and policies. We encourage our employees to take resource conservation seriously and uphold our environmental protection philosophy. Meanwhile, in order to tackle potential energy supply issues during daily operations, the Group proactively optimises its energy protection and prevents suspension of energy supply.

The Group adopts and implements the 3R principle – Reduce, Reuse and Recycle as far as possible in achieving the efficient use of energy, water and other raw materials.

All levels of the Group are mindful of the importance of energy saving and its implications for the community and the planet. Continuous monitoring at our sites and in our office enables us to reduce or use energy and other resources, particularly water, in smart ways. Directional instructions and advice which we disclosed in our previous ESG reports, along with future educational programs, are and will remain the main driving force in this regard.

(i) Electricity Consumption

For the Reporting Period, approximately 10,290 kWh of electricity was consumed for the Group's Hong Kong office operation, which is approximately 19.1% less compared with last year for respective projects. The Group encourages employees to (a) develop a good habit of switching off all lights and electronic equipment when not in use, (b) separate, recycle and reuse waste when possible, and (c) use natural ventilation instead of air-conditioning whenever conditions allow.

(ii) Water Consumption

Water is supplied from the city central water system. The use of fresh water in the office is for staff general operating purpose, and a total of 33 cubic meters (2024/25: 33 cubic meters) was used for the Reporting Period. At all times, we request our staff and workers to use fresh water smartly and responsibly, and we constantly monitor water usage patterns through the use of smart metres. We will continue to monitor this KPI closely even though the consumption amount is insignificant. Our staff have been constantly reminded to save water.

(iii) Paper, Packaging Materials and Other Raw Materials Consumption

Given today's complex construction industry context, the use of paper is inevitable, as we need to print drawings, details, and other documents for site inspection, presentations, and similar purposes. Hardcopies of documents also need to be kept on site daily, such as daily tool box meeting records, inspection forms, progress reports and claims. The Group has encouraged employees to make their best efforts to reduce and replace paper use by adopting electronic means and using recycled paper.

Packaging materials involved at our construction and installation sites are minimal as our finished products are building or construction items.

Plywood is identified as the most common natural resource used by our construction and installation operation for formwork. We continuously recycle and reuse plywood across different projects until it is no longer suitable for further use.

Overall, the Group often reviews the effectiveness of the aforesaid measures and makes adjustments according to our operations to improve the efficiency of resource use.

In summary, we strive to promote environmental awareness by identifying and assessing potential environmental risks and making efforts to reduce resource consumption, with the following specific measures:

(a) Encouraging employees to develop the good habit of switching off all electronic equipment, and separating, recycling and reusing waste before leaving after work;

(b) Regulating our employees' use of office appliances under the principle of "switch it up only when you need to use it, leave it idle when you don't, and shut it down after work", so as to reduce idle energy consumption;

(c) Reducing the use of unnecessary lighting in public areas under adequate sunlight, and employing energy conserving lighting system;

(d) Regulating our employees' water usage so as to avoid waste;

(e) Maximizing paperless office operation, with information transmitted through the network;

(f) Encouraging double-sided printing as well as waste paper recycling; and

(g) Performing regular inspection and maintenance on our equipment, and upgrading energy consuming components to ensure efficient operation. We regularly review the effectiveness of these measures and make adjustments according to our operation to improve resource efficiency.

A3 The Environment and Natural Resources

As discussed above, the Group is fully aware that its activities and operations may generate significant environmental impacts if not properly managed. Our operations and activities consume large amounts of energy, water and other natural resources and generate various types of emissions, as well as water and solid wastes. We have actively and directly introduced and implemented eco-friendly practices to reduce and conserve energy, fresh water and other natural resources, and to minimise direct and indirect environmental impacts. We have managed and handled our air, water and solid emissions properly to comply with the environmental laws and regulations of the regions which we are operate. We cooperate with local government agencies and support environmental organisations' activities to build a "clean and safe" environment and society.

As certain procedures generate noise that may affect nearby residents, the Group adopts necessary measures to minimise noises in compliance with the noise Control Ordinance. The Group conducts construction during designated hours and ensures that equipment is inspected and maintained before use to comply with permitted noise levels.

The Group also monitors indoor air quality at its workplaces on a regular basis. By installing air purifying equipment and regularly cleaning air conditioning systems, the Group maintains good indoor air quality, which provides a pleasant working environment for its staff.

We have established, and have been following and maintaining, an efficient environmental management system, which advocates environmental protection practices in a number of areas:

(a) Strictly complying with relevant environmental laws and regulations while continuing to improve our environmental management system;

(b) Reducing the use of equipment with higher energy consumption and using energy-efficient electronic equipment during daily operations;

(c) Adopting green procurement and reusing resources where possible;

(d) Improving production techniques, adopting green production methods such as lowering exhaust gas emissions and treating wastewater; and

(e) Minimising noise pollution during production by selecting low-noise equipment, implementing effective noise cancelling measures through improved production techniques; and separating waste from daily operations into hazardous and non-hazardous categories, thereby increasing the waste recycling rate to reduce environmental damage.

During the Reporting Period, the Group was not aware of any irregularities regarding natural resource consumption being reported to management.

A4 Climate Change

The Group recognises the importance of identifying significant climate-related issues and mitigating the associated risks. Therefore, the Group is committed to managing potential climate-related risks which may impact its business activities. In order to reduce carbon emissions in business operations and jointly cope with climate change, the Group actively advocates a green policy of sustainable development and strives to save energy, water, paper and other resources within its capacity. We proactively raise our staff's environmental awareness and implement relevant energy saving and emission reduction measures in daily operations to establish a low-carbon office.

During the Reporting Period, the Group formulated a Climate Change Policy and conducted a climate change assessment to identify and mitigate potential climate-related risks that may arise from its business operations. These risks mainly stem from the following dimensions:

Physical Risks

The increasing frequency and severity of extreme weather events such as typhoons, storms and heavy rains can disrupt the Group's operations by damaging construction work and hindering employees from performing their duties, particularly outdoor inspection work. Extreme weather may also disrupt the supply chain and delay construction projects due to transportation disruptions or disturbances in the manufacturing of construction materials. These events could result in a temporary, permanent or partial halt of the Group's business operations, exposing the Group to risks associated with non-performance and delayed performance.

To better manage the above mentioned physical risks, the Group has formulated a contingency plan and relevant policies, which sets out appropriate solutions for employees to follow, thereby reducing the negative impacts of extreme weather events on the Group. When extreme weather events occur or are likely to occur, senior management will promptly communicate with employees regarding work arrangements to ensure staff safety and operational continuity in accordance with the plan. The Group will also review the response plan from time to time to ensure its employee know how to respond if any essential work is hindered by extreme weather events.

Transition Risks

Policy and Legal Risks

There are increasingly stringent climate legislations and regulations in place to support global vision for decarbonisation. For example, the Stock Exchange has required the listed companies to enhance the climate-related disclosures in their ESG reports. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet compliance requirements relating to climate change. As a result, the Group's related capital investment and compliance costs are likely to increase.

In response to policy, legal, and reputational risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate change and ensures that senior management is aware of the changes in policies or legislation. This enables the Group to avoid unnecessary costs or non-compliance fines and to reduce reputational risks arising from delayed responses.

Market Opportunities

Due to the advocation of "Net Zero", the ambition to achieve net zero carbon emissions, and the global vision of decarbonisation, there is an increasing number of investors and customers who are aware of the need to combat climate change. If the Group is able to implement effective measures to manage climate risks, and even provide green building alternatives in its services, the attractiveness of the Group to investors and customers may significantly increase. Therefore, the Group intends to maintain a high level of transparency in ESG reporting and its related activities which helps build trust and confidence in its relationships with investors and customers. The Group will also conduct research and may further develop green building services in the future.

(B) SOCIAL

The Group is committed to conducting business in an honest, accountable and ethical manner and strives to build mutually beneficial relationships with its stakeholders, including employees, customers, suppliers, sub-contractors, communities, as well as the public and governing authorities. In formulating ESG strategies and policies, we incorporate our long term corporate development goals with due considerations on the stakeholders and society, in the belief that we can make a difference to the world at large and the communities in which we operate.

Employment and Labour Practices

B1 Employment

As previously reported, employees are the most valuable assets of the Group, and the Group's success depends highly on their skills, passion, and commitment. On the one hand, we ensure that employment and labour practices are implemented in accordance with relevant labour laws and the Employment Ordinance; on the other hand, we establish clear policies and guidelines to attract and retain talent. We provide equal employment opportunities to all without discrimination in hiring, promotion, dismissal, remuneration and welfare packages, training, and development.

Our recruitment process follows market practices in our industry. We specify the requirements for each vacancy and advertise them, as well as engage in head-hunting through employment agencies. We promote equal opportunity, diversity, and anti-discrimination throughout our selection process, which includes background checks, tests, and interviews. Successful applicants for general staff positions are decided by the human resources manager and the relevant department head, while appointments for senior management are decided by the Executive Directors.

The Group respects the laws in the jurisdictions where its people are employed, including the Employment Ordinance in Hong Kong, the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Regulation on Labour Security Supervision (《勞動保障監察條例》), and the Labour Basic Standard Law (《勞動基準法》) of the People's Republic of China. Accordingly, the Group formulates its own employment and labour practices in accordance with industry practices.

Recruitment and Promotion Policy

The Group's recruitment processes are based on operational needs, business growth, and the requirements of occupational skills and qualifications. Suitable employees are selected after careful analysis of their personal moral standards, professional skills, work experience, and relevant qualifications. We do not allow any personal relationships or interests to take priority, and we prohibit any form of discrimination. We have built a comprehensive performance assessment and promotion system that evaluates the job performance of employees to ensure that each and every employee is entitled to reasonable promotion opportunities. This supports our goal of creating a harmonious corporate culture.

Dismissal Policies

In general, the Group will lay off employees for the following reasons:

i. Unsatisfactory performance of an employee over a prolonged period, or where his/her capabilities and skills do not meet the required level of the respective position, rendering him/her unable to perform the job duties;

ii. Serious violation of laws, regulations, or employment policies to the extent that dismissal is warranted; and

iii. Objective circumstances under which the company is no longer able to continue its operations.

If an employee is dismissed due to any of the above reasons, the Group will follow the prescribed procedures and provide reasonable compensation to the dismissed employee in accordance with the guidance under relevant employment laws and the termination provisions set out in the employment contracts of all staff.

As at 31 March 2026, the employment characteristics are summarised below:

Description	2025/26	2024/25	Increase/ decrease (+/-)
(i) Total number of employees	11	10	+10%
(ii) Female/Male ratio	1:2.67	1:2.33	-9.1%
(iii) Number of office employees including Executive Directors and senior management roles	4	2	+200%
(iv) Age distribution			
(a) 20–40	18%	40%	-55%
(b) 41–60	82%	60%	+36.7%

In light of the above comparisons, the Group maintains a stable management structure and a steadily growing business, while actively pursuing potential business opportunities.

Employee Compensation and Benefits

One of the major ESG aspects raised by the Group's employees was benefits and compensation packages. The Group adopts a transparent approach to salary and compensation by sharing the outcomes of its salary benchmarking exercises with employees.

Our Group follows the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). Remuneration packages are linked to individual performance and the Group's business performance, while also taking into consideration industry practices and market conditions, and are reviewed on an annual basis. The remuneration of senior management staff and directors is determined with reference to their duties and responsibilities to the Group, the Group's emolument standards, and market conditions, and is regularly reviewed by the Company's remuneration committee. In compliance with applicable laws, the Mandatory Provident Fund (MPF) has also been arranged for all Hong Kong employees.

During the Reporting Period, the Group ensured that all its employees were able to enjoy benefits such as salaries, holiday and leave, compensation, insurance and health benefits without any disputes, violations or litigation related to employment.

Equal Opportunities and Diversity

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture in which all employees can thrive. We are dedicated to keeping our workplaces free from discrimination, and from physical or verbal harassment against any individual on the grounds of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, or sexual orientation. The Group has zero tolerance for sexual harassment or abuse in the workplace in any form. Any employee who feels intimidated, humiliated, bullied, or harassed (including sexually harassed) may report the matter to their representative or file a complaint directly with senior management. The Group will take firm and appropriate action to address such issues upon receipt of any complaint.

Apart from maintaining a diversified workforce, the Group also recognises the importance of Board diversity in enhancing the quality of its performance while achieving sustainable and balanced development. Board diversity is considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, and any other factors that the Board may deem relevant and applicable from time to time. As at 31 March 2026, the Board comprised both male and female directors with diverse educational backgrounds and professional experience.

Communication with Employees and Corporate Culture

We highly value employee opinions and have therefore established multiple communication channels between management and staff to sincerely listen to suggestions and ideas, facilitate effective dialogue, and enhance overall engagement. We place great importance on employees' understanding of our corporate culture, and strive to translate our philosophy into tangible actions, abstract concepts into concrete initiatives, and messages into both oral and written forms, so as to deepen employees' appreciation of our culture and strengthen their sense of belonging. To foster stronger connections among employees and support work-life balance, the Group organises a variety of corporate and social activities. During the Reporting Period, we held team-building dinners and other corporate events, offering valuable opportunities for all employees to relax and interact.

B2 Health and Safety

The Group is committed to providing a safe, healthy, and pleasant working environment in its offices and project sites. We have equipped our offices with adequate equipment and facilities to ensure safety and convenience for employees. The Group has established work safety rules and policies, which are in all material respects in compliance with all relevant laws, rules, and regulations relating to safety and health requirements in Hong Kong, including: the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), the Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong), the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), and the Labour Law of the People's Republic of China (《中華人民共和國勞動法》). All permanent staff have been covered by insurance as required by law. All employees are also required to strictly observe health and safety policies, follow safety rules at work, and place safety as their priority at all times during work. The Group places the highest priority on securing the occupational safety and health of all its employees, and endeavours to protect employees from work-related accidents and injuries.

Pursuant to the statutory requirements of the Factories and Industrial Undertakings (Safety Management) Regulation (Chapter 59AF of the Laws of Hong Kong), periodic safety audits have been conducted in offices and on project sites to evaluate the efficiency, effectiveness, and reliability of the safety management system, and to formulate plans for further remedial and improvement actions.

We recognise the growing concern among employees and society regarding work pressure and related challenges, and we understand that work-life balance is essential to our employees' well-being. Accordingly, we proactively care for our employees and take steps to support their mental health. The Group regularly organises and encourages participation in health-promoting activities, such as lunch gatherings, long-distance running, and other outdoor events. Through these initiatives, we aim to foster enthusiasm, mutual understanding, and team cohesiveness, thereby creating a positive and harmonious working atmosphere.

During the Reporting Period, the Group was not aware of any material non-compliance cases relating to health and safety while there were no fatalities, work injury, occupational health and safety hazard cases recorded. Through our ongoing efforts in training and workplace health and safety monitoring, the Group maintains its target of achieving zero injuries and zero fatalities in the coming year.

B3 Development and Training

The Group values its employees as human capital and is committed to investing resources to enhance their competencies, skills, and knowledge, enabling them to maximise their contribution to the Group's growth and success. The Group actively supports continuous learning, recognising its critical role in employee development, and sponsors attendance at internal and external training programmes relevant to their work.

In terms of training, in addition to orientation programmes that familiarise new employees with the Group's working environment, work culture, and safety awareness, we also provide on-the-job training and supervisory guidance to strengthen technical and product knowledge.

A comprehensive record of development and training programmes, including breakdowns by type, number of attendees, and hours attended, has been established and maintained as a key performance indicator (KPI). This facilitates the management team's assessment of human resources planning and performance improvements.

The Group evaluates the effectiveness of training and employee performance to adjust programmes as needed. We also closely monitor the latest policy and regulatory developments to ensure that our directors and senior management remain fully informed of new legal requirements, systems, and industry knowledge.

Internal Development

The Group is well aware that talent training is the most important work of all, and therefore actively trains its employees to enhance efficiency and build a future management team. To that end, the Group offers employees substantial room for internal promotion. We aim to reward employees with outstanding performance and remarkable results in assessments. When suitable vacancies arise, we prioritise the internal promotion of existing employees, with a view to building their confidence and sense of belonging, as well as reducing employee turnover. In addition, we will make adjustments to different positions according to actual needs, while employees are also allowed to request changes of job positions for personal circumstances.

During the Reporting Period, 11 employees (FY2025: 10 employees) of the Group received a total of 110 hours (FY2025: 80 hours) of training in the Reporting Year, with the corresponding percentage of employees who received training being 100% (FY2025: 100%). The percentage of trained employees by gender was 73% for male and 27% for female, while by employment level, it was 10% for general staff, 20% for middle management, and 70% for senior management. On the other hand, the average training hours by gender were 10 hours for male and 10 hours for female, while by employment level, they were 10 hours for general staff, 30 hours for middle management, and 70 hours for senior management.

Moving forward, the Group will continue to invest more resources in employee training and development, so that its staff can keep abreast of market changes and demands.

B4 Labour Standards

The Group has strictly complied with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動契約法》), the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), and the Civil Code of the People's Republic of China (《中華人民共和國民法典》). The Group has honoured all of its obligations towards its employees and has built a safe, healthy, and pleasant working environment. No child or forced labour has been employed. Equal opportunities have been given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. Employees have not been discriminated against or deprived of opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy, or any other ground prohibited by applicable laws.

In the past 12 months, there were no labour strikes within the Group, and we did not experience any material labour disputes or any material insurance claims related to employees' injuries. We firmly believe that we have maintained a good working relationship with our employees.

The Group strictly prohibits the employment of children, child labour, forced child labour, and other forms of forced labour. When hiring, we require applicants to present their ID cards, academic certificates, and other identity-proving documents to ensure that we do not inadvertently hire child labour. We also ensure that no forced labour-related complaints arise by specifying the time and nature of work when signing labour contracts with our employees. The Group will review and further improve its labour mechanisms from time to time.

During the Reporting Period, the Group did not experience any material safety problems, and no material safety accidents were attributable to the Group's fault. Furthermore, we regularly monitor employment-related information and data to prevent any non-compliance with child labour and forced labour regulations. We are not aware of any material non-compliance with relevant standards, rules, and regulations concerning employment and labour practices during this financial year.

Operating Practices

These aspects include management of sourcing, procurement, products quality assurance, sales, intellectual property rights and anti-corruption.

B5 Supply Chain Management

Supply chain management under the ESG Guide primarily pertains to the management of sourcing and procurement. The Group engages two main categories of suppliers: (i) sub-contractors who carry out sub-contracting construction and installation project works; and (ii) suppliers of raw materials, tools, equipment, consumables, and other items required for the completion of our construction and installation projects.

We conduct raw material purchase acquisitions in a fair and equitable manner, in accordance with our purchase policies. All purchase transactions are open and transparent to all involved parties throughout the acquisition process, and are subject to internal hierarchical supervision at various levels depending on contract value and significance, as well as external independent audit checks.

We maintain a list of suppliers with proven track records in dealings with us or in the market, and prefer to collaborate with those who share our moral values and standards. Regular supplier assessments are conducted, including requests for basic certifications, licences, and product catalogues, to ensure that suppliers are not only committed to product cost and quality but also have not contravened any applicable laws or practices.

In principle, procurement for construction projects follows established trade practices and industry norms, by inviting multiple tenderers based on contract value, time, amount involved, and any technical or time constraints. All procurement activities are executed and documented in line with internal rules that emphasise fitness for purpose, safety, and reliability.

We incorporate green or environmentally friendly provisions where required under our contract specifications, and also consider price competitiveness, availability, and supplier reputation. Suppliers are ultimately selected based on their continuing ability to deliver satisfactory product quantity and quality, reasonable pricing, and timely delivery.

In the selection of sub-contractors, the Group maintains an approved list of those who have successfully passed our quality control tests and demonstrated a satisfactory track record in both quality and on-time delivery. The Group gives preference to sub-contractors who are committed to collaborating in promoting the sustainable development of the industry.

The Group conducts annual evaluations of raw material suppliers and sub-contractors to ensure they meet required standards and expectations. Assessments cover, but are not limited to, professional qualifications, service and product quality, financial standing, operational integrity, social responsibility, and other relevant criteria. Suppliers and sub-contractors that do not meet these standards are removed from the approved lists.

During the Reporting Period, the Group had approximately 60 key suppliers/sub-contractors (45 from Hong Kong, 10 from the PRC, and 5 from other regions), a figure consistent with the prior year. The Group will continue to rationalise its supplier base to ensure that all partners are financially and environmentally favourable, and does not anticipate any threat to project operations from its supply sources.

The Group actively monitors government policies. Where information on environmentally friendly products or services is obtained from the government, the Group adopts recommendations to procure goods and services with a lower environmental impact throughout their life cycle, as appropriate.

During the Reporting Period, we encountered no significant product issues, material supply limitations, or product shortages. We are confident that our supply chain management and procedures safeguard the safety and quality of our supply chain.

B6 Product Responsibility

The Group regards service quality as the foremost priority in its operations and strictly complies with the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong), the Copyright Ordinance (Cap. 528), the Prevention of Copyright Piracy Ordinance (Cap. 544), the Personal Data (Privacy) Ordinance (Cap. 486), and all other relevant regulations, in order to deliver a high standard of service to its customers.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to its services that would have a significant impact on the Group, including but not limited to the Personal Data (Privacy) Ordinance and the Trade Descriptions Ordinance of Hong Kong.

The Group ensures that all information disseminated, including company brochures, is complete, accurate, clear, and in compliance with applicable laws and regulations.

(i) Quality Assurance

The Group's end products are completed water circulation systems, which are subject to rigorous government control and independent consultant supervision and inspection throughout the planning, design, and construction stages. Most risks associated with defective end products are identified in a timely manner and are reasonably mitigated through established industry checking practices and our internal supervision plans.

The Group is committed to delivering high-quality end products, as we recognise that product quality and consistency are fundamental to maintaining our professionalism and expanding our market share. We have established policies governing service quality and safety to ensure full compliance with relevant laws and regulations, with particular emphasis on product safety standards. The Group maintains close engagement with industry peers to stay informed of the latest construction technologies and knowledge. Furthermore, we have implemented policies and procedures to ensure that all customer complaints or concerns are addressed promptly and appropriately.

During the Reporting Period, the Group was not aware of any quality claims against our products and services that had an adverse impact on our business.

(ii) Intellectual Property Rights

Given the nature of our operations, intellectual property rights issues are relatively less significant to the Group. Nonetheless, we observe and respect all intellectual property rights, including the use of genuine computer software in our offices and work sites. Designers are also regularly reminded to avoid infringing upon any intellectual property rights during the design development process.

During the Reporting Period, the Group was not aware of any intellectual property right infringement case filed against us.

(iii) Privacy

The Group's construction and installation contracting business involves the handling of private, confidential, and sensitive information of principals and their projects, including designs, costs, and commercial contract terms. We also hold confidential information relating to our business partners, sub-contractors, and employees. Such information is highly sensitive and critical, and we are legally obliged to handle and safeguard it with the utmost care. The Group fully recognises its responsibilities and has implemented measures to ensure the secure storage and protection of such information. We use this information solely for legitimate business purposes and not for any unrelated activities. Our employees' employment contracts include confidentiality clauses, and employees are strictly prohibited from accessing information without proper authorisation or disclosing private and confidential information. All employees are required to exercise extreme caution in handling customer information, to protect its confidentiality, and to comply with all applicable privacy laws. Any violation will be subject to legal action.

Overall, we recognise the critical importance of intellectual property protection and strictly adhere to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Law of the People's Republic of China on Protection of Intellectual Property Rights (《中華人民共和國知識產權法》), the Anti-Unfair Competition Law (《反不正當競爭法》), and other relevant laws and regulations.

During the Reporting Period, no cases were initiated against us, nor were any complaints received concerning breaches of privacy laws, regulations, or policies in any jurisdiction where we operate. We remain committed to maintaining a zero-case and zero-complaint record in the future.

(iv) Customer Services and Satisfaction

The Group places great emphasis on customer feedback regarding service quality. We have established policies and procedures for handling customer feedback, inquiries, and complaints, all of which are recorded in detail and reviewed by management. Appropriate follow-up actions are taken in response to any feedback or complaint received, with a view to improving product and service quality. Once a complaint is resolved, the Group evaluates the satisfaction of the customer concerned to ensure our professionalism is upheld.

During the Reporting Period, the Group was not aware of any customer complaint seeking material compensation, nor any government investigation relating to such a complaint, that could have had a material adverse impact on our business.

(v) Safety, Fire and Hygiene

A key requirement under applicable laws and regulations governing our operations is compliance with relevant safety, hygiene, and fire standards. The Group is responsible for ensuring such compliance through regular checks and inspections of its offices. For instance, fire escape corridors must be kept free from obstruction, and fire extinguishers and other equipment must be properly positioned, accessible, and unobstructed. Fire and evacuation drills are conducted on an annual basis.

During the Reporting Period, the Group was not aware of any safety concerns raised by the Fire Services Department of Hong Kong.

(vi) Advertising and Labelling

The Group's business operations did not involve any advertising or labelling activities during the Reporting Period.

B7 Anti-corruption

The prevention of bribery, extortion, fraud, and money laundering is a material aspect of this anti-corruption section and is of great importance to all stakeholders. The Group recognises the critical role of employee integrity and has established a Code of Conduct ("CoC") to provide clear guidance on the acceptable acceptance of gifts or entertainment, conflicts of interest, handling of confidential information, and whistle-blowing procedures. The Group maintains a zero-tolerance stance towards bribery, extortion, fraud, and money laundering. In their daily work, all directors, management, and employees are required to comply with relevant national and local laws and regulations concerning the prevention of such unlawful activities. Any breach of these regulations will result in disciplinary action.

With clearly defined policies and well-structured processes in purchasing, sales, operations, and finance, and a strong commitment to ethical conduct, particularly among senior management, no complaints of corruption were filed against the Group or its staff during the Reporting Period. We remain committed to and confident in maintaining this record in the future.

During the Reporting Period, the Group complied with all applicable local anti-corruption and bribery laws and regulations in every jurisdiction where it operates, including the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) (《防止賄賂條例》), the Competition Ordinance (Cap. 619 of the Laws of Hong Kong), and all other relevant laws and regulations.

Whistle-blowing Policy

All Group employees are required to report any actual or potential conflicts of interest to management through designated channels. Employees may not accept gifts from external business parties without prior management approval.

The Group has established an internal Whistle-blowing Policy. Staff who identify any irregularities may report them to the relevant department managers or senior management, and the Group will protect the confidentiality of the whistle-blower’s identity. The Group will conduct a thorough investigation into each reported matter and take appropriate action based on the findings.

As our business continues to grow, we will further strengthen our anti-corruption framework, reinforce anti-corruption training, and deepen collaboration with external stakeholders, including suppliers, sub-contractors, partners, and government agencies, with a view to continuously enhancing our internal controls to prevent any violations.

During the Reporting Period, we did not identify any violations relating to corruption, bribery, extortion, fraud, or money laundering that had a material impact on the Group, nor did we identify any significant risks or issues in this area.

B8 Community Investment

The Group recognises that community engagement is essential to its long-term sustainability. We actively encourage employees to participate in volunteer activities, including regular visits to underprivileged communities and organising outdoor events for disadvantaged groups. The Group is also committed to investing in youth development and offers internship programmes for university students, providing them with practical work experience to support their career growth.

During the Reporting Period, the Group’s resources were primarily directed towards maintaining business continuity in light of the pandemic, resulting in the temporary suspension of all philanthropic activities. Looking ahead, the Group intends to strengthen its focus on social participation and community investment.

CONTENT INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

This report has been prepared in accordance with the ESG Reporting Guide. The table below provides an overview of the general disclosures and key performance indicators (KPIs) under each subject area, with cross-references indicated accordingly.

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and noise emissions, waste water, and generation of hazardous and non-hazardous waste.	Emissions
A1.1	The types of emissions and respective emissions data.	Emissions – Air Pollutant and Noxious Odour Emissions and Noise Emissions. We are in the process of improving and expanding data collection and will consider including relevant data in the future.
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Air Pollutant and Noxious Odour Emissions and Noise Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Hazardous and Non-Hazardous Wastes
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Hazardous and Non-Hazardous Wastes
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – Mitigation Measures on Emission and Results. We are currently conducting an impact study of our operations and developing improvement plans, emissions targets, and the steps to achieve them, which we expect to disclose in the future.

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Hazardous and Non-Hazardous Wastes. We are currently conducting an impact study of our operations and developing improvement plans, waste management targets, and the steps to achieve them, which we expect to disclose in the future.
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ’000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Electricity Consumption
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Electricity Consumption. We are currently conducting an impact study of our operations and developing improvement plans, energy efficiency targets, and the steps to achieve them, which we expect to disclose in the future.
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption. We are currently conducting an impact study of our operations and developing improvement plans, water efficiency targets, and the steps to achieve them, which we expect to disclose in the future.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Paper, Packaging Materials and Other Raw Materials Consumption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices
B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Employment
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2	Lost days due to work injury.	Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management. We are currently working on a standardised guideline to promote the procurement of environmentally preferable products and services when selecting suppliers.
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility. We are currently working on developing a standardised guideline for Health and Safety.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Quality Assurance
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Whistleblowing Mechanism
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment. We will assess and disclose the financial and time resources contributed to the focus area in the future.

BIOGRAPHICAL DETAILS OF DIRECTORS

DIRECTORS

As at the date of this annual report, the Board consists of seven Directors, including four executive Directors and three independent non-executive Directors.

Executive Directors

Mr. Ng Wan Lok (吳蘊樂先生), aged 58, was appointed as an executive Director on 8 June 2016. He joined the Group as a marketing manager in March 2014 and is mainly responsible for managing and supervising the operations of projects of the Group.

He obtained a post-graduate certificate in Information Technology from the Hong Kong Management Association in September 1994 and further obtained a Bachelor's degree in Computer Science from Victoria University of Technology in November 1996.

Mr. Ng has more than 25 years of experience in project management. He had worked in various companies and was responsible for project development, managing manufacturing operation and handling product sales and development. Before joining the Group, Mr. Ng was a Manager of Wellgo Development Limited from August 2007 to February 2014 and he was mainly responsible for handling the trading business of consumer electronics.

Ms. Wong Wing Hung (王詠紅女士), aged 52, was appointed as an executive Director on 8 June 2016, was re-designated as the chief executive officer of the Company between 5 October 2022 and 1 December 2022 while she was also re-designated as the chairman of the Company between 5 October 2022 and 23 December 2022. Ms. Wong joined the Group as a project administrator in November 2006 and is responsible for project tendering and administration as well as project accounting of the Group. In addition, Ms. Wong was the compliance officer of the Company until 1 April 2024.

Ms. Wong obtained a Bachelor's degree in Business Administration from the Open University of Hong Kong in June 2003. She also completed "ISO 9000:2000 Internal Auditor Training Course" organized by Hong Kong Quality Assurance Agency in November 2001.

Ms. Wong has more than 20 years of experience in project tendering, accounting and administration. Before joining the Group, she was project secretary for companies engaged in design and installation of water filtration system. She was a Project Secretary of Dawn Enterprise Limited from February 1998 to August 2002, Assistant to Manager of P&A Engineering Limited from November 2002 to October 2004, Project Secretary of Harmony Project Limited from November 2004 to September 2005 and Project Secretary of Fortune Universe Limited from September 2005 to July 2006.

Mr. Zhang Jiaqing (張家擎先生), aged 40, was appointed as an executive Director of the Company with effect from 16 February 2026.

Mr. Zhang holds a college diploma in Computer Technology from Jilin University. Mr. Zhang currently serves as a senior executive and supply chain director at a domestic fresh food chain enterprise. Mr. Zhang is responsible for the overall coordination of supply chain system construction, market operation and team management. He possesses outstanding practical abilities in market layout, brand marketing, and supply chain control and has a deep understanding of consumer market trends and end-to-end operational management. Mr. Zhang has many years of experience in the consumer sector and over ten years of sales management experience in the liquor industry, he has led his team to achieve market expansion and performance targets. Mr. Zhang has also been deeply involved in the retail industry, accumulating mature marketing and market operation management capabilities.

BIOGRAPHICAL DETAILS OF DIRECTORS

Ms. Wang Zhixian (王志賢女士), aged 43, was appointed as an executive Director of the Company with effect from 24 April 2026.

Ms. Wang has a solid foundation in legal expertise. Ms. Wang engaged in entrepreneurial practices at an early age and accumulated rich experience in market operation. She has long been engaged in the financial and insurance industry, focusing on family health and wealth planning. She has served as Supervisor, District Manager and Project Leader, overseeing large-scale professional operation teams. Subsequently, she served as the online operation director of an internet agricultural enterprise, in charge of agricultural insurance and agricultural credit businesses, and connected upstream and downstream resources of planting and breeding industries. In 2019, Ms. Wang founded a BPO outsourcing company, established and managed a large comprehensive service team. Its business covers online education, legal services, medical care & elderly care, finance and insurance and other fields. Since 2023, Ms. Wang has joined a chain brand enterprise, taking overall charge of online sales of fast-moving consumer goods and online operation and team management.

Independent non-executive Directors

Mr. Cheung Hiu Fung (張曉峯先生), aged 32, was appointed as an independent non-executive Director and member of the Audit Committee of the Company with effect from 23 December 2022. Mr. Cheung was appointed as a member of the Remuneration Committee and Nomination Committee of the Company with effect from 30 September 2024.

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

Mr. Cheung was appointed as an independent non-executive director of Simplicity Holding Limited (Stock Code: 8367), a company listed on the GEM of the Stock Exchange since 31 March 2023. Mr. Cheung was appointed as an executive director of Goldway Education Group Limited (Stock Code: 8160), a company listed on the GEM of the Stock Exchange between April 2021 and September 2022 while he was also its chairman of the Board between January 2022 and September 2022.

Mr. Wong Ming Fair Victor (王明輝先生), aged 42, was appointed as an independent non-executive Director and a member of the Audit Committee; Remuneration Committee and Nomination Committee of the Company, with effect from 16 February 2026.

Mr. Wong graduated from the University of British Columbia with a bachelor's degree in economics. He has served in several public and private positions, making valuable contributions to both sectors. Mr. Wong is currently a committee member of the Jiangsu Province Huai'an Municipal Political Consultative Conference and the Guizhou Province Youth Federation. He also serves as a committee member of the Kwai Tsing District Fire Safety Committee. Mr. Wong holds the position of President at the Hong Kong General Chamber of Commerce, President of the Hong Kong Huai'an Association and Vice President of the Jiangsu Hong Kong Cultural Promotion Association. He is an executive director of the Zhufu Hong Kong Foundation and the Business Community Support Rehabilitation Committee. Mr. Wong has close to 10 years of experience in the financial services industry.

He currently also serves as an executive Director of Capital Finance Holdings Limited (stock code: 8239) and an independent non-executive director of Goldway Education Group Limited (stock code: 8160), both companies are listed on GEM of the Hong Kong Stock Exchange. He also serves as a Director of Lao Hai Shing, a globally renowned business specializing in European fabric trade and tailored suits.

Mr. Tung Yee Shing (董儀誠先生), aged 52, was appointed as an independent non-executive Director; chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 24 April 2026.

Mr. Tung has extensive professional and management experience in finance and accounting, mergers and acquisitions and strategic planning. Mr. Tung currently holds the following positions of the companies which are listed on the Hong Kong Stock Exchange: (a) executive director and chairman of Zhidao International (Holdings) Limited (stock code: 1220); and (b) chief financial officer and company secretary of Taung Gold International Limited (stock code: 621).

Mr. Tung holds a Bachelor of Social Science degree in Economics and a Master's degree in Business Administration from The Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

SENIOR MANAGEMENT

Senior management includes Mr. Ng Wan Lok and Ms. Wong Wing Hung, both are executive Directors of the Company. Please refer to the section headed "Biographical details of Directors" in this annual report for their biographies.

REPORT OF DIRECTORS

The board (the "Board") of directors (the "Directors") of Hao Bai International (Cayman) Limited (the "Company") is pleased to present this Directors' report together with audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2026 (the "Year").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company incorporated in Cayman Islands with limited liability. It is principally engaged in design, procurement and installation services of the water circulation systems including but not limited to swimming pools, water fountains and water curtains. The services are mainly categorised as (i) management contracting services – design, procurement and installation of water circulation systems and related maintenance services; and (ii) consultancy services – provision of consultancy services on water circulation systems and engineering, procurement and construction management ("EPCM") services of commercial and residential buildings and infrastructures. Also, the Group has expanded its business scale to include design services, construction and renovation projects in Hong Kong. In addition, the Group initiated agricultural and health products trading business in China in March 2026. Details of the principal activities of its subsidiaries are set out in note 38 to the consolidated financial statements.

For discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of business, discussion of the principal risks and uncertainties facing by the Group, its key relationship with employees, customers and suppliers and an indication of likely future developments in the Group's business, can be found in "Letter to the Shareholders" and section "Management Discussion and Analysis" of this annual report and the discussion of its environmental policies and performance, can be found in section "Environmental, Social and Governance Report" of this annual report.

Save as disclosed in this annual report, there were no significant changes in the nature of the Group's principal business during the year ended 31 March 2026.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and senior management of the Company are aware, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Also, the Company was not involved in any material litigation or arbitration during the Year. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Year.

SEGMENT INFORMATION

An analysis of the Group's performance for the year ended 31 March 2026 by operating segment is set out in note 4 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2026 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 80 and 81 of this annual report.

PAYMENT OF DIVIDENDS

No interim dividend (2025: Nil) was paid during the year ended 31 March 2026 and the Board did not recommend any payment of a final dividend for the Year (2025: Nil). As at the date of this annual report, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years, as extracted from the consolidated financial statements, is set out on page 176 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year ended 31 March 2026 in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year ended 31 March 2026 in the share capital of the Company are set out in note 26 to the consolidated financial statements.

RESERVES

As at 31 March 2026, the Company's reserve available for distribution to the shareholders, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands is nil (2025: nil). Movement in reserves of Company during the year ended 31 March 2026 are set out in the note 34 to the consolidated financial statements.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings during the year ended 31 March 2026 are set out in note 25 to the consolidated financial statements.

SHARE OPTION SCHEME

The Share Option Scheme became effective on the date of the Company's listing (i.e. 26 May 2017) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 130,000,000 shares, representing 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and as at the date of this annual report.

The total number of the Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue on the date of Listing unless the Company obtains the approval of the shareholders for refreshing such 10% limit, in which case the total number of the Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company as "refreshed" shall not exceed 10% of the total number of the Shares in issue as at the date of the approval of the Company's shareholders on the refreshment of the limit. The number of the Shares in respect of which options may be granted to any individual in any 12-months period is not permitted to exceed 1% of the Shares in issue. Options granted to substantial shareholders or independent non-executive directors or any of their respective associates in excess of 0.1% of the Shares in issue and a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

An option may be accepted by a participant within 21 days from the date of grant with a nominal consideration of HK$1 on each grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The exercise price is determined by the Directors and will 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 of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. For the details of the Share Option Scheme, please refer to the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus.

The purpose of the Share Option Scheme is to provide incentives or rewards to the eligible participants thereunder for their contribution or would be contributions to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants include any Directors, employees (whether full time or part time) or consultants to the Group.

On 27 April 2022, a total of 130,000,000 share options were granted to the Directors, employees and consultants under the Share Option Scheme. Please refer to the Company's announcement dated 27 April 2022 for further details. The maximum number of Shares to be issued upon the exercise of share options that may be granted under the Share Option Scheme is 130,000,000 Shares. Details of share options held by the eligible participants and movements in such holdings during the year ended 31 March 2026 are as follow:

				Number of share options						
Category/Name of Grantee *(Note (a))*	**Date of Grant of share options**	**Exercise period of share options**	**Exercise price of per share as at the date of grant of share options**	**Balance as at 1 April 2025**	**Granted during the year**	**Exercised during the year**	**Cancelled during the year**	**Lapsed during the year**	**Adjusted during the year** *(Note (c))*	**Balance as at 31 March 2026**
(1) Employees – In Aggregate										
Employees	27/04/2022	27/04/2022 to 26/04/2032	HK$0.0342	1,528,846	–	–	–	–	(1,365,655)	163,191
Sub-total				1,528,846	–	–	–	–	(1,365,655)	163,191
(2) Consultants *(Note (b))*										
Ho Kai Cheung Derek	27/04/2022	27/04/2022 to 26/04/2032	HK$0.0342	2,751,923	–	–	–	–	(2,458,179)	293,744
Lee Thomson	27/04/2022	27/04/2022 to 26/04/2032	HK$0.0342	1,325,000	–	–	–	–	(1,183,567)	141,433
Lee Kun Yin	27/04/2022	27/04/2022 to 26/04/2032	HK$0.0342	509,615	–	–	–	–	(455,218)	54,397
Sub-total				4,586,538	–	–	–	–	(4,096,964)	489,574
Total				6,115,384	–	–	–	–	(5,462,619)	652,765

Notes:

(a) Consideration of HK$1 was paid by each of the grantees on their acceptance of the share options granted.

(b) Consultants of the Group assist the Group in formulating business development plans and expanding its business development by referring customers, business partners, investment opportunities and business opportunities to the Group. Share options were granted to the consultants of the Group as incentives to them for helping the Group to expand its business network, acquire and explore new business projects and opportunities.

(c) The options granted under the Share Option Scheme could be exercised at the exercise price of HK$0.0342 at the date of grant, which represents the highest of (a) HK$0.034 being the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) HK$0.0342, being the average of the closing prices of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) HK$0.01, being the nominal value of the Share. The exercise price of the share option was adjusted to HK$0.342 following share consolidation on 1 February 2023. Upon the rights issues being allotted and issued on 8 September 2023, the exercise price of the share option was further adjusted to HK$0.336.

Furthermore, the exercise price of the share option was adjusted to HK$3.36 following share consolidation became effective on 29 April 2025 in which the number of existing shares to be issued upon exercise reduced from 6,115,384 to 611,538. Upon the rights issues being allotted and issued on 9 February 2026, the exercise price of the share option was further adjusted to HK$3.1478 while the number of shares to be issued upon exercise of the share option increased from 611,538 to 652,765. Please refer to the Company's announcement dated 6 February 2026 for further information. The exercise period should commence on the date of grant (i.e. 27 April 2022) and end on 26 April 2032.

Save as disclosed above, no share options were granted or exercised or cancelled or lapsed during the year ended 31 March 2026. The total number of share options available for grant or issue under the Share Option Scheme as at 1 April 2025, 31 March 2026 and the date of this annual report were Nil.

As at the date of this annual report, the total number of share options granted and outstanding under the Share Option Scheme is 652,765, representing 0.28% of the issued share capital of the Company. The total number of shares that may be issued in respect of options granted under all schemes of the Company during the financial year ended 31 March 2026 divided by the weighted average number of shares of the relevant class in issue for the year was 0.85%.

Information on the accounting policy for share options granted and the weighted average value per option is provided in notes 27 to the consolidated financial statements.

The closing price of the shares immediately before the date on which the options were granted (i.e. 27 April 2022) was HK$0.034 per share. The fair value of options at the respective dates of grant and the accounting standard and policy adopted for the fair value of the options is disclosed in note 27 of the consolidated financial statements.

The share options outstanding as at 31 March 2026 had an exercise price of HK$3.1478 (after adjustments) and a remaining contractual life of 6.08 years. No options were exercised this year while the weighted average share price at the time of exercise of options in 2023 was HK$0.52.

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme, no equity-linked agreement was entered into by the Group or existed during the year ended 31 March 2026.

DISCLOSURE OF INTERESTS

(I) Directors' and Chief Executives' Interest and Short Position in Shares, Underlying Shares or Debentures

As at 31 March 2026, none of the Directors nor chief executive of the Company has any interest and short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) 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.

(II) Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares, Underlying Shares or Debentures

So far as the Directors are aware, as at 31 March 2026, the following persons/entities had or deemed to taken to have an interest or short position in the Shares or underlying Shares or debentures of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

Name of Shareholder	Capacity/ Nature of Interest	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding *(Note 2)*
Ms. Fang Yu Juan	Beneficial owner	51,800,000	Long position	22.77%
Ms. Leung Yan Fan Youki	Beneficial owner	45,065,000	Long position	19.81%
Ms. Hui Lai Ngar	Beneficial owner	24,000,000	Long position	10.55%

Save as disclosed above, as at 31 March 2026, no person/entities, had notified the Company of an interest or short position in the Shares, underlying Shares or debenture of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

RELATIONSHIP WITH MAJOR CUSTOMERS, SUPPLIERS AND SUB-CONTRACTORS

We are committed to delivering high-quality, reliable services to our customers, and we place great importance on protecting the privacy of the Group's customers. To ensure that all customer concerns or complaints are handled promptly and appropriately, we have implemented clear policies and procedures.

For the year ended 31 March 2026, to the best of the Company's knowledge, the aggregate revenue attributable to the Group's five largest customers accounted for approximately 86.79% (2025: 96.98%) of total revenue, with the largest customer alone contributing 65.22% (2025: 50.37%).

The Group is dedicated to fostering collaborative partnerships with its suppliers and maintains a list of approved suppliers, who are subject to regular performance assessments. During the year ended 31 March 2026, purchases from the Group's five largest suppliers represented approximately 58% (2025: 51%) of total service costs, with the largest supplier accounting for about 18% (2025: 14%) of such costs.

In addition, we retain a list of sub-contractors who have successfully passed our quality control tests and demonstrated a consistent record of quality and on-time delivery. Sub-contracting fees paid to the Group's five largest sub-contractors accounted for approximately 100% (2025: 100%) of total service costs for the year, with the largest sub-contractor representing roughly 72% (2025: 68%) of those fees.

To the best knowledge of the Directors, none of the Directors, their close associates (as defined under the GEM Listing Rules), or any shareholders holding more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers, suppliers, or sub-contractors during the year ended 31 March 2026.

RELATIONSHIP WITH EMPLOYEES

The Group regards its employees as its most valuable asset and is committed to investing in their ongoing development. By continuously refreshing their standards, skills, and knowledge, we empower our people to make meaningful contributions to the Group's growth and success. The Company has implemented policies designed to ensure that employees receive competitive remuneration, comprehensive welfare benefits, and access to continuous professional training. For further details, please refer to the "Environmental, Social and Governance Report" section of this annual report.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Company's shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Company's securities, they are advised to consult their professional advisers.

REPORT OF DIRECTORS

DIRECTORS

During the reporting period and up to the date of this annual report, the Directors are as follows:

Executive Directors

Mr. Ng Wan Lok
Ms. Wong Wing Hung
Mr. Zhang Jiaqing (appointed on 16 February 2026)
Ms. Wang Zhixian (appointed on 24 April 2026)
Mr. Liu Mingqing (appointed as chairman on 22 August 2025 and resigned as chairman on 16 February 2026)
Mr. Jiang Bin (appointed on 27 October 2025 and resigned on 16 February 2026)

Non-executive Director

Ms. Shu Huajuan (ceased on 29 September 2025)

Independent non-executive Directors

Mr. Cheung Hiu Fung
Mr. Wong Ming Fair Victor (appointed on 16 February 2026)
Mr. Tung Yee Shing (appointed on 24 April 2026)
Mr. Yuen Wai Keung (resigned on 26 January 2026)
Mr. Yiu Chi Wai (resigned on 24 April 2026)

Information regarding directors' emoluments is set out in note 9 to the consolidated financial statements. Annual confirmations of independence pursuant to the requirements under Rule 5.09 the GEM Listing Rules have been received from the independent non-executive Directors.

BIOGRAPHICAL DETAILS OF DIRECTORS AND CHANGES IN INFORMATION OF DIRECTORS

Updated biographical details of the Directors, please refer to the sections headed "Biographical details of Directors" and "Changes in directors information" in this annual report for their biographies.

DIRECTORS' SERVICES CONTRACTS

On 26 May 2026, the Company renewed the service agreements with two executive Directors, Mr. Ng Wan Lok and Ms. Wong Wing Hung, for a three-year term ending 25 May 2029, on substantially the same terms and conditions. In addition, three year service agreements with the other executive Directors, Mr. Zhang Jiaqing and Ms. Wang Zhixian, were signed and became effective on 16 February 2026 and 24 April 2026 respectively.

On 23 December 2025, the Company renewed the service agreement of Mr. Cheung Hiu Fung, an independent non-executive Director, for a fixed term of three years. Separately, the independent non-executive Directors, Mr. Wong Ming Fair Victor and Mr. Tung Yee Shing, were each appointed for a three-year term, effective 16 February 2026 and 24 April 2026 respectively.

The service contracts and appointment letters may be terminated in accordance with the terms of the individual service agreement, and is subject to termination provisions therein and retirement and re-election at the AGM in accordance with the articles of association of the Company (the "Articles") or any other applicable laws from time to time whereby he or she shall vacate his office.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has or is proposed to have a service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation, other than the statutory compensation.

DIRECTORS' RETIREMENT AND RE-ELECTION

Pursuant to Article 84 of the Articles, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) of the Articles shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Article 83(3) of the Articles, the Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his/her appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Articles 83 and 84 of the Articles of Association, Mr. Ng Wan Lok, Ms. Wong Wing Hung and Mr. Cheung Hiu Fung will retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, will offer themselves for re-election. Details regarding the Directors proposed for re-election will be set out in the circular to Shareholders accompanying the relevant resolutions.

In addition, Mr. Zhang Jiaqing, Ms. Wang Zhixian, Mr. Wong Ming Fair Victor and Mr. Tung Yee Shing, who were appointed as Directors by the Board with effect from 16 February 2026, 24 April 2026, 16 February 2026 and 24 April 2026 respectively, will hold office until the conclusion of the 2026 AGM. Being eligible, they will also offer themselves for re-election at that meeting.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS, CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed and elsewhere in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 March 2026.

CONTROLLING SHAREHOLDERS' INTERESTS

Save as disclosed in this annual report, there was no contract of significance between the Company or any of its subsidiaries and controlling shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

EMOLUMENTS OF THE DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration of Directors is recommended by the Remuneration Committee of the Company and approved by the Board, based on the job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group. The remunerations of the Directors are determined by reference to the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company adopted a share option scheme and the details are set out under section "Share Option Scheme" of this report.

COMPETING INTERESTS

The Directors are not aware of any business or interest of Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group during the year ended 31 March 2026.

NON-COMPETITION UNDERTAKING

The Company confirms that the non-competition undertaking of Harmony Asia International Limited has been fully complied and enforced for the year ended 31 March 2026. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the shareholders of the Company and the potential investors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to build an environmental-friendly corporation and always takes environmental protection issues into consideration during daily operations. The Company neither produces material waste nor emits material quantities of air pollutants. The Company also strives to minimise the adverse environmental impacts by encouraging the employees to recycle office supplies and other materials and save electricity. For further details, please refer to the "Environmental, Social and Governance Report" section of this annual report.

Also, in order to carry out the Company's sustainability strategy, the Board has ultimate responsibilities for ensuring the effectiveness of the Company's environmental, social and governance ("ESG") policies. The Board has established the ESG Working Group to manage ESG matters within each business division of the Company and keep monitoring and overseeing the progress against corporate goals and targets. The Company believes that ESG matters are important considerations in effectively managing risk and achieving superior long-term results for investments.

The Group has complied with the relevant laws and regulations in environmental protection. The Group continually seeks to identify and manages environmental impacts attributable to its operational activities in order to minimise these impact if possible. The Group aims to maximise energy conservation in its office by promoting efficient use of resources and adopting green technologies.

The Group's business is primarily subject to the relevant environmental laws and regulations of Hong Kong and China. During the year ended 31 March 2026, the Group was not subject to any material environmental claims, lawsuits, penalties, administrative or disciplinary actions.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION

On 16 April 2025, the Company, Ms. Leung Yan Fan Youki ("Creditor A"), Ms. Hui Lai Ngar ("Creditor B") and Mr. Lam Chi Yin Henry ("Creditor C"), completed the issuance of new shares under specific mandate for debt capitalisation. The Company has agreed to allot and issue, and the Creditors A, B and C have agreed to subscribe 11,000,000 shares, 13,700,000 and 8,300,000 Capitalisation Shares respectively, at the Subscription Price of HK$0.12 per Capitalisation Share pursuant to the terms of each of the Agreements in settlement of the Partial Indebted Sum of approximately HK$3,960,000. Please refer to the announcements of the Company dated 18 February 2025, 21 March 2025, 24 March 2025, 7 April 2025 and 16 April 2025 and the circular of the Company dated 21 March 2025 for further information.

CAPITAL REORGANISATION

On 24 February 2025, the Board proposed to implement the Capital Reorganisation which will involve:

(i) Share Consolidation – The Share Consolidation will involve a consolidation of every ten (10) issued and unissued Existing Shares of par value of HK$0.1 each into one (1) Consolidated Share of par value of HK$1 each.

(ii) Capital Reduction – Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK$1 to HK$0.01 by cancelling the paid-up capital of the Company to the extent of HK$0.99 on each of the then issued Consolidated Shares. In addition, any fractional Consolidated Shares in the issued share capital of the Company arising from the Share Consolidation will be cancelled.

(iii) Share Sub-division – Immediately following the Share Consolidation and the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Share (including those authorised unissued Consolidated Shares arising from the Capital Reduction) will be sub-divided into one hundred (100) New Shares of par value of HK$0.01 each.

Please refer to the announcements of the Company dated 24 February 2025, 10 March 2025 and 10 April 2025 and the circular dated 10 April 2025 for further information.

Share Consolidation was approved by the Shareholders of the Company at the extraordinary general meeting on 25 April 2025 and became effective on 29 April 2025. Please refer to the announcement of the Company dated 25 April 2025 for further information.

Capital Reduction and Share Sub-division were effective on 30 July 2025 and please refer to the announcements of the Company dated 24 July 2025, 25 July 2025 and 29 July 2025 for further information.

RIGHTS ISSUE

On 9 October 2025, the Company proposed to conduct the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK$0.21 per Rights Share, to raise up to HK$38.21 million before expenses by way of issuing up to 181,972,000 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). Assuming full subscription of the Rights Shares and no change in the number of issued Shares on or before the Record Date, the estimated net proceeds from the Rights Issue will be approximately HK$36.94 million.

On 9 February 2026, the Company issued 181,972,000 Rights Shares. Accordingly, the gross proceeds raised from the Rights Issue were approximately HK$38.21 million and the net proceeds (after deduction of expenses) from the Rights Issue were approximately HK$36.94 million.

As disclosed in the Prospectus, the Company intended to apply the net proceeds from the Rights Issue as to (i) approximately HK$15 million of the net proceeds from the Rights Issue for settlement of the Group's indebtedness as detailed in the Prospectus; (ii) approximately HK$15 million for fulfillment of the performance bond and the estimated initial direct cost for a Project based in the Mainland China; and (iii) approximately HK$6.94 million for general working capital of the Group.

Please refer to the announcements of the Company dated 9 October 2025, 31 October 2025, 11 November 2025, 28 November 2025, 17 December 2025, 18 December 2025, 2 January 2026, 22 January 2026, 6 February 2026, 9 February 2026 and the circular of the Company dated 28 November 2025 for further information.

USE OF PROCEEDS FROM RIGHTS ISSUE

On 9 February 2026, the gross proceeds raised from the Rights Issue were approximately HK$38.21 million and the net proceeds (after deduction of expenses) from the Rights Issue were approximately HK$36.94 million. The following table sets forth the Company's initial intended use of net proceeds and utilised net proceeds as at 31 March 2026:

	Initiation allocation *HK$ million* *(Approximately)*	**Utilised Net Proceeds as at 31 March 2026** *HK$ million* *(Approximately)*	**Unutilised Net Proceeds as at 31 March 2026** *HK$ million* *(Approximately)*
Trade payables	13.00	11.70	1.30*
Third-party borrowings	2.00	2.00	–
Renovation and fitting-out project in China	15.00	–	15.00
General working capital	6.94	6.94	–
Total	36.94	20.64	16.30

* HK$1.30 million has been utilised as at 30 June 2026

The unutilised net proceeds as at 31 March 2026 amounted to HK$16.30 million. Please refer to the section headed "Events after the Reporting Period" under paragraph (C), "Change in Use of Proceeds", for further information.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial position, results of operations, and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to its business. Apart from the adverse business impacts on the local and global economy and on the Group's operations and financial performance as discussed in the section headed "Management Discussion and Analysis – Business Review and Outlook" above, management considers that the principal risks and uncertainties identified by the Group are as follows:

(a) Project-based revenue. The Group's business is project-based, and it derives revenue primarily from non-recurring projects. Fee collection and profit margins depend significantly on various project-specific factors, including contract terms, project duration, variation orders, implementation efficiency, and general market conditions. Variation orders generally carry higher profit margins than original contract works. Consequently, the Group's revenue is irregular and subject to the availability of projects, variation orders, and other factors beyond the Group's control.

(b) Resource constraints. The number and size of projects the Group can undertake depend on its human and other resources. Given the Group's size, a mega-sized project would occupy a substantial portion of its resources, inevitably preventing the Group from deploying resources to other projects. As a result, the Group may have to rely on a single project or a limited number of projects during a given period. Any decrease in the number of sizable projects (in terms of recognised revenue) may adversely affect the Group's operations and financial results.

(c) Customer payment risks. For the Group's management contracting business, the Group normally receives progress payments from customers based on the percentage of completion of contract works during the relevant month, calculated in accordance with the agreed tender rates and prices. Any failure by customers to make timely or full payments could have a material adverse effect on the Group's liquidity position. Furthermore, any eventual non-payment by customers could materially and adversely affect the Group's financial position and operating results.

(d) Tendering and cost estimation risks. Most of the Group's contracts are awarded through a tendering process. The Group must determine the tender price and service fee for each project based on the information available at the time of submission. The tender price is determined by factors such as the scope of works, estimated project duration, total time cost, and estimated costs. The Group prices all projects at fixed costs based on an agreed scope of works and its estimation of time and costs. Errors or inaccurate estimations of project duration and costs at the tendering stage, or an increase in construction costs, may adversely affect the Group's profitability or result in substantial losses.

There may be other risks and uncertainties in addition to those identified above, which are not currently known to the Group or which may not be material at present but could become material in the future.

PERMITTED INDEMNITY PROVISIONS

The Company has arranged appropriate insurance cover in respect of its legal action against its Directors effective from the date of Listing. Pursuant to the Articles of Association, every Director is entitled to indemnification from the Company's assets for any actions, costs, charges, losses, or liabilities arising from the performance of their duties.

The Company has maintained liability insurance to provide appropriate cover for the directors and officers of the Group.

LOAN AND GUARANTEE

During the Year, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective connected persons.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2026 are set out in note 29 to the consolidated financial statements in this annual report. None of these related party transactions constituted a connected transaction under Chapter 20 of the GEM Listing Rules which were subject to the reporting, announcement or independent shareholders' approval requirements for the year ended 31 March 2026.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on the information that is publicly available to the Company, at least 25% of the Company's issued capital were held by public throughout the year ended 31 March 2026 and as at the date of this annual report.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

AUDITOR

The consolidated financial statements for the year ended 31 March 2026 have been audited by Infinity CPA Limited ("Infinity"). Infinity shall retire in the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Infinity as auditor of the Company and authorise the Directors to fix their remuneration will be proposed at the said general meeting.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. The Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix C1 to the GEM Listing Rules during the Year, except for the deviation as disclosed under the section headed "Corporate Governance Practices" of this annual report. Further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" section of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Also, the Company was not involved in any material litigation or arbitration during the Year. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Year.

PRE-EMPTIVE RIGHTS

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

DEBENTURES

On 20 January 2023, the Company announced its proposal to issue the Bonds to investors which/who are Independent Third Parties. The Company also announced that the Company, as issuer, and the Placing Agent, as placing agent, entered into the Placing Agreement pursuant to which the Company has conditionally agreed to appoint the Placing Agent and the Placing Agent has conditionally agreed to act as the placing agent, on a best effort basis, to procure Placee(s) to subscribe for the Bonds in an aggregate principal amount of up to HK$50,000,000 subject to the terms and conditions of the Placing Agreement within the Placing Period.

As at the date of this annual report, the Company is yet to issue any Bonds. For further details, please refer to the announcement dated 20 January 2023.

MANAGEMENT CONTRACTS

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

CHARITABLE DONATIONS

During the year ended 31 March 2026, the Group has not made any charitable and other donations (2025: Nil).

EVENTS AFTER THE REPORTING PERIOD

(A) Placing of New Shares under General Mandate

On 21 April 2026, 9,098,600 Placing Shares were successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK$0.38 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

The net proceeds after deducting the placing commission, professional fees and all related expenses from the Placing amounted to approximately HK$3.30 million, which are intended to be used as to (i) approximately HK$0.50 million for director remuneration; (ii) approximately HK$0.80 million for consulting and other professional expenses; (iii) approximately HK$0.20 million for audit fees; and (iv) the remaining approximately HK$1.80 million for other general working capital of the Group.

Please refer to the announcement of the Company dated 21 April 2026 for further information.

(B) Termination of Very Substantial Disposal in relation to Factoring Agreement

On 27 June 2025, the Company entered into the factoring agreement with KNT GT Limited, pursuant to which the Company agreed to sell and KNT GT Limited agreed to acquire the Retention Receivables and Trade Receivables on a non recourse basis, with a factoring principal amount up to HK$18,000,000. Please refer to the announcement of the Company dated 27 June 2025 for further information. On 22 May 2026, the Company received a written notice from KNT GT Limited terminating the Factoring Agreement with immediate effect.

Please refer to the announcement of the Company dated 22 May 2026 for further information.

(C) **Change in Use of Proceeds**

On 29 May 2026, the net proceeds of Rights Issue of approximately HK$15.0 million originally allocated for the renovation and fitting-out project in China remain unutilised. The Board has resolved to change the use of HK$15.0 million net proceeds to (a) approximately HK$13 million for a construction project awarded by the Sha Tin District Office; (b) approximately HK$1.5 million for a refurbishment project awarded by the Architectural Services Department; and (c) approximately HK$0.5 million for a renovation project awarded by the City University of Hong Kong.

Please refer to the announcement of the Company dated 29 May 2026 for further information.

Save for the information disclosed above and in note 39 to the consolidated financial statements in this annual report, the Board is not aware of any significant event undertaken by the Group after 31 March 2026 and up to the date of this report which would materially affect the Group's operating and financial performance.

CLOSURE OF REGISTER OF MEMBERS

The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM is Wednesday, 30 September 2026. The register of members of the Company will be closed during the period from Friday, 25 September 2026 to Wednesday, 30 September 2026 (both days inclusive), during which no transfers of shares will be registered, for the purpose of determining shareholders' entitlement to attend and vote at the forthcoming AGM to be held on Wednesday, 30 September 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 24 September 2026.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 5.05(1), 5.05(2) and 5.05A of the Listing Rules. The Company has received confirmation of independence from all three independent non-executive Directors in accordance with Rule 5.09 of the GEM Listing Rules. The Board, through the Nomination Committee, has reviewed the independence of all independent non-executive Directors and concluded that all of them are independent within the definition of the GEM Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the independent non-executive Directors has been impaired up to the date of this annual report.

OUTLOOK

The Company will continue to develop and grow while aiming to improve its financial position, business operation and industry reputation in order to create long-term value for shareholders.

On behalf of the Board

Hao Bai International (Cayman) Limited
Ng Wan Lok
Executive Director
Hong Kong, 30 June 2026

Infinity CPA Limited
Room 1501, 15/F., Olympia Plaza
255 King's Road, North Point, Hong Kong

TO THE SHAREHOLDERS OF HAO BAI INTERNATIONAL (CAYMAN) LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hao Bai International (Cayman) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 80 to 175, 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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.

KEY AUDIT MATTERS (continued)

Key audit matters identified in our audit are summarised as follows:

- Recognition of revenue from construction contracts
- Impairment assessment of trade receivables and contract assets

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of revenue from construction contracts	
Refer to notes 2, 4 and 5 to the consolidated financial statements We identified recognition of revenue from construction contracts as a key audit matter due to the significance of the revenue to the consolidated financial statements and the significant judgements and estimates in estimating the total revenue for the contracts entered into by the Group (the "Total Contract Sum") and the revenue of the construction contracts to be recognised for the year using an input method. The Group recognised revenue from construction contracts of approximately HK$17,641,000, which represents 92% of total revenue of the Group, for the year ended 31 March 2026. Contract revenue is recognised progressively over time using input method, based on the total revenue for the contracts entered into by the Group and the proportion of costs incurred up to the end of reporting period compared to the total budget costs to complete the contract when control of the goods or service is transferred to the customer (the "Total Budget Costs").	Our audit procedures in relation to recognition of revenue from construction contracts included: • obtained an understanding of the key controls over recognition of revenue from construction contracts and estimation of the proportion of costs incurred up to the end of reporting period compared to the Total Budget Costs; • checked contract revenue recognised for construction projects by confirming the proportion of costs incurred up to the end of reporting period compared to the Total Budget Costs to supporting documents, on a sample basis; • agreed the Total Budget Costs to approved budgets, and challenged the reasonableness of key management judgements in preparing the budget; • inspected signed contracts, variations orders or correspondence with customers, on a sample basis, to identify the Total Contract Sum and terms; • checked the reasonableness of cost allocation schedules for construction projects, on a sample basis; • performed cut-off test to check if costs had been recognised in the appropriate accounting period;

KEY AUDIT MATTERS (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of revenue from construction contracts *(continued)*	
	• assessed the reliability of the approved budgets of the Total Budget Costs by compared the actual outcome against the management's estimation of construction contracts, on a sample basis, and considered whether the budgets have been reasonably updated according to the actual outcome; • tested the calculations of contract revenue and costs; and • conducted site visits, on a sample basis, to observe the progress of individual contracts and the existence of the construction work and discussed with site project manager for the progress of the construction work and the status of each project, and evaluated whether the project progress was consistent with the agreed timetable and the agreed timetable and the Group's financial accounting records.

KEY AUDIT MATTERS (continued)

Key Audit Matter

Impairment assessment of trade receivables and contract assets

Refer to notes 2, 21, 22 and 30 to the consolidated financial statements.

We identified the impairment assessment of trade receivables and contract assets as a key audit matter due to the significant balances of these assets at the end of the reporting period and the significant judgements and estimates exercised by the Group's management.

As at 31 March 2026, the aggregated net carrying amount of trade receivables and contract assets amounted to approximately HK$28,449,000 (net of the allowance for expected credit losses ("ECL") of approximately HK$18,917,000). These receivables represented 61% of the Group's total assets and were considered significant balances.

Management estimated the ECL by considering factors including the ageing profile, debtors' repayment history and the current and forward-looking information on macroeconomic factors that involve the exercise of management judgement.

How our audit addressed the Key Audit Matter

Our audit procedures in relation to impairment assessment of trade receivables and contract assets included:

- obtained an understanding of the key controls over credit assessment procedures performed by management, including the periodic review of aged receivables and management's estimation of the allowance of ECL for the trade receivables and contract assets;
- evaluated the Group's policy for estimating the ECL with reference to the requirements of the prevailing accounting standard;
- tested the accuracy of the ageing profile of the receivables by checking to supporting documents on a sample basis;
- examined the estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluating the basis and factors used in the estimation to the appropriateness of the identification of significant increase in credit risk, defaults and credit-impaired receivables;
- discussed with the management to understand the methodology and estimates used to assess the ECL and evaluated the reasonableness of the methodology and the key data inputs and assumptions used to determine the ECL; and
- tested the mathematical accuracy of the calculation of ECL rates and the calculation of the allowance for ECL.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors 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 solely to you, as a body, in accordance with our agreed terms of engagements and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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

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.

Infinity CPA Limited
Certified Public Accountants

Au Yeung Ming Yin Gordon
Practising certificate number P08219

Hong Kong, 30 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000 (Restated)
Continuing operations			
Revenue	5	**19,266**	23,824
Cost of sales		**(20,345)**	(15,654)
Gross (loss)/profit		**(1,079)**	8,170
Other income and gains/(losses), net	6	**2,645**	(3,788)
Impairment loss on intangible assets		**(1,201)**	–
Impairment loss on contract assets		**(25,038)**	(15,601)
Impairment loss on trade receivables		**(4,975)**	(1,657)
Impairment loss on deposit and other receivables		**(1,559)**	–
Administrative expenses		**(4,680)**	(5,800)
Finance costs	7	**(545)**	(534)
Loss before tax from continuing operations	8	**(36,432)**	(19,210)
Income tax expense	11	**(246)**	(167)
Loss for the year from continuing operations		**(36,678)**	(19,377)
Discontinued operation	35		
Profit for the year from discontinued operation		**6,349**	115
Loss for the year		**(30,329)**	(19,262)
Other comprehensive (expense)/income for the year			
Items that may be reclassified to profit or loss:			
– Exchange differences on translation of foreign operations*		**7**	–*
Items that will not be reclassified to profit or loss:			
– Equity investments at fair value through other comprehensive income ("FVTOCI") – net movement in fair value reserves		**(2,325)**	(75)
Other comprehensive expense for the year		**(2,318)**	(75)
Total comprehensive expense for the year		**(32,647)**	(19,337)

* The exchange differences resulting from the translation of foreign operations are rounded to zero.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2026

	Note	**2026**	2025
	Note	***HK$'000***	*HK$'000*
			(Restated)
(Loss)/profit for the year attributable to owners of the Company:			
– Continuing operations		**(36,678)**	(19,377)
– Discontinued operation		**6,349**	115
		(30,329)	(19,262)
(Loss)/profit for the year attributable to non-controlling interests:			
– Continuing operations		**(30,329)**	(19,319)
– Discontinued operation		**–**	57
		(30,329)	(19,262)
Total comprehensive (expense)/income attributable to owners of the Company:			
– Continuing operations		**(30,329)**	(19,394)
– Discontinued operation		**–**	57
		(30,329)	(19,337)
Total comprehensive (expense)/income attributable to non-controlling interests:			
– Continuing operations		**(32,647)**	(19,394)
– Discontinued operation		**–**	57
		(32,647)	(19,337)
			(Restated)
(Loss)/earnings per share *(HK cents)*	*12*		
From continuing and discontinued operations			
– Basic and diluted		**(39.7)**	(49.8)
From continuing operations			
– Basic and diluted		**(48.0)**	(50.1)
From discontinued operation			
– Basic and diluted		**8.3**	0.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment	14	**–**	3
Right-of-use assets	15	**153**	–
Goodwill	16	**–**	–
Equity investment at FVTOCI	18	**300**	2,625
Intangible assets	19	**170**	2,701
		623	5,329
Current assets			
Inventories	20	**78**	–
Contract assets	21	**27,248**	38,923
Trade and other receivables, deposits and prepayments	22	**2,926**	35,014
Bank balances and cash	23	**15,405**	1,819
		45,657	75,756
Total assets		**46,280**	81,085
Current liabilities			
Contract liabilities	21	**–**	3,183
Trade and other payables and accruals	24	**28,065**	65,620
Bank and other borrowings	25	**3,337**	5,654
Provision for onerous contracts		**15**	–
Lease liabilities	15	**130**	–
Tax payables		**848**	641
		32,395	75,098
Total liabilities		**32,395**	75,098
Net current assets		**13,262**	658
Total assets less current liabilities		**13,885**	5,987
NET ASSETS		**13,885**	5,987

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Capital and reserves			
Share capital	26	**2,275**	42,193
Reserves		**11,610**	(36,561)
Equity attributable to owners of the Company		**13,885**	5,632
Non-controlling interests		**–**	355
TOTAL EQUITY		**13,885**	5,987

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

Mr. Ng Wan Lok
Director

Ms. Wong Wing Hung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2026

	Equity attributable to owners of the Company										
	Share capital	Share premium	Share option reserve	Other reserve	Capital reserve	Exchange reserve	Fair value reserve (non-recycling)	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 26)	*(Note 37(b))*	*(Note 37(b))*	*(Note 37(b))*	*(Note 37(b))*	*(Note 37(b))*	*(Note 37(b))*				
At 1 April 2024	30,951	99,086	2,016	(16,790)	–	–	–	(104,171)	11,092	298	11,390
Issue of shares under specific mandate for debt capitalisation	11,242	(3,308)	–	–	–	–	–	–	7,934	–	7,934
Waive of amount due to a shareholder *(Note 26(c))*	–	–	–	–	6,000	–	–	–	6,000	–	6,000
Loss and total comprehensive expense for the year	–	–	–	–	–	–	(75)	(19,319)	(19,394)	57	(19,337)
At 31 March 2025 and 1 April 2025	42,193	95,778	2,016	(16,790)	6,000	–	(75)	(123,490)	5,632	355	5,987
Issue of shares under general mandate for debt capitalisation *(Note 26(d))*	**3,300**	**660**	**-**	**-**	**-**	**-**	**-**	**-**	**3,960**	**-**	**3,960**
Capital reduction upon capital reorganisation *(Note 26(g))*	**(45,038)**	**-**	**-**	**-**	**-**	**-**	**-**	**45,038**	**-**	**-**	**-**
Issue of shares under rights issue *(Note 26(i))*	**1,820**	**35,120**	**-**	**-**	**-**	**-**	**-**	**-**	**36,940**	**-**	**36,940**
Disposal of subsidiaries *(Note 36(i))*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(355)**	**(355)**
Loss and total comprehensive expense for the year	**-**	**-**	**-**	**-**	**-**	**7**	**(2,325)**	**(30,329)**	**(32,647)**	**-**	**(32,647)**
At 31 March 2026	**2,275**	**131,558**	**2,016**	**(16,790)**	**6,000**	**7**	**(2,400)**	**(108,781)**	**13,885**	**-**	**13,885**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES			
Cash (used in)/generated from operations	28(a)	**(11,218)**	10,611
Income tax paid		**(39)**	(515)
Net cash (used in)/generated from operating activities		**(11,257)**	10,096
INVESTING ACTIVITIES			
Deposits paid to potential vendors		**(170)**	(4,214)
Net cash inflow arising on disposal of subsidiaries		**(140)**	–
Net cash used in investing activities		**(310)**	(4,214)
FINANCING ACTIVITIES			
Issue of share under rights issue, net of transaction cost		**36,940**	–
New other borrowings raised		**–**	1,000
Repayment of bank and other borrowings		**(1,480)**	(1,532)
Repayment of lease liabilities		**(186)**	(1,019)
Repayment to a shareholder		**(9,752)**	(2,165)
Interest paid		**(376)**	(517)
Net cash from/(used in) financing activities		**25,146**	(4,233)
Net increase in cash and cash equivalents		**13,579**	1,649
Cash and cash equivalents at the beginning of the year		**1,819**	170
Effect of foreign exchange rate changes, net*		**7**	–*
Cash and cash equivalents at the end of the year		**15,405**	1,819
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash		**15,405**	1,819

* round to zero.

1. CORPORATE INFORMATION

Hao Bai International (Cayman) Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at Room 210, 2nd Floor, Yick Tai Industrial Building, 650–652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong.

In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party.

The principal activity of the Company is investment holding and the Company together with its subsidiaries (the "Group") are principally engaged in the design, procurement, and installation of water circulation systems, as well as related maintenance services, including but not limited to swimming pools, water fountains, and water curtains. Their services are mainly categorised as follows: (i) management contracting services – encompassing the design, procurement, and installation of water circulation systems along with associated maintenance; (ii) sales and supply chain of agricultural and health products – a new business line introduced in March 2026; and (iii) consultancy services – providing advisory services on water circulation systems, as well as engineering, procurement, and construction management ("EPCM") services for commercial and residential buildings and infrastructure in China (this segment has been discontinued following the disposal of subsidiaries during the year ended 31 March 2026).

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs Accounting Standards"), Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The consolidated financial statements are presented in Hong Kong dollars ("HK$") for the convenience of the investors as the shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Statement of compliance (continued)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

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

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards – Volume 11	Annual Improvements to HKFRS Accounting Standard[1]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKFRS 10 and HKAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual periods beginning on or after a date to be determined.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company (the "Directors") anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Statement of compliance (continued)

(b) New and amendments to HKFRSs in issue but not yet effective *(continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. 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. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be 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.

Basis of preparation of consolidated financial statements

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for the unlisted equity investment which is measured at fair value through other comprehensive income as explained in the accounting policy as set out below.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of preparation of consolidated financial statements (continued)

Basis of measurement *(continued)*

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2026. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

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

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

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

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of preparation of consolidated financial statements (continued)

Basis of consolidation *(continued)*

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate.

In the Company's statement of financial position as set out in note 34 to the consolidated financial statements, an investment in a subsidiary is stated at cost less impairment loss, if any. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of the subsidiary are accounted for by the Company on the basis of dividends received and receivable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are, with limited exceptions, measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in consolidated other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Impairment loss allocated to goodwill would not be reversed subsequently.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Business combination and goodwill (continued)

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. 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. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold improvements	Over the shorter of the term of the lease or 5 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

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

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

***Financial assets** (continued)*

Classification and subsequent measurement of financial assets (continued)

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets *(continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other income and (losses)/gains, net” line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the fair value reserve (non-recycling) are not reclassified to profit or loss.

Dividends from these investments in equity instruments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposits and other receivables, contract assets, cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The Group always recognises lifetime ECL for trade receivables and contract assets.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

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

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

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

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

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

***Financial assets** (continued)*

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

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

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

(v) Measurement and recognition of ECL (continued)

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

Lifetime ECL for certain trade receivables and contract assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

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

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

Derecognition of financial assets

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

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVIOCI, the cumulative gain or loss previously accumulated in the fair value reserve (non-recycling) is not reclassified to profit or loss, but is transferred to accumulated losses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Share capital

Ordinary shares are classified as equity. Preference shares are classified as liabilities if they are redeemable at a specific date or at the shareholders' option; or if dividend payments are not discretionary. Preference shares that are not redeemable, or are redeemable only at the Company's option; and any dividend payments are discretionary, are classified as equity.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is (i) management contracting services; (ii) sales and supply chain business and (iii) consultancy services (discontinued operation during the year ended 31 March 2026).

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer (i.e. the goods or service is capable of being distinct); and

(b) the Group's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the goods or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring promised goods or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of goods or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from contracts with customers within HKFRS 15 *(continued)*

Timing of revenue recognition (continued)

Revenue from management contracting services is recognised over time based on the percentage of completion of the contracts, which is determined by the direct proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, at the end of each reporting period.

Consultancy services income is recognised on the basis of direct measurements of the value to the customer of services transferred to date to the remaining services promised under contract.

Revenue from the sales and supply business, which is mainly agriculture goods, fast moving consumer goods and other products, is recognised when control of the goods has transferred, being when the goods has been dispatched to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods is delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. There is no sales-related warranty, refund or return associated with the sales and supply of agriculture goods, fast moving consumer goods and other product in the performance obligation.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the input method (i.e. based on the proportion of the actual inputs deployed to date as compared to the estimated total inputs) to measure the progress towards complete satisfaction of the performance obligation because there is a direct relationship between the Group's inputs and the transfer of control of goods or services to the customers and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The principal input applied in the input method is cost incurred including consumables, sub-contracting fees, staff and labour costs and others.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from contracts with customers within HKFRS 15 *(continued)*

Transaction price: significant financing components (continued)

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Contract modifications

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

Principal versus agent

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

The Group is a principal if it controls the specified goods or services before that goods or services are transferred to a customer.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

In accordance with the standard payment schedules of the Group, payments are normally not due or received from the customer until the services are completed or when the goods are delivered. However, for such transactions, revenue is recognised over time and therefore, a contract asset is recognised until it becomes a receivable or payments are received. During that period, any significant financing components, if applicable, will be included in the contract asset and recognised as interest income.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Hong Kong dollars (HK$).

The functional currency of the subsidiaries established in the People's Republic of China (the "PRC") is Renminbi ("RMB") and the functional currency of the Company and Hong Kong operating subsidiaries is HK$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate;

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies (continued)

- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

- on the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;

- on the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and

- on all other partial disposals, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Borrowing costs

Borrowing costs incurred are recognised in the profit or loss.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfiling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Contingent liabilities (continued)

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

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the Cash-generating unit ("CGU") to which the asset belongs.

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

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

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

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

The Group as lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

***The Group as lessee** (continued)*

The right-of-use asset is initially measured at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives at the annual rates/useful lives of the right-of-use asset as follows:

Office premises	Over the term of lease

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

The lease payments included:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as lessee *(continued)*

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

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 over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

Pension obligations

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

The Group also participates in a defined contribution retirement scheme organised by the government in the People's Republic of China ("PRC"). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to consolidated profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value of the equity instruments at the date of grant. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expected on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve is transferred to accumulated losses.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss and does not give arise to equal taxable and deductible temporary differences is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related parties

A related party is a person or entity that is related to the Group.

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

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

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

- (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Related parties (continued)

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

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

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

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

Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale or when a business that represented a separate major line of business or geographical area of operations ceases operation.

Where an operation is classified as discontinued operation the comparative statements of profit or loss is restated as if the operation had been discontinued from the start of the comparative year.

3. CRITICAL JUDGEMENT AND KEY ESTIMATES

Critical judgement in applying accounting policies

In the process of applying the accounting policies, the management of the Group have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Significant increase in credit risk

As explained in note 30 to consolidated financial statements, ECL are measured as an allowance equal to 12-month ECL for assets classified as low risk and watch list, or lifetime ECL for assets classified as doubtful and loss and trade receivables and contract assets. An assets move to lifetime ECL when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Principal versus agent consideration (principal)

The Group engages in the sales and supply business. The Group concluded that the Group acts as the principal for such transactions as it controls the specified goods before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 March 2026, the Group recognised revenue relating to the sales and supply business amounted to approximately HK$1,625,000 (2025: nil).

HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Management contracting services

The Group recognises revenue and associated attributable profit from management contracting services based on the latest available budgets of those construction contracts with reference to the overall performance and the percentage of completion of construction works of each construction contract which requires management's best estimation and judgement. The percentage of completion of construction works is estimated based on the contract costs incurred for work performed to date relative to the estimated total contract costs. Contract costs of construction works, which mainly comprise costs for interior decorative materials, labour costs and subcontracting fees, are based on quotations from time to time provided by the major subcontractors/suppliers/vendors and the experience of the management of the Group taking into account of factors including the profit margin and contract costs of similar projects, which involve the management's best estimates and judgements. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

3. CRITICAL JUDGEMENT AND KEY ESTIMATES (continued)

Critical judgement in applying accounting policies (continued)

Key sources of estimation uncertainty *(continued)*

Loss allowance for ECL

The Group's management estimates the loss allowance for trade debtors and contract assets by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's considerations of the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, having considered available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

– Internal credit rating;

– External credit rating;

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet obligations;

– Actual or expected significant changes in the operating results of the customer;

– Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer.

Based on the expected recoverability and timing for collection of outstanding balances, the Group maintained a provision for doubtful debts and actual losses incurred which had been within management's expectations. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade debtors and contract assets.

Fair value measurements and valuation processes

Certain of the Group's financial assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the fair value of the asset or liability is estimated by reference to the valuation performed by professional valuers.

Information about the valuation techniques and inputs used in determining the fair value of various financial assets are disclosed in note 31 to the consolidated financial statements.

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

3. CRITICAL JUDGEMENT AND KEY ESTIMATES (continued)

Critical judgement in applying accounting policies (continued)

Key sources of estimation uncertainty *(continued)*

Provision for impairment of trade and other receivables

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade, loan and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Fair value of equity investments at FVTOCI

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's investment in equity investments at FVTOCI (the "Equity Investments"), details of which are set out in note 18 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the equity investments. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factor could result in material adjustments to the fair value of the Equity Investment.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing for the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Changing the assumptions and estimations, including the discount rate could materially affect the recoverable amounts.

Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. SEGMENT INFORMATION

The executive directors of the Company, who have been identified as the chief operating decision makers review the Group's internal reports in order to assess performance and allocate resources.

Based on the products and services offered by the Group to the customers, the executive directors of the Company consider that the operating segments are as follows:

Continuing operations

Management contracting services:	Provision of design, procurement and installation services of the water circulation systems and related maintenance services.
Sales and supply chain business:	Sales and supply agriculture goods, fast moving consumer goods and other product. This is a new business segment that commenced during the year ended 31 March 2026.

Discontinued operation

Consultancy services:	Provision of consultancy services on water circulation systems and engineering, procurement and construction management ("EPCM") services of commercial and residential buildings and infrastructures in China. This segment has been discontinued following the disposal of subsidiaries during the year ended 31 March 2026.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2 to the consolidated financial statements.

Segment profit represents the profit earned by each reportable and operating segment without allocation of other income, administrative expenses, listing expenses, finance costs and income tax expenses.

This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

The assets of the Group are allocated to reportable and operating segments except for goodwill, contingent consideration receivable, certain of other receivables, deposits and prepayments, equity investment at FVTOCI and bank balances and cash.

The liabilities of the Group are allocated to reportable and operating segments except for bank and other borrowings and other payables and accruals.

4. SEGMENT INFORMATION (continued)

The segment information for the reportable and operating segments for the years ended 31 March 2026 and 2025 is as follows:

Year ended 31 March 2026

	Continuing operations			Discontinued operation	
	Management contracting services *HK$'000*	**Sales and supply chain business** *HK$'000*	**Sub-total** *HK$'000*	**Consultancy services** *HK$'000*	**Total** *HK$'000*
Revenue from external customers and segment revenue	**17,641**	**1,625**	**19,266**	**–**	**19,266**
Segment (loss)/profit	**(37,711)**	**243**	**(37,468)**	**6,349**	**(31,119)**
Other income and losses, net					**(4)**
Gain on disposal of subsidiaries					**2,649**
Administrative expenses					**(1,064)**
Finance costs					**(545)**
Loss before tax					**(30,083)**

4. SEGMENT INFORMATION (continued)

Year ended 31 March 2025 (Restated)

	Continuing operation	Discontinued operation	
	Management contracting services *HK$'000*	Consultancy services *HK$'000*	Total *HK$'000*
Revenue from external customers and segment revenue	23,824	681	24,505
Segment (loss)/profit	(14,057)	282	(13,775)
Other income and losses, net			(3,788)
Administrative expenses			(831)
Finance costs			(534)
Loss before tax			(18,928)

4. SEGMENT INFORMATION (continued)

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

At 31 March 2026

	Continuing operations			Discontinued operation	
	Management contracting services	Sales and supply chain business	Sub-total	Consultancy services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	28,560	290	28,850	–	28,850
Bank balances and cash					15,405
Other receivables, deposits and prepayments					1,725
Equity investment at FVTOCI					300
Consolidated assets					46,280
Segment liabilities	13,819	759	14,578	–	14,578
Bank and other borrowings					3,337
Other payables and accruals					14,480
Consolidated liabilities					32,395

4. SEGMENT INFORMATION (continued)

At 31 March 2025

	Continuing operation	Discontinued operation	
	Management contracting services	Consultancy services	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	51,192	9,018	60,210
Bank balances and cash			1,819
Other receivables, deposits and prepayments			16,431
Equity investment at FVTOCI			2,625
Consolidated assets			81,085
Segment liabilities	41,328	8,519	49,847
Bank and other borrowings			5,654
Other payables and accruals			19,597
Consolidated liabilities			75,098

4. SEGMENT INFORMATION (continued)

The following table provides an analysis of the Group's revenue based on geographical location where installation works or other services are provided:

	2026			2025 (Restated)		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operation	Discontinued operation	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	**17,641**	**–**	**17,641**	23,824	–	23,824
Mainland China	**1,625**	**–**	**1,625**	–	681	681
	19,266	**–**	**19,266**	23,824	681	24,505

The following is an analysis of the carrying amounts of non-current assets, analysed by the geographical area in which the assets are located:

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**453**	2,625
Mainland China	**170**	2,704
	623	5,329

Information about major customers

Revenue from customers of the years ended 31 March 2026 and 2025 contributed over 10% of the Group's revenue from continuing operations are as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A*	**–**	10,718
Customer B*	**12,565**	10,259

* Revenue relating to management contracting services.

5. REVENUE

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Revenue from management contracting services	**17,641**	23,824
Revenue from sales and supply chain business	**1,625**	–
	19,266	23,824
Timing of revenue recognition		
At a point in time	**1,625**	–
Over time	**17,641**	23,824
	19,266	23,824

Performance obligations for contracts with customers

Details of performance obligations for contracts with customers for the years ended 31 March 2026 and 2025 are set out in note 2 to the consolidated financial statements.

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

The Group applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that no information related to allocation of transaction price allocated to remaining performance obligations that are unsatisfied or partially unsatisfied has been disclosed.

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

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Exchange losses, net	**(7)**	(386)
Fair value loss on contingent consideration receivable	**–**	(5,611)
Gain on disposal of subsidiaries	**2,649**	–
Impairment loss on goodwill	**–**	(2,739)
Loss on early termination of leases	**–**	(8)
Loss on provision for onerous contract	**(15)**	–
Sundry income	**18**	241
Waive of other payables and accruals	**–**	4,715
	2,645	(3,788)

7. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on bank borrowings	**211**	138
Interest on bank overdrafts	**10**	–
Interest on other borrowings	**314**	379
Interest on lease liabilities	**10**	17
	545	534

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

Loss before tax from continuing operations has been arrived after charging:

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Staff costs and related expenses (including directors' remuneration *(note 9)*)		
Directors' emoluments	**1,800**	1,968
Other staff's salaries, allowances and other benefits	**601**	1,063
Contributions to defined contribution plans	**31**	21
	2,432	3,052
Less: Amount included in cost of services	**–**	(51)
	2,432	3,001

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Other items		
Auditors' remuneration	**529**	390
Cost of sales	**1,320**	–
Contract costs relating to management contracting services recognised as expenses*	**19,025**	15,654
Depreciation of right-of-use assets	**153**	983
Impairment loss on goodwill	**–**	2,739
Impairment loss on intangible assets	**1,201**	–
Impairment loss on trade receivables	**4,975**	1,657
Impairment loss on other receivables	**1,559**	–
Impairment loss on contract assets	**25,038**	15,601
Loss on provision for onerous contract	**15**	–
Loss on early termination of leases	**–**	8

* Contract costs included approximately HK$2,462,000 (2025: HK$2,561,000) and approximately HK$16,563,000 (2025: HK$11,921,000) relating to the consumables goods and sub-contractor costs respectively.

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the following directors were as follows:

Year ended 31 March 2026

	Directors' fees *HK$'000*	Salaries, allowances and other benefits *HK$'000*	Contributions to defined contribution plans *HK$'000*	Total *HK$'000*
Executive directors:				
Mr. Ng Wan Lok	–	567	18	585
Ms. Wong Wing Hung	–	519	18	537
Mr. Liu Mingqing (Appointed as chairman on 22 August 2025 and resigned as chairman on 16 February 2026)	–	180	–	180
Mr. Jiang Bin (Appointed on 27 October 2025 and resigned on 16 February 2026)	–	80	–	80
Mr. Zhang Jiaqing (Appointed on 16 February 2026)	–	10	–	10
Non-executive director:				
Ms. Shu Huajuan (Appointed on 4 December 2024 and ceased on 29 September 2025)	60	–	–	60
Independent non-executive directors:				
Mr. Cheung Hiu Fung	120	–	–	120
Mr. Yuen Wai Keung (Resigned on 26 January 2026)	100	–	–	100
Mr. Yiu Chi Wai (Appointed on 4 December 2024 and resigned on 26 January 2026)	120	–	–	120
Mr. Wong Ming Fair Victor (Appointed on 16 February 2026)	8	–	–	8
	408	1,356	36	1,800

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Year ended 31 March 2025

	Directors' fees *HK$'000*	Salaries, allowances and other benefits *HK$'000*	Contributions to defined contribution plans *HK$'000*	Total *HK$'000*
Executive directors:				
Mr. Ng Wan Lok	–	576	18	594
Ms. Wong Wing Hung	–	528	18	546
Mr. Wang Xinliang (Ceased on 30 September 2024)	–	–	–	–
Mr. Chung Yu Ching (Appointed on 22 May 2024 and resigned on 8 October 2024)	–	83	–	83
Mr. Shu Zhongwen (Resigned as chief executive officer on 8 October 2024)	–	246	–	246
Non-executive director:				
Ms. Shu Huajuan (Appointed on 4 December 2024 and ceased on 29 September 2025)	39	–	–	39
Independent non-executive directors:				
Mr. Cheung Hiu Fung	120	–	–	120
Mr. Yuen Wai Keung (Resigned on 26 January 2026)	120	–	–	120
Mr. Yiu Chi Wai (Appointed on 4 December 2024 and resigned on 26 January 2026)	38	–	–	38
Mr. Ma Meng (Ceased on 30 September 2024)	78	–	–	78
Mr. Li Ruyi (Resigned on 4 December 2024)	104	–	–	104
	499	1,433	36	1,968

During the years ended 31 March 2026 and 2025, no remuneration was paid by the Group to any of these directors and the Chief Executive Officer as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors of the Company waived any emoluments during the years ended 31 March 2026 and 2025.

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

10. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 March 2026 and 2025 is as follows:

	Number of individuals	
	2026	2025
Director	**3**	3
Non-director	**2**	2
	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2026	2025
	HK$'000	*HK$'000*
Salaries, allowances and other benefits	**516**	431
Contributions to defined contribution plans	**82**	23
	598	454

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	2026	2025
Not exceeding HK$1,000,000	**2**	2

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

11. INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Hong Kong Profits Tax:		
– current tax	**97**	167
– over-provision of current tax	**131**	–
PRC Enterprise Income Tax:		
– current tax	**18**	–
Total income tax expenses for the year	**246**	167

The Group's entities established in the Cayman Islands, Samoa and the British Virgin Islands ("BVI") are exempted from income tax.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25% (2025: 8.25%), and profits above HK$2 million will be taxed at 16.5% (2025: 16.5%). Hong Kong Profit Tax was calculated at a flat rate of 16.5% (2025: 16.5%) of the estimated assessable profits.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% of the profit assessable to tax for both of the years presented.

Macau Complementary Tax has not been provided as the Group's entity established in Macau incurred a loss for taxation purposes.

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$91,581,000 (2025: HK$86,171,000) available to offset against future profits and temporary differences on ECL of financial assets of approximately HK$588,000 (2025: HK$22,294,000). No deferred tax asset has been recognised in respect of the tax losses and temporary difference due to the unpredictability of future profit streams. As at 31 March 2026 and 2025, the unrecognised tax losses can be carried forward indefinitely.

11. INCOME TAX EXPENSE (continued)

The reconciliation between the income tax expenses and the product of loss before tax from continuing operations multiplied by the Hong Kong Profits Tax rate is as follows:

	2026	2025
	HK$'000	*HK$'000*
Loss before tax from continuing operations	**(36,432)**	(19,210)
Tax at the applicable tax rate 16.5% (2025: 16.5%)	**(6,011)**	(3,170)
Tax effect of income not taxable for tax purpose	**(541)**	(990)
Tax effect of expenses not deductible for tax purpose	**5,867**	1,960
Tax effect of temporary difference unrecognised	**(110)**	2,574
Unrecognised tax losses	**1,420**	–
Utilisation of tax losses previously not recognised	**(332)**	(56)
Tax effect of over provision tax, net	**131**	–
Tax effect of tax concession	**(98)**	(165)
Tax effect of different tax rates of subsidiaries	**(80)**	14
Income tax expense	**246**	167

12. (LOSS)/EARNINGS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
		(Restated)
(Loss)/earnings for the year attributable to the owners of the Company, used in basic and diluted loss per share calculation		
– Continuing operations	**(36,678)**	(19,377)
– Discontinued operation	**6,349**	115
	(30,329)	(19,262)

	Number of shares	
	2026	2025
		(Restated)
Weighted average number of ordinary shares for basic and diluted (loss)/earnings per share calculation	**76,442,965**	38,707,397

The weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share for the years ended 31 March 2026 and 2025 has been adjusted retrospectively for the effect of share consolidation completed on 29 April 2025 and for the bonus element of the rights issue completed on 9 February 2026 as if it had been effective on 1 April 2024.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would lead to anti-dilutive effect and result in a decrease in loss per share for the years ended 31 March 2026 and 2025.

13. DIVIDENDS

The directors of the Company did not declare or propose any dividend for the year ended 31 March 2026 (2025: HK$Nil).

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reconciliation of carrying amount – Year ended 31 March 2025				
At 1 April 2024	–	3	–	3
Depreciation	–	–	–	–
At 31 March 2025	–	3	–	3
Reconciliation of carrying amount – Year ended 31 March 2026				
At 1 April 2025	**–**	**3**	**–**	**–**
Disposal of subsidiaries	**–**	**(3)**	**–**	**–**
At 31 March 2026	**–**	**–**	**–**	**–**
At 31 March 2025				
Cost	60	52	34	146
Accumulated depreciation	(60)	(49)	(34)	(143)
Net carrying amounts	–	3	–	3
At 31 March 2026				
Cost	**–**	**–**	**–**	**–**
Accumulated depreciation	**–**	**–**	**–**	**–**
Net carrying amounts	**–**	**–**	**–**	**–**

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	HK$'000
Reconciliation of carrying amount – year ended 31 March 2025	
At 1 April 2024	2,414
Depreciation	(983)
Early termination of leases, net *(note)*	(1,431)
At 31 March 2025	–
Reconciliation of carrying amount – year ended 31 March 2026	
At 1 April 2025	**–**
Additions	**306**
Depreciation	**(153)**
At 31 March 2026	**153**
At 31 March 2025	
Cost	–
Accumulated depreciation	–
Net carrying amount	–
At 31 March 2026	
Cost	**306**
Accumulated depreciation	**(153)**
Net carrying amount	**153**

Note: Net of cost of approximately HK$3,656,000 and accumulated depreciation of approximately HK$2,225,000.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	2026	2025
	HK$'000	*HK$'000*
Lease liabilities payable		
Within 1 year	**130**	–

The incremental borrowing rates applied to lease liabilities range from approximately 5% (2025: nil) per annum for the year ended 31 March 2026.

Extension and termination options

The lease contracts of office premise, contain an extension and termination option. The option aims to provide flexibility to the Group in managing the leased asset. The extension option of the leases of office premise is normally exercised because the Group does not want to incur additional administrative costs while the termination option is normally not exercised. During the years ended 31 March 2026 and 2025, all the lease contracts contain an extension or termination option.

The Group leases various office and premises for its daily operations and the lease terms ranging from one to two years. The total cash outflow for leases was approximately HK$186,000 and HK$1,026,000 for the years ended 31 March 2026 and 2025 respectively.

Restrictions or covenants

Most of the leases impose a restriction that, unless approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets. The Group is also required to keep those properties in a good state of repair and return the properties in their original condition at the end of the leases.

16. GOODWILL

	2026	2025
	HK$'000	*HK$'000*
COST		
At 1 April	**4,269**	4,269
Derecognition through disposal of subsidiaries *(note 36)*	**(4,269)**	–
At 31 March	**–**	4,269
ACCUMULATED IMPAIRMENT		
At 1 April	**(4,269)**	(1,530)
Impairment of goodwill	**–**	(2,739)
Derecognition through disposal of subsidiaries	**4,269**	–
At 31 March	**–**	(4,269)
Net carrying amount	**–**	–

The cost of goodwill was allocated as follows:

	2026	2025
	HK$'000	*HK$'000*
City Key Group	**–**	–
Shenzhen Jin Kai	**–**	–
	–	–

As at 31 March 2025, goodwill has been allocated to the consultancy services business, management contracting services business for impairment testing purposes.

16. GOODWILL (continued)

City Key Group

Goodwill arose from the acquisition of City Key Group Limited and its subsidiaries ("City Key Group") which was completed in 8 April 2022. The cash generating unit ("CGUs") to which the goodwill was allocated represents City Key Group which, through its PRC subsidiaries, is principally engaging in the development, leasing and management of properties located in the PRC.

During the first quarter of the year ended 31 March 2025, the subsidiary has minimal operation. Based on the financial information of City Key Group, the management considered the recoverable amount is minimal, therefore the goodwill has been fully impaired during the year ended 31 March 2025.

Based on the above impairment assessment, impairment loss of goodwill amounted to approximately HK$2,340,000 was recognised by the Group and charged to profit or loss for the year ended 31 March 2025. The carrying amount of goodwill as at 31 March 2025 was HK$Nil.

During the year ended 31 March 2026, the Group has been disposed City Key Group.

Shenzhen Jin Kai Culture Communication

Goodwill of approximately HK$399,000 arose from the acquisition of 100% equity interest in Shenzhen Jin Kai Culture Communication Company Limited* ("Shenzhen Jin Kai") and was recognised at the date of acquisition, i.e. 5 June 2023. Shenzhen Jin Kai is principally engaged in the development, leasing and management of properties located in the PRC.

Based on the internal impairment assessment, the directors of the Company consider that an impairment of goodwill amounted to approximately HK$399,000 be recognised for the CGU of Shenzhen Jin Kai during the year ended 31 March 2025. The carrying amount of goodwill as at 31 March 2025 was HK$Nil.

During the year ended 31 March 2026, the Group has been disposed Shenzhen Jin Kai.

* For identification purpose only.

17. CONTINGENT CONSIDERATION RECEIVABLE

The fair value of the contingent consideration receivable represented the profit guarantee in relation to the adjustments to the consideration from the acquisition of City Key Group from acquisition date. Contingent consideration receivable is measured at fair value at the end of the reporting period.

The movement of the fair value of contingent consideration receivable is as follow:

	2026	2025
	HK$'000	*HK$'000*
At fair value:		
At beginning of the year	**–**	5,611
Change in fair value	**–**	(5,611)
At end of the year	**–**	–

Notes:

(a) **Adjustment to the consideration**

Pursuant to the sale and purchase agreement entered in relation to the acquisition of the City Key Group Limited, the Vendor irrevocably and unconditionally warrant and guarantee to the Company that, during the period from 1 January 2022 to 31 December 2024 ("Guarantee Period"), the aggregate audited net profit after tax of Jiayou (Beijing), one of the subsidiaries of the City Key Group Limited, will not be less than RMB27,000,000 (the "Guaranteed Profit").

Where the Guaranteed Profit is not achieved during the Guarantee Period (i.e. the Guaranteed Profit is higher than the actual profit of Jiayou (Beijing) for the three years ending 31 December 2024 (the "Actual Profit"), the compensation amount which shall be paid from the Vendor to the Company is calculated based on the below formula:

Compensation = (Guaranteed Profit – Actual Profit) x 1.9

The Company and the Vendor agrees that the maximum amount of compensation shall not be more than the Consideration, being HK$8,008,000. The Company shall not need to pay to the Vendor if the Actual Profit is higher than the Guaranteed Profit during the Guarantee Period.

The adjustment change of the contingent consideration is recognised in the profit or loss.

(b) During the year ended 31 March 2025, the Guarantee Period has ended. The Actual Profit during the Guarantee Period was below the Guaranteed Profit. However, the management considered the recoverable amount of the contingent consideration receivable was close to zero based on the credit assessment on the Vendor. Therefore, the fair value was determined to be zero at the end of the Guarantee Period.

During the year ended 31 March 2026, the management has considered these receivable were irrecoverable and fully impaired and derecognised.

18. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026	2025
	HK$'000	*HK$'000*
Unlisted equity investments, at fair value	**300**	2,625

The unlisted equity investments are intended to be held for long-term. Designation of these investments as equity investments at FVTOCI can avoid the volatility of the fair value changes of these investments to the profit or loss.

On 1 March 2024, Mega Charm International Holdings Limited, a wholly-owned subsidiary of the Company, completed a sale and purchase agreement with Mr. Wong King Man, an independent third party, to acquire the 15% equity interests in Wing Keung Engineering Company ("Wing Keung"). The consideration for the sale and purchase of the Sale Share was HK$2,700,000 in which the Company allotted and issued 16,500,000 shares at an issue price of approximately HK$0.1636. After the completion, the Company indirectly holds 15% equity interest in Wing Keung, a partnership established in Hong Kong which is principally engaged in the provision of engineering and construction services to various public organisations and private companies in Hong Kong since 1992.

On 23 March 2026, the Company directly holds 15% equity interests in Wing Keung.

19. INTANGIBLE ASSETS

	2026	2025
	HK$'000	*HK$'000*
COST		
At beginning of the year	**2,701**	–
Addition *(Notes (a) and (b))*	**170**	2,701
Derecognition through disposal of subsidiaries	**(2,701)**	–
At end of the year	**170**	2,701
ACCUMULATED IMPAIRMENT AND AMORTISATION		
At beginning and end of the year	**–**	–
Impairment *(Note (c))*	**1,201**	–
Derecognition through disposal of subsidiaries	**(1,201)**	–
CARRYING AMOUNT	**–**	–
Net carrying amount	**170**	2,701

Notes:

(a) Asset acquisition

On 10 July 2024, the Group entered into a sale and purchase agreement to acquire 100% equity interest in Guangdong Haobai Construction Engineering Co., Ltd* (廣東浩柏建設工程有限公司) ("Guangdong Haobai") at a total cash consideration of RMB2,450,000 (equivalent to HK$2,655,000). Guangdong Haobai is principally engaged in provision of engineering, procurement and construction management ("EPCM") services of commercial and residential infrastructures in the PRC. The transaction was completed in 2 October 2024 and recognised as a acquisition of assets, rather than a business combination, given the substantially all of the fair value of the gross assets is concentrated in a group of similar identifiable assets.

As per a Enterprise Qualification Certificate dated 29 May 2023, Guangdong Haobai has 4 construction engineering works qualification licenses granted by Housing and Construction Bureau of Shenzhen Municipality. The certificate is valid up to 17 January 2028, renewable upon application. Through the licenses, Haobai is eligible to undertake construction contracts in the PRC. The construction license basically has 5 years legal life but is renewable upon application as long as Guangdong Haobai is able to comply with certain provisions and requirements throughout the relevant period. As a result, the construction license is considered by the management of the Group as having an indefinite useful life because it is expected to contribute net cash inflow indefinitely. The licenses will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

* For identification purpose only.

19. INTANGIBLE ASSETS (continued)

Notes: (continued)

(a) Asset acquisition (continued)

As at 31 March 2025, for the purpose of impairment testing, the Group's management engaged a professional valuer, Weisi Limited (the "Valuer"), to assess the fair value of its four construction engineering works qualification licenses in accordance with HKAS 36 Impairment of Assets. The Valuer conducted the valuation as at the acquisition date, 2 October 2024, adopting the market approach by referencing observable and comparable market transactions for similar assets, with appropriate adjustments to reflect differences in condition and utility. Based on this assessment, the fair value of the licenses was estimated to be approximately RMB2,400,000 as of acquisition date, 2 October 2024. Management subsequently evaluated the carrying amount of these intangible assets as at 31 March 2025 and determined that there had been no significant change in value during the period.

(b) During the year ended 31 March 2026, the addition of intangible assets were application software used in the social media platform and at finite life.

(c) During the year ended 31 March 2026, management conducted a valuation on the construction engineering works qualification licenses due to the intention to dispose of them. The fair value of these licenses was determined using the market comparison approach by the Valuer. The fair value measurement of the licenses is categorised within Level 2 of the fair value hierarchy. It was arrived at by reference to the average values of observable and comparable market transactions for similar assets. The fair value of these licenses was estimated to be approximately HK$1,500,000 as at 31 December 2025. Based on the impairment test results, management recognised an impairment loss of approximately HK$1,201,000 for the year ended 31 March 2026.

On 24 February 2026, the carrying amount and accumulated impairment of the licenses were subsequently derecognised following the disposal of the relevant subsidiaries.

20. INVENTORIES

	2026	2025
	HK$'000	*HK$'000*
Merchandises	**78**	–

21. CONTRACT ASSETS/CONTRACT LIABILITIES

	2026	2025
	HK$'000	*HK$'000*
Contract assets and contract liabilities arising from management contracting services as follows:		
Contract assets (including retention receivables) gross amount	**44,260**	61,121
Less: Loss allowance	**(17,012)**	(22,198)
	27,248	38,923
Contract liabilities	**–**	3,183

The movements of contract assets and liabilities (excluding those arising from increases and decreases both occurred within the same year) from contracts with customers within HKFRS 15 during the year are as follows:

	2026	2025
	HK$'000	*HK$'000*
Contract assets		
At beginning of the year	**38,923**	63,550
Transferred to trade debtors	**(2,121)**	(31,190)
Transferred from contract liabilities	**(1,690)**	–
Recognition of revenue	**17,174**	22,164
Loss allowance recognised	**(25,038)**	(15,601)
At end of the year	**27,248**	38,923

21. CONTRACT ASSETS/CONTRACT LIABILITIES (continued)

	2026	2025
	HK$'000	*HK$'000*
Contract liabilities		
At beginning of the year	**(3,183)**	(15,053)
Recognition of revenue/transferred to contract assets and trade receivables	**1,690**	11,870
Transferred to other payables	**1,493**	–
At end of the year	**–**	(3,183)

The expected timing of the revenue recognition of the performance obligations that are unsatisfied (or partially unsatisfied) at 31 March 2026 and 2025 is within 1 year. As permitted under HKFRS 15, the transaction price allocated to those contracts is not disclosed.

Retention receivables are unsecured, interest-free and recoverable at the end of the defect liability period of individual contracts, ranging from one to two years from the date of the completion of the respective projects. The retention receivables (net of written-off and loss allowance) to be settled, based on the expiry of the defect liability period, at the end of the reporting period are:

	2026	2025
	HK$'000	*HK$'000*
Within one year	**1,929**	15,515

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Notes	**2026** **HK$'000**	2025 HK$'000
Trade debtors		**3,106**	31,493
Less: Loss allowance		**(1,905)**	(12,910)
	(a)	**1,201**	18,583
Pledged deposits to an insurance company	*(b)*	**–**	158
Other receivables, deposits and prepayments	*(c)*	**1,725**	16,273
		2,926	35,014

Notes:

(a) Trade debtors mainly arise from management contracting business and consultancy services. The Group's credit terms for its management contracting business are negotiated at terms determined and agreed with its trade customers. The credit periods are ranging from 30 to 60 days. The ageing analysis of trade debtors, net of loss allowance, based on invoice date at the end of the reporting period is as follows:

	2026 **HK$'000**	2025 HK$'000
Within 30 days	**57**	10,167
31 to 60 days	**–**	99
Over 60 days	**1,144**	8,317
	1,201	18,583

The Group maintains a defined credit policy to assess the credit quality of the trade customers. The collection is closely monitored to minimise any credit risk associated with these trade debtors.

(b) Pledged deposits of approximately HK$nil (2025: HK$158,000) to an insurance company is the security for issuance of performance bonds in respect of contracts for management contracting services with prevailing market rates at 0.2% (2025: 0.2%) per annum. As at 31 March 2026, the amounts are presented net of expected credit losses amounting to approximately HK$158,000 (2025: HK$Nil).

(c) As at 31 March 2026, the amounts are presented net of expected credit losses amounting to approximately HK$1,401,000 (2025: HK$Nil). As at 31 March 2026, the other receivables included consideration receivable from the disposal of subsidiaries amounting to approximately HK$1,500,000. As at 31 March 2025, the other receivables include the deposits paid to potential vendors of approximately HK$14,087,000 and has been terminated the non-binding memorandum of understanding and fully refunded during the year ended 31 March 2026.

23. BANK BALANCES AND CASH

Bank balances earns interest at floating rates based on daily bank deposit rates as at 31 March 2026 and 2025. The bank balances are deposited with creditworthy banks with no recent history of default.

The Group's bank balances and cash denominated in RMB of approximately HK$2,317,000 (2025: HK$128,000) which are located in the PRC are subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations.

The Group's bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2026	2025
	HK$'000	*HK$'000*
Renminbi ("RMB")	**1,712**	2

For the years ended 31 March 2026 and 2025, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant, no allowance for ECL is provided for the years.

24. TRADE AND OTHER PAYABLES AND ACCRUALS

	Notes	2026 HK$'000	2025 HK$'000
Trade payables	*(a)*	**12,712**	28,346
Accrued salaries		**1,273**	7,438
Other payables and accruals		**10,224**	16,228
Amount due to a shareholder	*(b)*	**3,856**	13,608
		28,065	65,620

Notes:

(a) The credit period on trade creditors is 30–90 days. The ageing analysis of trade creditors presented based on the invoice date at the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
Within 30 days	**516**	–
Over one year	**12,196**	28,346
	12,712	28,346

(b) The amount due is unsecured, interest-free and repayable on demand. On 31 March 2026, the substantial shareholder of the Company has intended not to demand for any repayment due to her until the Group is in a financial position to do so. During the year ended 31 March 2025, the substantial shareholder of the Company unconditionally waived the amount owed to her, totaling HK$6,000,000, which has been credited to capital reserves.

25. BANK AND OTHER BORROWINGS

	Notes	**2026** **HK$'000**	2025 *HK$'000*
Bank borrowings – unsecured	*(a)*	**3,337**	3,821
Other borrowings – unsecured	*(b)*	**–**	1,833
		3,337	5,654

All the bank and other borrowings are denominated in HK$.

The bank and other borrowings are repayable as follows:

	2026 **HK$'000**	2025 *HK$'000*
On demand or within one year	**3,337**	5,654

Analysis of the amounts due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) is as follows:

	2026 **HK$'000**	2025 *HK$'000*
Within one year	**923**	2,810
1 to 2 years	**2,414**	2,844
	3,337	5,654

Notes:

(a) The bank borrowings carry floating interest rates based on prime rate minus 2.25% per annum and the bank borrowings are guaranteed by HKMC Insurance Limited under SME Financing Guarantee Scheme for HK$6,000,000 (2025: HK$6,000,000).

(b) The other borrowings are interest bearing at 24% per annum, unsecured and repayable on demand.

26. SHARE CAPITAL

The share capital of the Group as at 31 March 2026 and 31 March 2025 represented the share capital of the Company.

Movements of the share capital of the Company are as follows:

	Note	Nominal value per share HK$	Number of shares	Nominal value HK$'000
Authorised:				
At 1 April 2024, 31 March 2025 and 1 April 2025, ordinary shares		0.10	1,000,000,000	100,000
Adjustment on share consolidation	*(e)*		(900,000,000)	–
At 29 April 2025, ordinary shares		1.00	100,000,000	100,000
Adjustment on capital reduction and share sub-division	*(f), (g)*		9,900,000,000	–
At 30 July 2025 and 31 March 2026, ordinary shares		0.01	10,000,000,000	100,000
Issued and fully paid:				
At 1 April 2024, ordinary shares		0.10	309,510,000	30,951
Share issued under specific mandate for debt capitalisation	*(a)*	0.10	22,560,000	2,256
Share issued under specific mandate for debt capitalisation	*(b)*	0.10	19,540,000	1,954
Share issued under specific mandate for debt capitalisation	*(c)*	0.10	70,320,000	7,032
At 31 March 2025 and 1 April 2025, ordinary shares		**0.10**	**421,930,000**	**42,193**
Share issued under specific mandate for debt capitalisation	*(d)*	**0.10**	**33,000,000**	**3,300**
Adjustment on share consolidation	*(e)*		**(409,437,000)**	**–**
At 29 April 2025, ordinary shares		**1.00**	**45,493,000**	**45,493**
Adjustment on capital reduction and share sub-division	*(f), (g)*		**–**	**(45,038)**
At 30 July 2025, ordinary shares		**0.01**	**45,493,000**	**455**
Share issued under right issue	*(j)*	**0.01**	**181,972,000**	**1,820**
At 31 March 2026, ordinary shares		**0.01**	**227,465,000**	**2,275**

26. SHARE CAPITAL (continued)

Notes:

(a) On 13 August 2024, the Company has agreed to allot and issue, and Ms. Leung Yan Fan Youki ("Creditor A") has conditionally agreed to subscribe 22,560,000 capitalisation shares, at the subscription price of HK$0.135 per capitalisation share pursuant to the terms of an agreement in settlement of the partial indebted sum of approximately HK$3,045,000. On 19 August 2024, the Company and Creditor A, completed the issue of these new capitalisation shares under general mandate for debt capitalisation.

(b) On 22 August 2024, the Company has agreed to allot and issue, and Creditor A and Ms. Hui Lai Ngar ("Creditor B") has conditionally agreed to subscribe 11,800,000 and 7,740,000 capitalisation shares, respectively, at the subscription price of HK$0.135 per capitalisation share pursuant to the terms of an agreement in settlement of the partial indebted sum of approximately HK$2,638,000. On 26 August 2024, the Company, Creditor A and Creditor B, completed the issue of these new capitalisation shares under general mandate for debt capitalisation.

(c) On 5 November 2024, the Company has agreed to allot and issue, and Creditor A, Creditor B and Ms. Ng On Yi ("Creditor C") has conditionally agreed to subscribe 35,160,000, 17,580,000 and 17,580,000 capitalisation shares, respectively, at the subscription price of HK$0.032 per capitalisation share pursuant to the terms of an agreement in settlement of the partial indebted sum of approximately HK$2,250,000. On 12 November 2024, the Company, Creditor A, Creditor B and Creditor C, completed the issue of these new capitalisation shares under general mandate for debt capitalisation.

(d) On 18 February 2025, the Company has agreed to allot and issue, and Creditor A, Creditor B and Mr. Lam Chi Henry ("Creditor D") has conditionally agreed to subscribe 11,000,000, 13,700,000 and 8,300,000 capitalisation shares, respectively, at the subscription price of HK$0.12 per capitalisation share pursuant to the terms of an agreement in settlement of the partial indebted sum of approximately HK$3,960,000. On 16 April 2025, the Company, Creditor A, Creditor B and Creditor D, completed the issue of these new capitalisation shares under specific mandate for debt capitalisation.

(e) On 29 April 2025, the Company completed a share consolidation of every ten (10) issued and unissued existing shares of par value of HK$0.1 each into one (1) consolidated share of par value of HK$1 each.

(f) On 30 July 2025, immediately upon the share consolidation becoming effective, the capital reduction involved a reduction of the par value of each issued consolidated share from HK$1 to HK$0.01 by cancelling the paid-up capital of the Company to the extent of HK$0.99 on each of the issued consolidated shares.

(g) On 30 July 2025, immediately following the share consolidation and the capital reduction becoming effective, each of the authorised but unissued consolidated share will be sub-divided into one hundred (100) new shares of par value of HK$0.01 each.

(j) On 2 February 2026, the Company has completed the rights issue and the placing to allot and issue 181,972,000 right shares at subscription price of HK$0.21 per share, including allottement and issue of rights shares to three substantial shareholders, i.e. Ms. Leung Yan Fan Youki (abovementioned Creditor A), Ms. Hui Lai Ngar (abovementioned Creditor B) and Ms. Fang Yu Juan, for 41,932,000, 24,000,000 and 48,000,000 rights shares, respectively. The net proceeds (after deduction of expenses) from the rights issue were approximately HK$36,940,000.

27. SHARE OPTION SCHEME

A summary of the scheme of the Company is set out in the section headed "Share Option Scheme" in the Report of the Directors of the annual report.

The Company adopted a share option scheme in May 2017 (the "Share Option Scheme"). The Share Option Scheme became effective on the date of the Company's listing (i.e. 26 May 2017) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

27. SHARE OPTION SCHEME (continued)

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 130,000,000 shares, representing 10% and 4% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme and as at the date of this annual report respectively. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Option). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million (or such other amount as permissible under the GEM Listing Rules from time to time), are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within such time to be determined by the Board and upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised. The exercise price of the share options shall be not less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is offered, which must be a business day (the "Offer Date"); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the par value of the Shares.

On 27 April 2022, certain directors, employees and consultants of the Group were granted shares options to subscribe for 130,000,000 shares at an exercise price of HK$0.0342 per share, details of which are set out in the Company's announcement dated 27 April 2022.

An option may be accepted by a participant within 21 days from the date of grant with a nominal consideration of HK$1 on each grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The exercise price is determined by the Directors and will 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 of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.

27. SHARE OPTION SCHEME (continued)

There is no performance target which must be achieved before any of the options can be exercised.

Except for the 652,765 (2025: 6,115,384) share options, no ordinary shares of the Company are available for issue under the Share Option Scheme as at the date of this annual report.

No share options were granted during the year and the following share options were outstanding under the Scheme during the years ended 31 March 2026 and 2025:

	Number of options
Number of share options as at 1 April 2024, 31 March 2025 and 1 April 2025	6,115,384
Adjusted upon share consolidation *(note a)*	(5,503,846)
Adjusted upon rights issue *(note b)*	41,227
Number of share options as at 31 March 2026	652,765

Notes:

(a) The exercise price per share option and the number of share options were adjusted upon the completion of share consolidation on 29 April 2025.

(b) The exercise price per share option and the number of share options were adjusted upon the completion of rights issue on 9 February 2026.

No options were granted, exercised and expired during the year. The number of exercisable options is 652,765 (2025: 6,115,384) as at 31 March 2026.

The share options outstanding as at 31 March 2026 had an exercise price of HK$3.1478 (2025: HK$0.342) and a remaining contractual life of 6.08 years. No options were exercised during 2026 and 2025.

27. SHARE OPTION SCHEME (continued)

Fair value of options granted

The fair value of options granted is being calculated by an external qualified valuer by using Black-Scholes Option Pricing Model.

Black-Scholes Option Value

Input Data	
Stock Price on 27/4/2022 (S)	0.034
Exercise Price of Option (K)	0.0342
Number of periods to Exercise in years (T-t)	10
Compounded Risk-Free Interest Rate (r)	2,826%
Standard Deviation (annualized σ)	77.263%

Output Data	
Present Value of Exercise Price	0.0258
σ X (T-t)^0.5	2.4433
d1	1.3349
d2	-1.1084
Delta N(d1) Normal Cumulative Density Function	0.9090
N(d2) X PV(EX)	0.0035
Value of Call	0.0275
Number of shares to be converted	130,000,000
Value of conversion rights	3,570,000

Per the report prepared by the Company's external qualified valuer, the fair value of 130,000,000 share options as of date of grant is HK$3,570,000.

Expected volatility was determined by using the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

28. OTHER CASH FLOW INFORMATION

(a) Cash generated from/(used in) operations

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) before tax		
– Continued operations	**(36,432)**	(19,210)
– Discontinued operation	**6,349**	228
	(30,083)	(18,928)
Depreciation	**153**	983
Fair value loss on contingent consideration receivable	**–**	5,611
Interest expenses	**545**	534
Impairment loss on goodwill	**–**	2,739
Impairment loss on intangible assets	**1,201**	–
Impairment loss on trade receivables	**4,975**	1,657
Impairment loss on contract assets	**25,038**	15,601
Impairment loss on other receivables	**1,559**	–
Loss on provision for onerous contract	**15**	–
Gain on disposal of subsidiaries	**(2,649)**	–
Loss on early termination of leases	**–**	8
Waiver of other payables and accruals	**–**	(4,715)
	754	3,490
Change in working capital:		
Contract assets/liabilities	**(17,174)**	(2,844)
Inventories	**(78)**	–
Trade and other receivables, deposits and prepayments	**28,735**	(5,177)
Trade and other payables and accruals	**(23,455)**	15,142
Cash (used in)/generated from operations	**(11,218)**	10,611

28. OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities

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

	Bank and other borrowings	Lease liabilities	Amount due to a shareholder	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2024	6,186	2,425	21,773	30,384
Cash flows	(1,049)	(1,019)	(2,165)	(4,233)
Non-cash changes:				
Early termination of leases	–	(1,423)	–	(1,423)
Finance costs recognised *(note 7)*	517	17	–	534
Waiver *(note 28(c))*	–	–	(6,000)	(6,000)
At 31 March 2025 and 1 April 2025	**5,654**	**–**	**13,608**	**19,262**
Cash flows	**(1,856)**	**(186)**	**(9,752)**	**(11,794)**
Non-cash changes:				
Issue of shares under general mandate for debt capitalisation	**(996)**	**–**	**–**	**(996)**
Addition of right-of-use assets	**–**	**306**	**–**	**306**
Finance costs recognised *(note 7)*	**535**	**10**	**–**	**545**
At 31 March 2026	**3,337**	**130**	**3,856**	**7,323**

(c) Major non-cash transaction

On 18 February 2025, the Company has agreed to allot and issue, and Creditor A, Creditor B and Creditor D has conditionally agreed to subscribe 11,000,000, 13,700,000 and 8,300,000 capitalisation shares, respectively, at the subscription price of HK$0.12 per capitalisation share pursuant to the terms of an agreement in settlement of the partial indebted sum of approximately HK$3,960,000. On 16 April 2025, the Company, Creditor A, Creditor B and Creditor D, completed the issue of these new capitalisation shares under specific mandate for debt capitalisation.

During the year ended 31 March 2025, the substantial shareholder of the Company unconditionally waived the amount owed to her, totaling HK$6,000,000, which has been credited to capital reserves.

29. RELATED PARTIES TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

Key management personnel remuneration

	2026	2025
	HK$'000	*HK$'000*
Salaries, allowances and other benefits	**1,356**	1,433
Directors' fees	**408**	499
Contributions to defined contribution plans	**36**	36
	1,800	1,968

Further details of the directors' remuneration are set out in note 9 to the consolidated financial statements.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of financial assets at fair value through profit or loss, contingent consideration receivable, financial assets at FVTOCI (unlisted equity investment), trade and other receivables, pledged and restricted bank deposits, bank balances and cash, trade and other payables, bank borrowings, bank and other overdrafts and lease liabilities. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables/payables which arise directly from its business activities.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The accounting policies for financial instruments have been applied to the line items below:

At 31 March 2026

	Financial assets at amortised cost *HK$'000*	Equity investment at FVTOCI *HK$'000*	Total *HK$'000*
Financial assets			
Equity investment at FVTOCI	–	300	300
Trade and other receivables	2,926	–	2,926
Bank balances and cash	15,405	–	15,405
Total	18,331	300	18,631

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Trade and other payables	28,065
Bank and other borrowings	3,337
Lease liabilities	130
Total	31,532

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

At 31 March 2025

	Financial assets at amortised cost *HK$'000*	Equity investment at FVTOCI *HK$'000*	Total *HK$'000*
Financial assets			
Equity investment at FVTOCI	–	2,625	2,625
Trade and other receivables	35,014	–	35,014
Bank balances and cash	1,819	–	1,819
Total	36,833	2,625	39,458

	Financial liabilities at amortised cost *HK$'000*
Financial liabilities	
Trade and other payables	65,620
Bank and other borrowings	5,654
Total	71,274

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The main risks arising from the Group's financial instruments are credit risk, currency risk, interest rate risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum level as follows:

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group's credit risk is mainly attributable to trade and other receivables and contract assets. The Group limits its exposure to credit risk by selecting the counterparties with reference to their past credit history and/or market reputation.

Trade receivables and contract assets

The Group trades only with recognised and creditworthy third parties. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits for the customer. The receivable and contract assets balances are monitored on an ongoing basis by the management and the Group's exposure to bad debts is not significant).

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 March 2026, the Group had a concentration of credit risk as approximately 49% (2025: 53%) of the total trade debtors and contract assets was due from the Group's largest trade debtor and customer and approximately 94% (2025: 76%) of the total trade debtors and contract assets was due from the Group's five largest trade debtors and customers.

The Group's customer base consists of a wide range of customers and trade receivables and contract assets are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts and the counter party frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Written-off	There is evidence indicating that debtor is severe financial difficulty and the Group has no realistic prospect of recovery or in the case of trade receivables, when the amounts are over 2 years past due	Amount is written-off	Amount is written-off

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

	Internal credit rating	12-month or lifetime ECL	**2026 Gross carrying amounts *HK$'000***	2025 Gross carrying amounts *HK$'000*
Financial assets at amortised cost				
Trade receivables	*(Note 1)*	Lifetime ECL – not credit-impaired	**92**	10,362
		Lifetime ECL – credit-impaired	**3,014**	21,131
Contract assets	*(Note 1)*	Lifetime ECL – not credit-impaired	**19,860**	61,121
		Lifetime ECL – credit-impaired	**24,400**	–
Deposits and other receivables	Low risk	12m ECL	**1,576**	–
		Lifetime ECL – not credit-impaired	**164**	16,431
		Lifetime ECL – credit-impaired	**1,544**	–
Bank balances	Low risk	12m ECL	**15,405**	1,819

Note:

(1) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The trade receivables and contract assets are assessed for ECL individually.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its construction operation. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on an individual basis.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

***Trade receivables and contract assets** (continued)*

The information about the exposure to credit risk and ECL for trade debtors and contract assets assessed on individual basis at 31 March 2026 is summarised as below.

At 31 March 2026

	Expected loss rate	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*	Net carrying amount *HK$'000*
Contract assets				
Lifetime ECL – not credit-impaired	3%	19,860	(567)	19,293
Lifetime ECL – credit-impaired	67%	24,400	(16,445)	7,955
		44,260	(17,012)	27,248
Trade receivables				
Lifetime ECL – not credit-impaired	23%	92	(21)	71
Lifetime ECL – credit-impaired	63%	3,014	(1,884)	1,130
		3,106	(1,905)	1,201

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables and contract assets *(continued)*

At 31 March 2025

	Expected loss rate	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*	Net carrying amount *HK$'000*	Credit-impaired
Trade receivables					
Not past due	1%	10,262	(95)	10,167	No
Within 30 days overdue	1%	100	(1)	99	No
30 days to one year overdue	N/A	–	–	–	No
One to two years overdue	61%	21,131	(12,814)	8,317	Yes
		31,493	(12,910)	18,583	
Contract assets	36%	61,121	(22,198)	38,923	No

Part of the retention receivables which were over 3 years and the trade receivables which were over 1 year past due were all assessed as credit-impaired based on the results of the individual assessments of ECL of these balances, including their respective balances that are less than 1 year past due and not yet due. There are approximately HK$15,162,000 and HK$5,900,000 of balances of retention receivable and trade receivables respectively which were individually assessed and determined to be credit-impaired based on its risk characteristics and the remaining balance using a provision matrix.

The expected loss rate are estimated based on provision matrix and individual basis for those amounts included in the factoring agreement being negotiated during the year ended 31 March 2026. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables and contract assets *(continued)*

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

	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*	Total *HK$'000*
At 1 April 2024	256	10,997	11,253
Transfer to credit-impaired	(160)	160	–
Impairment losses recognised	–	1,657	1,657
At 31 March 2025 and 1 April 2025	96	12,814	12,910
Transfer to not credit-impaired	95	(95)	–
Impairment losses recognised	(170)	5,145	4,975
Eliminated on disposal of subsidiaries	–	(7,080)	(7,080)
Written off	–	(8,900)	(8,900)
At 31 March 2026	21	1,884	1,905

The following table shows the movement in lifetime ECL that has been recognised for contract assets from contracts with customers under the simplified approach:

	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*	Total *HK$'000*
At 1 April 2024	6,597	–	6,597
Impairment losses recognised	15,601	–	15,601
At 31 March 2025 and 1 April 2025	22,198	–	22,198
Transfer to credit-Impaired	(21,138)	21,138	–
Impairment losses recognised	(493)	25,531	25,038
Written off	–	(30,224)	(30,224)
At 31 March 2026	567	16,445	17,012

The Group does not hold any collateral over the trade debtors and contract assets at 31 March 2026 (2025: Nil).

During the year ended 31 March 2026, management assessed a customer with trade receivables and contract assets past due for over two years and determined that there was no realistic prospect of recovery. Accordingly, the Group has fully impaired and written off the relevant trade receivables and contract assets, which have been classified as credit-impaired.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Deposits and other receivables

For deposits and other receivables, the directors make periodic assessment on the recoverability of other receivables, based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors assessed that there is a significant increase in credit risk of deposits and other receivables, lifetime ECL is recognised based on significant increase in the likelihood or risk of a default occurring since initial recognition.

The following table shows reconciliation on loss allowance of deposits and other receivables under general approach:

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2024, 31 March 2025 and 1 April 2025	–	–	–	–
Impairment loss recognised	1	14	1,544	1,559
At 31 March 2026	1	14	1,544	1,559

During the year ended 31 March 2026, management assessed a customer with deposits and other receivables past due for over two years and determined that there was no realistic prospect of recovery. Accordingly, the Group has fully impaired the relevant deposits and other receivables, which have been classified as credit-impaired.

Bank balances and cash

The management considers the credit risk in respect of liquid funds is minimal because the counter-parties are authorised financial institutions with high credit ratings.

Foreign currency risk

The Group operates in Hong Kong, the PRC and Macau and majority of transactions are denominated in HK$, RMB and MOP. Foreign exchange risk arises from trading transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

As assets and liabilities denominated in RMB and MOP arise mainly from entities with functional currency of RMB and MOP, the Group considers there has no material foreign currency risk exposure in respect of RMB and MOP.

The Group has no significant exposure to foreign exchange rate fluctuations.

Interest rate risk

The Group's cash flow interest rate risk primarily relates to the variable-rate bank balances and bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate other borrowing. The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rate risk on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is attributable to fluctuation of prime rate, LIBOR and HIBOR.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for bank borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 0.5% increase or decrease in interest rates for bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates on bank borrowings had been 0.5% (2025: 0.5%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2026 would increase/decrease by approximately HK$17,000 (2025: HK$19,000).

The Group is also exposed to cash flow interest rate risk due to the fluctuation of prevailing market interest rate on bank balances. The Group considered interest rate fluctuation on these bank balances is insignificant. Accordingly, no sensitivity analysis has been prepared.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

At 31 March 2026

	Weighted average interest rate %	On demand or within 90 days *HK$'000*	91 days to 1 year *HK$'000*	1 year to 5 years *HK$'000*	Total undiscounted cash flow *HK$'000*	Total carrying amount *HK$'000*
Trade and other payables and accruals	–	28,065	–	–	28,065	28,065
Bank borrowings	3.74	253	760	2,515	3,528	3,337
		28,318	760	2,515	31,593	31,402

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

At 31 March 2025

	Weighted average interest rate	On demand or within 90 days	91 days to 1 year	1 year to 5 years	Total undiscounted cash flow	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables and accruals	–	65,620	–	–	65,620	65,620
Bank borrowings	3.26	318	767	2,990	4,075	3,821
Other borrowings	24.00	1,903	–	–	1,903	1,833
		67,841	767	2,990	71,598	71,274

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amounts repayable under certain bank loan agreements that include a clause that gives the banks unconditional rights to call the loans at any time are classified under the category of "On demand or within 90 days". However, the management does not expect that the banks would exercise such rights to demand repayment and thus these borrowings, which include the related interest, would be repaid according to the above schedule as set out in the loan agreements.

	2026	2025
	HK$'000	*HK$'000*
On demand or within 90 days	**228**	2,121
91 days to 1 year	**695**	689
1 to 5 years	**2,414**	2,844
	3,337	5,654

31. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets at amortised cost, including rental deposits, trade and other receivables, amount due from non-controlling interest, and cash and cash equivalents; and financial liabilities at amortised cost, including trade and other payables, amount due to a shareholder, amounts due to non-controlling interests, borrowings and bonds payable, approximate their fair values. The fair value of these financial assets and financial liabilities that are not traded in an active market is determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflect the credit risk of counterparties.

The carrying amounts of financial instruments measured at fair value at the end of the reporting period are categorised among the three levels of the fair value hierarchy defined in HKFRS 13 "Fair value measurement", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

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

(a) Assets and liabilities measured at fair value

	Level 3	
	2026	2025
	HK$'000	*HK$'000*
Assets measured at fair value		
Contingent consideration receivables	**–**	–
Equity investment at FVTOCI	**300**	2,625

During the years ended 31 March 2026 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of level 3 fair value measurements.

Movements during the year of the financial assets at FVTPL are as follows:

	Level 3	
	2026	2025
	HK$'000	*HK$'000*
At beginning of the year	**–**	5,611
Change in fair value	**–**	(5,611)
At end of the year	**–**	–

31. FAIR VALUE MEASUREMENTS (continued)

(a) Assets and liabilities measured at fair value (continued)

During the year ended 31 March 2026, the management has considered these contingent consideration receivable was irrecoverable and fully impaired and derecognised.

Movements during the year of the financial assets at FVTOCI are as follows:

	2026	2025
	HK$'000	*HK$'000*
At beginning of the year	**2,625**	2,700
Change in fair value	**(2,325)**	(75)
At end of the year	**300**	2,625

As at 31 March 2026, the fair value of equity investment was determined with reference to Income Approach to arrive at the valuation multiples having business and business model similar to the company as at the date of valuation, then apply a discount for lack of marketability ("DLOM") to the financial data of the Company as at the date of valuation to arrive at its fair value.

Information about level 3 fair value measurements

	Carrying amount *HK$'000*	**Valuation techniques**	**Significant unobservable input**	**Range of unobservable inputs**	**Relation of significant unobservable inputs to fair value**
Financial assets at FVTOCI	300 (2025: 2,625)	Income approach	Price earnings ratio ("PE ratio")	4–12 (2025: 4–39)	The higher PE ratio, the higher fair value of the investment, and vice versa
			DLOM	25% (2025: 20%)	The higher DLOM, the lower fair value of the investment, and vice versa

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and financial liabilities measured at amortised cost are carried at amounts not materially different from their fair values at 31 March 2026 and 2025.

32. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The capital structure of the Group consists of (i) cash and cash equivalents; (ii) debts; and (iii) capital, which comprises all components of equity.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of debt and cost of capital. Based on the recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

The Group also monitors its capital structure on the basis of gearing ratio. There have been no changes in the Group's approach to capital management during the years ended 31 March 2026 and 2025.

The externally imposed capital requirements for the Group is in order to maintain its listing on the Stock Exchange it has to have a public float at least 25% of the shares. The Group receives a report from the share registrars showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year.

33. PLEDGE OF ASSETS

The following assets were pledged to secure certain banking facilities and performance bonds issued by an insurance company granted to the Group at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
Pledged deposits to an insurance company	–	158

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2026 HK$'000	2025 HK$'000
Non-current assets			
Equity investment at FVTOCI		**300**	2,625
Investment in subsidiaries		**1,355**	1,355
		1,655	3,980
Current assets			
Other receivables		**1,500**	–
Amounts due from subsidiaries		**26,402**	18,422
		27,902	18,422
Current liabilities			
Other borrowings		**–**	1,833
Accruals		**919**	390
Amounts due to subsidiaries		**15,540**	15,092
		16,459	17,315
Net current assets		**11,443**	1,107
NET ASSETS		**13,098**	5,087
Capital and reserves			
Share capital	*26*	**2,275**	42,193
Reserves *(note)*		**10,823**	(37,106)
TOTAL EQUITY		**13,098**	5,087

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 30 June 2026 and are signed on its behalf by:

Mr. Ng Wan Lok	**Ms. Wong Wing Hung**
Director	*Director*

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

Movements of the reserves

	Share premium *HK$'000*	Share option reserve *HK$'000*	Fair value reserve (non-recycling) *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 April 2024	99,086	2,016	–	(120,663)	(19,561)
Issue of shares under specific mandate for debt capitalisation	(3,308)	–	–	–	(3,308)
Loss for the year and total comprehensive expense for the year	–	–	(75)	(14,162)	(14,237)
At 31 March 2025 and 1 April 2025	95,778	2,016	(75)	(134,825)	(37,106)
Issue of shares under specific mandate for debt capitalisation	**660**	**–**	**–**	**–**	**660**
Capital reduction upon capital reorganisation	**–**	**–**	**–**	**(45,038)**	**(45,038)**
Issue of shares under rights issue	**35,120**	**–**	**–**	**–**	**35,120**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**(2,325)**	**59,512**	**57,187**
At 31 March 2026	**131,558**	**2,016**	**(2,400)**	**(120,351)**	**10,823**

35. DISCONTINUED OPERATION

On 2 October 2025, the Group has disposed the entire shares of City Key Group Limited and its subsidiaries (collectively, the "Disposal Operation") for a cash consideration of HK$1 to an independent third party. The Group recognised a gain on disposal of approximately HK$6,349,000.

The results of the Discontinued Operation are presented below:

	Period from 1 April 2025 to the date of completion ***HK$'000***	Year ended 31 March 2025 *HK$'000*
Revenue	**–**	681
Cost of services provided	**–**	(169)
Gross profit	**–**	512
Other revenue, other gain and loss	**–**	(9)
Administrative expenses	**–**	(214)
Finance costs	**–**	(7)
Profit before tax	**–**	282
Income tax expenses	**–**	(167)
Profit for the period/year from the Discontinued Operation	**–**	115
Gain on disposal of the City Key Group	**6,349**	–
Gain for the period/year from the Discontinued Operation	**6,349**	115

35. DISCONTINUED OPERATION (continued)

The assets and liabilities and gain on disposal of the Discontinued Operation as at the date of disposal are as follows:

	City key **100%** *HK$'000*
The net liabilities disposed of are as follows:	
Trade and other receivables, deposits and prepayments.	2,423
Bank and cash balances	134
Trade payables	(6,949)
Other payables and accruals	(1,938)
Tax payables	(19)
	(6,349)
Less: Proceeds from disposal*	–*
Gain on disposal	(6,349)

The cash flow information of the Discontinued Operation is as follows:

	HK$'000
Net cash outflow arising on disposal:	
Cash consideration received*	–*
Less: Cash and deposit deposed of	(134)
Net cash outflow for the year ended 31 March 2026	(134)

Cash flows from the Disposal Operation:

	Period from 1 April 2025 to the date of completion *HK$'000*	**Year ended 31 March 2025** *HK$'000*
Net cash (outflows)/inflows from operating activities	(31)	3,361
Net cash outflows from investing activities	–	(2,655)
Net cash outflows from financing activities	–	(5)
Net cash (outflows)/inflows for the period/year	(31)	701

* round to zero

36. DISPOSAL OF SUBSIDIARIES

(i) Mighty Trend International Holdings Limited and its subsidiaries (collectively, "Mighty Trend Group")

On 24 February 2026, the Group disposed of all equity interests in Mighty Trend Group, i.e. 100%, at a consideration of approximately HK$1,500,000 to an independent third party.

The net assets of the Mighty Trend Group at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	3
Intangible assets	1,500
Trade and other receivables, deposits and prepayments	574
Bank balances and cash	2
Other payables and accruals	(1,981)
Net assets	98

Gain on disposal of the Mighty Trend Group:

	HK$'000
Consideration	(1,500)
Net assets disposed of	98
Non-controlling interests	(355)
Gain on disposal	(1,757)

Net cash outflow arising on disposal of the Mighty Trend Group:

	HK$'000
Consideration received	–
Less: bank balances and cash disposed of	(2)
	(2)

36. DISPOSAL OF SUBSIDIARIES (continued)

(ii) Future Pop Limited and its subsidiaries (collectively, "Future Pop Group")

On 2 October 2025, the Group disposed of all equity interests in Future Pop Group, i.e. 100%, at a consideration of approximately HK$1 to an independent third party.

The net liabilities of the Future Pop Group at the date of disposal were as follows:

	HK$'000
Bank balances and cash	4
Other payables and accruals	(896)
Net liabilities	(892)

Gain on disposal of the Future Pop Group:

	HK$'000
Consideration*	–*
Net liabilities disposed of	(892)
Gain on disposal	(892)

Net cash outflow arising on disposal of the Future Pop Group:

	HK$'000
Consideration received*	–*
Less: bank balances and cash disposed of	(4)
	(4)

* round to zero

37. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

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

(ii) Share option reserve

Share option reserve arises on the grant of share option to eligible participants under the Scheme. Further information about share-based payments is set out in note 27 to the consolidated financial statements.

(iii) Other reserve

Other reserve represents the Group's aggregate amount of the issued share capital of the entities comprising the Group less consideration paid to acquire the relevant interests (if any) in relation to the reorganisation carried out in preparation for the initial listing of the Company's shares.

(iv) Capital reserve

Capital reserve represents the waiver of amount due to a substantial shareholder.

(v) Exchange reserve

Exchange reserve represents exchange differences relating to the translation of the net assets/liabilities of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) which are recognised directly in other comprehensive loss and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the deregistration of the foreign operations.

(vi) Fair value reserve (non-recycling)

Fair value reserve (non-recycling) comprises the cumulative net change in the fair value of investment in equity instruments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 2 to the consolidated financial statements.

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following list contains only the particulars of subsidiaries which, in the opinion of the directors of the Company, principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Details of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ quota capital	Attributable equity interest held by the Company 2026	2025	Principal activities and place of operation
Directly held by the Company					
Best Innovation (Hong Kong) Holdings Company Limited	Samoa, 19 January 2016	US$1,000,000	**100%**	100%	Investment holding, Hong Kong
Best Innovation Holdings Company Limited	Samoa, 16 December 2015	US$1,000,000	**100%**	100%	Investment holding, Hong Kong
City Key Group Limited@	BVI, 28 February 2022	US$1	**–**	100%	Investment holding, Hong Kong
Future Pop Limited@	BVI, 16 October 2017	US$1	**–**	100%	Investment holding, Hong Kong
Harmony Asia Holdings Company Limited	Samoa, 16 December 2015	US$1,000,000	**100%**	100%	Investment holding, Hong Kong
Mighty Trend International Holdings Limited@	BVI, 20 April 2022	US$1	**–**	100%	Investment holding, Hong Kong
Teloco Global Holdings Limited#	BVI, 10 February 2026	US$1	**100%**	–	Investment holding, Hong Kong
Indirectly held by the Company					
Best Innovation Limited	Hong Kong, 15 September 2009	HK$100,000	**100%**	100%	Provision of design, procurement and installation service of water circulation system, Hong Kong
Best Innovation Limited	Macau, 17 September 2014	MOP25,000	**100%**	100%	Provision of design, procurement and installation service of water circulation system, Macau

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ quota capital	Attributable equity interest held by the Company 2026	2025	Principal activities and place of operation
Harmony Asia Limited	Hong Kong, 3 November 2006	HK$200,000	**100%**	100%	Provision of design, procurement and installation service of water circulation system, Hong Kong
Jiayou (Beijing) Commercial and Trading Limited@	PRC, 30 July 2021	RMB50,000,000	**–**	51%	Provision of engineering, procurement and construction management services of commercial and residential infrastructures in PRC
Guangdong Haobai Construction Engineering Co., Ltd.*@	PRC, 12 August 2022	RMB10,000,000	**–**	100%	Provision of engineering, procurement and construction management services of commercial and residential infrastructures in PRC
Xiamen Ying Hui Investment Holding Company Limited*	PRC, 8 March 2023	RMB500,000	**–**	100%	Investment Holding, PRC
Shenzhen Jin Kai Culture Communication Company Limited*	PRC, 6 July 2021	RMB15,000,000	**–**	100%	Provision of construction management services
Shenzhen Teloco Tech Technology Co., Ltd*#	PRC, 10 March 2026	RMB1,000,000	**100%**	-	Investment Holding, PRC
Beijing Teloco Tech Technology Co., Ltd*#	PRC, 13 March 2026	RMB1,000,000	**100%**	–	Sales and supply chain business, PRC

These subsidiaries were newly incorporated during the year ended 31 March 2026.

@ These subsidiaries were disposed during the year ended 31 March 2026.

* For identification purpose only.

All of the above subsidiaries are limited liability companies. None of the subsidiaries had issued any debt securities during the year or at the end of the year.

39. EVENTS AFTER THE REPORTING PERIOD

Placing of New Shares under General Mandate

On 21 April 2026, 9,098,600 Placing Shares were successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK$0.38 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net proceeds from the Placing, after deducting the placing commission, professional fees and all related expenses from the Placing amounted to approximately HK$3.30 million, which are intended to be used as follows: (i) approximately HK$0.50 million for director remuneration; (ii) approximately HK$0.80 million for consulting and other professional expenses; (iii) approximately HK$0.20 million for audit fees; and (iv) the remaining approximately HK$1.80 million for other general working capital of the Group. Please refer to the announcements of the Company dated 25 March 2026, 31 March 2026 and 21 April 2026 for further information.

Termination of Very Substantial Disposal in relation to Factoring Agreement

On 27 June 2025, the Company entered into the factoring agreement with KNT GT Limited, pursuant to which the Company agreed to sell and KNT GT Limited agreed to acquire the Retention Receivables and Trade Receivables on a non recourse basis, with a factoring principal amount up to HK$18,000,000. Please refer to the announcement of the Company dated 27 June 2025 for further information. On 22 May 2026, the Company received a written notice from KNT GT Limited terminating the Factoring Agreement with immediate effect. Please refer to the announcement of the Company dated 22 May 2026 for further information.

Change in Use of Proceeds

On 29 May 2026, the net proceeds of Rights Issue of approximately HK$15.0 million originally allocated for the renovation and fitting-out project in China remain unutilised. The Board has resolved to change the use of HK$15.0 million net proceeds to, (a) approximately HK$13 million for a construction project awarded by the Sha Tin District Office; (b) approximately HK$1.5 million for a refurbishment project awarded by the Architectural Services Department; and (c) approximately HK$0.5 million for a renovation project awarded by the City University of Hong Kong. Please refer to the announcement of the Company dated 29 May 2026 for further information.

40. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the disclosure requirement in respect of the discontinued operation set out in note 35 to the consolidated financial statements. In addition, the comparative figures in the consolidated statement of profits or loss and other comprehensive income have been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the prior period.

41. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2026.

FINANCIAL SUMMARY

For the five years ended 31 March 2022, 2023, 2024, 2025 and 2026

Set out below is a summary of the results and a statement of net assets of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate.

RESULTS

	For the year ended 31 March				
	2026	2025	2024	2023	2022
Consolidated results	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**19,266**	24,505	21,884	15,596	6,458
Gross (loss)/profit	**(1,079)**	8,682	5,446	3,487	1,615
Loss before tax	**(30,083)**	(18,928)	(10,026)	(33,163)	(30,430)
Loss and total comprehensive expenses for the year	**(32,647)**	(19,394)	(10,726)	(33,207)	(30,430)

ASSETS AND LIABILITIES

	As at 31 March				
	2026	2025	2024	2023	2022
Consolidated assets and liabilities	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**46,280**	81,085	107,168	84,138	73,340
Total liabilities	**(32,395)**	(75,098)	(95,778)	(83,252)	(56,272)
Net assets	**13,885**	5,987	11,390	886	17,068