

友和YOHO

友和集團控股有限公司

YOHO GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2347



2024/25
Annual Report

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy (*Resigned on 22 July 2024*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Qian Sam Zhongshan

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia

AUDIT COMMITTEE

Mr. Ho Yun Tat (*Chairman*)

Dr. Leung Shek Ling Olivia

Mr. Man Lap

NOMINATION COMMITTEE

Mr. Wu Faat Chi (*Chairman*)

Dr. Qian Sam Zhongshan

Dr. Leung Shek Ling Olivia

REMUNERATION COMMITTEE

Dr. Leung Shek Ling Olivia (*Chairwoman*)

Ms. Tsui Ka Wing

Mr. Ho Yun Tat

STRATEGY AND INVESTMENT COMMITTEE

Mr. Man Lap (*Chairman*)

Mr. Wu Faat Chi

Ms. Tsui Ka Wing

Mr. Hsieh Wing Hong Sammy (*Resigned on 22 July 2024*)

COMPANY SECRETARY

Ms. Chan Sau Ling

AUTHORISED REPRESENTATIVES

Mr. Wu Faat Chi

Ms. Chan Sau Ling

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9A, Bamboos Centre

52 Hung To Road

Kwun Tong, Kowloon

Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited

COMPANY WEBSITE

www.yohohongkong.com

STOCK CODE

2347

FINANCIAL HIGHLIGHTS

	FY24/25 ^(Note 1)	FY23/24
Revenue (HK\$'000)	753,795	841,148
Profitability & Rates of Return:		
Gross profit (HK\$'000)	118,121	121,833
Gross profit margin	15.7%	14.5%
Profit and total comprehensive income for the year (HK\$'000)	20,466	22,304
Net profit margin	2.7%	2.7%
Return on equity ^(Note 3)	7.5%	8.1%
Adjusted net profit ^(Note 4) (HK\$'000)	21,577	23,379
Adjusted net profit margin ^(Note 5)	2.9%	2.8%
Adjusted return on equity ^(Note 6)	8.0%	8.5%
Earnings per share		
Basic (HK cents)	4.13	4.46
Diluted (HK cents)	4.13	4.46
Dividends per share (HK cents)	3.00	3.00
Payout ratio ^(Note 7)	72.6%	67.3%
Liquidity:		
Net cash position (HK\$'000)	191,515	230,889
Gearing ratio ^(Note 8)	N/A	N/A
Current ratio ^(Note 9)	4.4	4.2
Debt-to-assets ratio ^(Note 10)	23.8%	26.3%

Notes:

1. FYX/Y refers to the financial year ended on 31 March of the year Y. For example, "FY24/25" refers to the year ended 31 March 2025.
2. Net profit margin is calculated as profit and total comprehensive income for the year divided by revenue.
3. Return on equity is calculated as profit and total comprehensive income for the year divided by total equity as at year ended date for the respective financial year.
4. Adjusted net profit is defined as non-HKFRS Accounting Standards measures as profit and total comprehensive income for the year adjusted by share options grant to directors and certain employees of the Company.
5. Adjusted net profit margin is calculated as adjusted net profit divided by revenue.
6. Adjusted return on equity is calculated as adjusted net profit divided by total equity as at year-ended date for the respective financial year.
7. Payout ratio is calculated as dividends per share divided by earnings per share.
8. Gearing ratio is calculated as interest-bearing gross debt (including bank overdraft) divided by total equity at the end of the year.
9. Current ratio is calculated as total current assets divided by total current liabilities.
10. Debt-to-assets ratio is calculated as total liabilities divided by total assets.

OPERATIONAL HIGHLIGHTS

	FY24/25	FY23/24
Gross merchandise value (the “ GMV ”) ^(Note 1) (HK\$ million)	848.1	926.3
Number of registered members ^(Note 2)	1,224,000	1,108,000
Number of orders intake ^(Note 3)	433,000	475,000
Basket value ^(Note 4) (HK\$)	1,960	1,948

Notes:

1. The “GMV” for a particular financial year is equivalent to the total gross sales dollar value of all relevant orders intake for products and services during that financial year, regardless of whether the products and services are delivered, returned or cancelled; before deductions for discounts offered by us and set-offs by virtue of conversion of membership points; and inclusive of shipping and handling charges, duty and taxes.
2. An individual may enroll as a “registered member” through our e-commerce platform at www.yohohongkong.com (desktop version) or m.yohohongkong.com (mobile version) (the “**Yoho E-commerce Platform**”) as a prerequisite to the placement of any order on the platform), or upon a purchase completed at any of our retail stores (as he/she wishes).
3. The “number of orders intake” for a particular financial year consists of orders placed with us, orders made by our customers at our retail stores, and orders from consumers received via online redemption platform(s) of third-party reward scheme(s) and third-party online marketplaces during that financial year.
4. The “basket value” for a particular financial year is calculated by dividing our GMV by the number of orders intake during that financial year.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Over the year ended 31 March 2025 (the “**Reporting Period**” or the “**Year**”), Hong Kong’s retail sector has undoubtedly faced unprecedented challenges. Amid persistent macroeconomic headwinds, ever-evolving consumer behaviors, and intensifying market competition, the operating environment has been fraught with difficulty. Nevertheless, Yoho Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has remained steadfast, turning pressure into a catalyst for innovation. We have dedicated substantial resources to advancing strategic initiatives, fortifying our core competencies, and charting a clear path for future growth. Most notably, even in such challenging times, we have successfully maintained robust financial performance through precise strategic recalibrations, disciplined cost control, and outstanding execution. This achievement not only underscores our robust resilience in the face of adversity but also reaffirms our steadfast commitment to delivering sustainable value for the Company’s shareholders (the “**Shareholders**”) in a dynamic market.

ADVERSITIES IN HONG KONG’S RETAIL SECTOR

Northbound Spending and Outbound Tourism by Hong Kong Residents

Hong Kong residents’ consumption patterns have experienced a structural shift in recent years, with northbound spending evolved from a post-pandemic blip into a sustained trend. Attracted by lower price levels in Greater Bay Area cities, many locals now spend both weekdays and weekends across the border, diverting a portion of their domestic retail expenditure offshore. Moreover, outbound travel has surged during the Year, redirecting a portion of spending that would have supported local retailers to overseas markets and further shrinking the share of consumer spending captured by domestic retailers. This enduring behavioral shift poses a fundamental structural challenge for the city’s brick-and-mortar retailers.

Sustained Appreciation of the Hong Kong Dollar

The continued strength of the Hong Kong dollar against major global currencies has significantly enhanced the overseas purchasing power of Hong Kong residents. This has not only increased the appeal of foreign goods but also indirectly driven both the frequency and scale of cross-border consumption. The sustained appreciation of the Hong Kong dollar is expected to exert a lasting impact on Hong Kong’s retail sector.

Property Market and Household Wealth

A significant share of household wealth in Hong Kong is concentrated in real estate assets. Persistently high interest rates over the Year have placed considerable pressure on the local property market, leading to downward pressure in asset prices and heightened uncertainty. These factors have directly undermined the wealth effect and consumer confidence. As households experience asset depreciation and diminished wealth, consumers naturally become more cautious, scaling back discretionary expenditures and prioritizing essential needs or savings. This negative wealth effect ultimately constrains overall consumption capacity and dampens the propensity to spend.

CHAIRMAN'S STATEMENT

Potential Economic Downcycle

Amid current macroeconomic trends and heightened global uncertainties, there is a perception among certain analysts that Hong Kong may face a sustained decline in property prices and that household income may experience slower growth or even contraction in the coming years. Should these expectations materialize, residents' disposable income and the wealth base will be further compressed, exerting long-term pressure on consumption capacity and consumer sentiment. This outlook signals prolonged structural challenges for the retail sector, necessitating deeper industry transformation and strategic realignment in response.

Presence of Cross-Border E-Commerce Platforms

The presence of cross-border e-commerce platforms in the Hong Kong market is by no means a recent phenomenon. As early as 2013, when the Group was established, it was already common for Hong Kong consumers to shop via cross-border e-commerce platforms, demonstrating sustained consumer demand for such platforms in Hong Kong. However, cross-border e-commerce has neither fully displaced local retailers nor become the dominant retail model. Nevertheless, the ongoing influx of new cross-border e-commerce entrants has inevitably eroded some market share and intensified competition in the local retail sector, putting less competitive retailers at risk of being eliminated. There have been ongoing discussions and various proposals from both industry players and the HKSAR government regarding the regulation of cross-border e-commerce platforms, with the objective of ensuring compliance with Hong Kong's regulations and addressing the current unfair competitive environment. While much market attention is focused on this issue, in my view, these platforms are largely dividing the existing cross-border e-commerce segment among themselves, and their overall impact is less significant than the four key factors outlined above. If these four challenges can be effectively addressed in the future, Hong Kong's retail market could be poised for a renewed upward cycle.

GROUP'S STRATEGIC RESPONSE AND INITIATIVES

In the face of unprecedented market challenges, the Group has taken decisive action over the Year, launching a series of critical strategic initiatives aimed at reinforcing our core competitiveness, elevating customer value, and positioning the business for sustained future growth. These measures reflect not only our agility in adapting to a rapidly changing environment but also our steadfast commitment to operational excellence.

Profitability as a Strategic Priority

Over the Year, we have strategically prioritized the expansion of high-margin product lines while systematically phasing out selected low-margin offerings. This deliberate portfolio optimization is designed to enhance our overall gross margin and drive greater operational efficiency by reducing costs associated with lower-margin businesses, such as warehousing, logistics, and manpower. By reallocating resources and management attention to business areas with greater long-term growth potential and profitability, we are not only responding to immediate market pressures but also strengthening the Group's long-term resilience and capacity for sustainable profitability.

CHAIRMAN'S STATEMENT

Sustained Growth of the Marketplace Model (the “3P Model”)

The Group's 3P Model has continued to serve as a key growth catalyst during the Year, enabling us to rapidly and flexibly expand both the breadth and depth of our product assortment, while avoiding substantial inventory risk. In contrast to many price-driven platforms in Hong Kong, our 3P Model is deliberately positioned toward mid- to high-end, quality-driven products. We focus on attracting merchants and categories with strong brand equity, robust supply chains, or distinct product differentiation while steering clear of highly commoditized categories characterized by low prices and thin margins. Currently, the YOHO e-commerce platform features over 100,000 stock keeping units (“SKUs”), with approximately 70% contributed by the 3P Model, demonstrating its scalability and strategic significance. Moving forward, we will further empower our 3P merchants by leveraging value-added services such as in-platform advertising, third-party logistics (“3PL”) solutions, and data analytics, facilitating them to accelerate local sales growth and enhance business performance.

YOHO First Paid Membership Program

In August 2024, the Group introduced YOHO First, a paid membership program. While such initiatives remain relatively uncommon in the Hong Kong retail market, this program draws on successful models established in Mainland China and overseas. For an annual fee of HKD399, members gain access to a suite of exclusive benefits, including members-only discounts, limited-time coupons, priority access to pre-order products, and price guarantees. By adopting a tiered membership structure, the program enables more sophisticated customer segmentation, allowing us to tailor the experience based on the preferences and behavioral patterns of different member segments. Since its launch, YOHO First has achieved steady growth in membership, with uptake driven by loyal customers who make frequent purchase, consumers undergoing major purchase cycle, such as relocation or renovation, and value-driven buyers seeking tangible savings through exclusive member privileges.

Flash Delivery

With the advent of new retail (“**New Retail**”), order fulfillment has shifted from a purely operational function to a key factor in enhancing customer satisfaction, increasing organizational agility, and building competitive advantage. In April 2025, the Group rolled out the Flash Delivery service aimed at strengthening our last-mile delivery capabilities to offer customers same-day delivery and an ultra-fast, seamless post-purchase experience. The service features a tiered, scenario-based fulfillment model, customizing delivery speed, location, and inventory access to specific customer requirements for a more personalized and efficient logistic experience.

Acquisition of J SELECT

In September 2024, the Group completed its first strategic acquisition since its listing on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), acquiring J SELECT, a premium global lifestyle retailer formerly under the Jebsen Group. The transaction was settled through a combination of cash and 1,516,000 newly issued shares of the Company, with the consideration shares priced at HKD1.00 each, representing a 66.67% premium over the closing price of shares of the Company on the Stock Exchange on the acquisition agreement signing date. J SELECT is now positioned as the Group's high-end retail division, further enriching our product portfolio and enabling our expansion into high-margin, underpenetrated categories such as beauty and health. The acquisition also strengthens the Group's online-merge-offline (“**OMO**”) capabilities, supporting more refined and targeted customer engagement strategies. Integration efforts are already underway to capitalize on J SELECT's brand equity and its base of over 600,000 affluent loyalty members, driving dual-brand synergies, expanding market reach, and deepening our presence in key verticals.

CHAIRMAN'S STATEMENT

Mobile Application

While our existing web platform has long supported robust mobile access, the Group has taken a measured approach in the timing of the launch of our dedicated mobile application (the “YOHO App”). Developed as a performance-driven asset, the YOHO App is designed to elevate customer experience, increase platform stickiness, and boost customer lifetime value. Its rollout was strategically timed to capitalize on several key strategic drivers. With the Group's product portfolio now spanning 20 major categories, the increased breadth and complexity have created greater opportunities for cross-category selling, personalized engagement, and repeat purchases. The YOHO App was launched in May 2025 and is now available for download on all major app stores in Hong Kong.

Share Repurchases and Sustained Dividend Payments

Despite short-term challenges, the Group has maintained a robust financial position, underpinned by strong cash reserves and a healthy balance sheet. Its financial resilience has empowered the Group to deliver consistent capital returns to Shareholders while preserving full operational and strategic agility. Following a rigorous assessment of liquidity, investment opportunities, and prevailing market conditions and guided by the belief that the Group's share price did not fully capture its intrinsic value or long-term growth trajectory, the Group repurchased approximately 5.9 million shares on the Stock Exchange during the Year. In addition, the board of directors of the Company (the “Board”) has proposed a final dividend of HK\$0.015 per share, reflecting continued confidence in its fundamentals and earnings sustainability. Including the interim dividend of HK\$0.015 per share paid during the Year, the total dividend for the Year amounts to HKD0.030 per share, underscoring the Group's strong commitment to delivering shareholder value and confidence in its long-term prospects.

CORE STRATEGIC PILLARS AND OUTLOOK

Amidst the structural transformation and challenges within Hong Kong's retail landscape, the Group remains unwavering in its commitment to driving profitability and building enduring resilience. I wish to take this opportunity to reaffirm our core strategies.

Reinforcing the Direct-to-Consumer Platform (the “1P Model”) Strengths to Anchor Profitability

We will continue to leverage the 1P Model as our primary revenue engine and profit cornerstone, with a strategic focus on core categories such as electronics and home appliances. These segments demand high standards in quality, authenticity, and after-sales service, which together constitute a formidable competitive moat for us. With full control over our product supply chain, we can effectively ensure both product quality and service excellence, particularly in complex product categories such as major appliances, where we deliver a reliable, end-to-end customer experience from measurement and delivery to installation and after-sales support.

Strategic Expansion of the 3P Model for Scalable, High-Quality Growth

The 3P Model stands as a catalyst for our long-term growth and category diversification. It not only serves as a strategic mechanism to identify high-potential products but also empowers us to rapidly and flexibly expand our assortment while effectively managing inventory risks. We remain committed to cultivating partnerships with merchants who demonstrate strong brand equity, robust supply chains, and unique product differentiation, thereby upholding platform quality, strengthening unit economics, and enhancing customer trust and enduring brand value.

CHAIRMAN'S STATEMENT

Proactive Expansion of Cross-Border Business to Unlock New Horizons

We are actively developing our cross-border operations, with the ambition to become the gateway of choice for products sourced from Hong Kong and worldwide entering the Mainland China market. Leveraging on Hong Kong's unique role as a global sourcing hub and free trade port, combined with our rapidly maturing e-commerce and logistics infrastructure, we are well placed to accelerate the flow of premium "Hong Kong-imported" products into the Mainland China. Simultaneously, we will be taking a reciprocal approach by supporting high-quality Mainland Chinese products to reach international markets through Hong Kong's trusted infrastructure and extensive global network.

Continued Investment in Innovation and Technology to Empower Customer Experience and Operational Efficiency

We firmly believe that future retail leadership will be defined by the seamless integration of intelligence and agility across the value chain. The Group has been at the forefront of investing in foundational pillars such as artificial intelligence ("AI") and automation, OMO, personalization, and responsive supply chain management. Through initiatives including Flash Delivery, the new YOHO App, and the omnichannel integration of J SELECT, we are continuously optimizing the customer experience and driving operational excellence. These advancements empower us to deliver a seamless, intelligent, and data-driven shopping journey.

EMERGING MARKET OPPORTUNITIES FOR THE GROUP

Hong Kong's Role and Opportunities Amid Trade Tensions

In the midst of complex and evolving global geopolitical and trade dynamics, exemplified by the trade frictions initiated under U.S. President Trump's administration, Hong Kong's unique and irreplaceable value as a free trade port has become increasingly clear. In an era of heightened international trade tensions, the global market requires an efficient and trustworthy gateway to access Mainland China, while Mainland enterprises need a robust platform to export their products worldwide. Hong Kong, with its robust legal framework, advanced financial ecosystem, highly efficient logistics infrastructure, and reputation as an international arbitration hub position, is ideally positioned to fulfill this pivotal conduit. As a Hong Kong-rooted e-commerce platform, the Group is strategically poised to seize this historic opportunity, striving to serve as a critical nexus between global supply and Mainland demand, while simultaneously empowering premium Mainland products to access international markets, thereby transforming challenges into powerful growth drivers for our cross-border e-commerce business.

New Possibilities Driven by Web3 Frontier

We are witnessing the steady maturation of Web3 technologies and ecosystems, which are showing increasing potential across traffic generation, digital currency applications, and core infrastructure. Of particular note is the HKSAR Government's proactive stance in championing Web3 development globally, with a vision to establish Hong Kong as a leading international virtual asset hub. As a Hong Kong e-commerce platform, we recognize the significant strategic opportunities emerging from the advancement of the Web3 ecosystem. The evolution has the potential to fundamentally transform consumer experiences, redefine payment systems, and give rise to entirely new business models and modes of customer engagement. The Group will continue to monitor and actively explore Web3 applications to drive platform efficiency, deepen user engagement, and fuel future innovation-led growth.

CHAIRMAN'S STATEMENT

Strategic Planning in Southeast Asia Market

As highlighted in our previous discussions, the Southeast Asian region holds significant economic growth potential. Its substantial population, expanding middle class, and rapidly increasing digital adoption make it an ideal market for retail development. While this represents a long-term strategic initiative, the Group will continue to allocate resources in a targeted and measured manner to establish essential networks and infrastructure, laying a solid foundation for future expansion in the region. We will proceed with prudence and determination, ensuring every investment creates enduring strategic value and positions the Group to capture future exponential growth opportunities.

CONCLUDING REMARKS AND ACKNOWLEDGEMENTS

Lastly, on behalf of the Board, I would like to express my heartfelt appreciation to our dedicated employees and management team for their exceptional commitment over the Year. We are equally grateful to our customers, business partners, and shareholders for your steadfast trust and support. Your confidence remains our greatest motivation in the pursuit of excellence. Looking ahead, we remain firmly committed to upholding the highest standards of transparency and accountability, while advancing our mission to deliver sustainable, long-term value for all stakeholders.

Wu Faat Chi

Chairman and Executive Director

26 June 2025

MAJOR MILESTONES AND EVENTS

The overview of the major business milestones accomplished by the Group is presented below:

2014 ▶



- In March, we created the “友和 YOHO” YouTube Channel to enhance our digital presence. As of this annual report’s date, “友和 YOHO” YouTube Channel recorded a total of 11 million views, of which our flagship advertising campaign video – “Mr. Yoho is coming! Muscular Brothers – Mr. Yoho wants to define ‘convenience’...”, has captivated audiences with over 425,000 views.
- We introduced our first Double 11 Shopping Festival in November, positioning us as a pioneer of large-scale Double 11 promotions among Hong Kong’s e-commerce landscape.

◀ 2013

- Established in 2013, the Group started to engage in OMO retail business by launching the Yoho E-commerce Platform and opening our first physical store in Kwun Tong.



◀ 2015

- In June, we introduced Iris Ohyama, a 60-year-old Japanese brand, and also introduced the dust mite vacuum cleaner, an innovative product, to Hong Kong and Macau markets. Iris Ohyama has been one of the best-selling brands on the Yoho E-commerce Platform.



2016 ▶



- We conducted a comprehensive upgrade on our data processing system to synchronise online and offline information, including those relating to our members, products and discounts available to our customers.
- We introduced the viewing of real-time stock level by our customers on the Yoho E-commerce Platform.

◀ 2017

- We reached more than 100,000 registered members on the Yoho E-commerce Platform by the end of 2017.
- We became a loyal supporter of the Make-A-Wish programme launched by the Hong Kong Christian Service, which supports grassroots families in Hong Kong.



2018 ▶



- We launched the “Auto-pricing System” to monitor and adjust the price of our products automatically.
- In July, the Yoho E-commerce Platform had over 20,000 SKUs.

MAJOR MILESTONES AND EVENTS

2020



- In November and December, we collaborated with HSBC to offer customers discounts for reaching a certain spending amount during the Double Eleven and Double Twelve online shopping festivals. The collaboration resulted in a record-breaking year-on-year growth of over 200% in November monthly sales.

2019

- We obtained pre-IPO investments for a total amount of HK\$40,000,000 from Biz Cloud Investments Limited ("**Beyond Ventures Vehicle**") and The Innovation and Technology Venture Fund Corporation ("**ITVFC**").



- In November, we were awarded the "Deloitte HK Top 10 Tech Fast Award".
- We opened our flagship store in Cheung Sha Wan.



- We introduced digital price tags at our retail stores to achieve automatic synchronisation of pricing information on the Yoho E-commerce Platform and at our retail stores.

2021



- In March, we had 500,000 registered members and the Yoho E-commerce Platform was the most-visited electronic and home appliances e-commerce platform with the highest online retail sale volume in Hong Kong. (Source: Frost & Sullivan)
- In May, pre-IPO investors (*note 1*) subscribed for a total of 15,031,101 series A convertible preferred shares of our Company (the "**Series A Preferred Shares**") at a total consideration US\$8,250,000.

Note:

- IWS refers to the 2021 Pre-IPO New Shares Investors (as defined in the prospectus of the Company dated 26 May 2022 (the "**Prospectus**")), comprising (1) Japan Home Centre (Management) Ltd; (2) Method King Limited; (3) Triple Gold Enterprise Limited; (4) Cell Rising Capital (BVI) Limited; (5) EVO Fund; (6) Wealth Power Asia Investment Ltd; (7) Ms. Chiu Wing Kwan Winnie; (8) Ms. Chiu Jennifer Wendy; (9) Mr. Hoong Cheong Thard; (10) Mr. Adamczyk Alexis Thomas David (one of our non-executive Directors, resigned on 2 February 2024); (11) Mr. Rondouin Hugues Louis Gabriel; (12) Ms. Lam Suk Ling Shirley; (13) Infinity Evergreen Limited; (14) Mr. Chiu Ka Kui Kenneth; (15) Mr. Leung Hon Fai Kevin; (16) Mr. Tsoi Yiu Ting; (17) Mr. Wu Arthur; (18) Mr. Wu Shang Hong Jason; (19) Ms. Li Ying; (20) Ms. Geffner Xin Yue Jasmine; and (21) Ms. Shi Huiting.

MAJOR MILESTONES AND EVENTS

2022 ▶

- In February, we were awarded the Caring Company Logo 2021/22 by The Hong Kong Council of Social Service.
- On 10 June, our Company became the first B2C e-commerce platform successfully listed on the Main Board of the HKEX.



- In October, we opened our largest flagship store in Causeway Bay, spanning 12,000 square feet on the 9th floor of Hang Lung Centre. Our offline retail network now covers Kowloon East, Kowloon West and Hong Kong Island.
- In November, we launched our 3P Business Model, where quality third-party merchants may sell their products that are beyond the categories we offer under our 1P Business Model, through the Yoho E-commerce Platform.

◀ 2023

- In February, we were awarded the Caring Company Logo 2022/23 by The Hong Kong Council of Social Service for the second consecutive year.
- On 13 March, we marked our 10th anniversary and launched a series of thanksgiving campaigns throughout March.
- In March, we launched a strategic partnership with JHC to offer free pickup services at 30 JHC stores across Hong Kong in the first phase of the partnership, with a guarantee of "Same-day Collection".
- In May, we were awarded the 12th Junzi Corporation Award by The Hang Seng University of Hong Kong which recognizes companies that embrace ethical business values and promote the five virtues of "Benevolence, Righteousness, Propriety, Wisdom, and Trustworthiness".
- The number of YOHO registered members has officially surpassed 1 million, marking a significant milestone in our journey.



MAJOR MILESTONES AND EVENTS

2024 ▶



- In February, we launched the Yoho AI Assistant, a pioneering personal AI shopping assistant that marked a pivotal milestone in our AI e-commerce roadmap. As an early adopter of AI in Hong Kong retail, we are building scalable personalization capabilities to enhance conversion, engagement, and operational efficiency.
- In March, to celebrate YOHO's 11th anniversary, we introduced a citywide "Best Price Guarantee" campaign. We pledged to refund the price difference if customers found lower prices elsewhere, reinforcing our commitment to customer value and trust.

- In August, we launched YOHO First, the first paid membership programme of its kind in Hong Kong's retail sector, offering exclusive benefits for an annual fee of HK\$399. As a strategic step toward developing a paid membership-based ecosystem, the programme is designed to drive recurring revenue, strengthen customer stickiness, and support sustainable margin expansion through effective loyalty monetization.



- In September, we completed our first strategic acquisition since listing, acquiring J SELECT, a premium global lifestyle retailer formerly under Jebsen Group. The move supports our dual-brand strategy and strengthens our presence in the beauty, health, and lifestyle segments.



◀ 2025

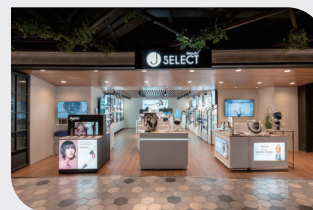
- In April, we launched Flash Delivery, a next-generation logistics service that enhances our last-mile infrastructure. It offers same-day delivery, same-day pickup, and 3-hour warehouse-to-store transfers, providing a seamless and ultra-fast fulfillment experience.



- In June, we officially launched the YOHO App. With our expanded portfolio spanning 20 major product categories and the integration of AI technology, the app is designed to further drive cross-category selling and foster habitual browsing and personalized engagement within a mobile-first context.



- In June, we opened our first J SELECT Beauty concept store at K11 MUSEA, marking a strategic step in expanding into the beauty, skincare, and health segments. Designed as an immersive experience hub offering personalized consultations and interactive product demonstrations, the store enhances our offline experiential strategy and further integrates our OMO capabilities.
- As of the date of this annual report, our registered member base exceeded 1,270,000.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERALL PERFORMANCE

During the Year, Hong Kong's retail sector continued to face significant headwinds. Prolonged macroeconomic volatility and persistently high interest rates weighed heavily on consumer confidence, leading to more restrained spending behaviors and heightened price sensitivity, particularly across discretionary categories.

Amid this evolving landscape, the rise of value-driven consumption further entrenched the trend of cross-border spending, with northbound expenditure by Hong Kong residents transitioning from a post-pandemic phenomenon to a sustained trend. Driven by comparatively lower price levels in the Mainland China and the strong Hong Kong dollar enhancing purchasing power in RMB terms, major Mainland cities became preferred hubs for lifestyle consumption among Hong Kong residents. This sustained diversion of spending posed a material structural challenge to Hong Kong's domestic retail market. According to the Census and Statistics Department, total retail sales in Hong Kong declined by approximately 6.5% year-on-year to HK\$396.3 billion during FY24/25, with discretionary categories showing particular weakness in line with soft consumer sentiment.

In parallel, the local competitive landscape markedly intensified with a growing number of Mainland Chinese brands accelerating their expansion into the Hong Kong market. Backed by agile pricing strategies and aggressive short-term promotions, these new entrants swiftly gained traction among local consumers. The market dynamics exacerbated margin pressures and contributed to an increasingly crowded and price-sensitive retail environment during the Year.

Against this backdrop, the Group's sales performance was inevitably affected by the deteriorating macroeconomic conditions and weak domestic demand. In response, the Group recalibrated its business strategy, placing a sharper focus on profitability and long-term resilience. This strategic shift involved prioritizing higher-margin product lines and systematically phasing out lean-margin items, even including those with high sales velocity but very limited bottom-line contribution. As a result of both external pressures and deliberate internal optimization, the Group recorded a year-on-year decline in GMV and revenue, which stood at approximately HK\$848.1 million and HK\$753.8 million, respectively, for FY24/25. Nevertheless, our gross margin improved significantly to 15.7%, reflecting the effectiveness of our refined product mix and disciplined margin management.

Despite a subdued retail environment, the Group remained committed to investing in strategic initiatives aimed at reinforcing its long-term ecosystem and competitive positioning. Key investments during the Year included the development of the YOHO App, the foundational build-out of cross-border business infrastructure, and technology enhancements to the 3P system. While these reinvestments inevitably impacted short-term profitability, the Group's disciplined focus on operational efficiency and rigorous cost management enabled it to sustain a relatively stable adjusted net profit of approximately HK\$21.6 million during the Year.

Despite near-term challenges, the Group maintained a strong financial position, underpinned by ample cash reserves and a healthy balance sheet. This resilience allows the Group to continue capital returns without compromising operational or strategic flexibility. Following a comprehensive assessment of the Group's liquidity, investment opportunities, and prevailing market conditions and based on the belief that its share price did not fully reflect its intrinsic value or long-term growth potential, the Group repurchased a total of approximately 5.9 million shares on the Stock Exchange in FY24/25. Concurrently, the Board has recommended a final dividend of HK\$0.015 per share, demonstrating its continued confidence in the Group's fundamentals and earnings sustainability. Including the interim dividend of HK\$0.015 per share, the total dividend for FY24/25 amounts to HK\$0.030 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Strategic Initiatives in FY24/25 and Post-Year-End Developments

The Group adopted a long-term mindset, implementing a series of targeted initiatives during the Year aimed at delivering differentiated customer value, strengthening core capabilities, and driving sustainable competitive advantage.

Launch of Upgraded Logistics Service – Flash Delivery

In the era of New Retail, fulfillment has evolved from a traditional backend operation into a strategic enabler of customer satisfaction, operational agility, and competitive differentiation.

In April 2025, the Group launched Flash Delivery, a next-generation logistics service aimed at upgrading our last-mile infrastructure and delivering an ultra-fast, seamless post-purchase experience. Flash Delivery adopts a tiered, scenario-based fulfillment model, aligning delivery speed, location, and inventory availability with specific customer needs to enable a more personalized and efficient experience. Key service features include:

- i) Same-Day Delivery: For orders completed before 11:00 AM, same-day delivery will be available.
- ii) Same-Day Pickup at 1,000+ SF locations citywide: For orders completed before 11:00 AM, same-day pickup will be available at SF Stores, smart lockers, and service centers.
- iii) Same-Day Japan Home Centre (“JHC”) In-Store Pickup: For orders completed before 10:30 AM, same-day pickup will be available at 30 JHC branches citywide.
- iv) 1-Hour YOHO In-Store Pickup: For items shown as in-stock on the YOHO e-commerce platform, in-store pickup will be available at the selected store within 1 hour.
- v) 3-Hour Warehouse-to-Store Pickup: For items temporarily unavailable at the chosen YOHO store, the stock will be swiftly transferred from the warehouse. For orders completed by 12:00 noon, same-day pickup will be available after 3:00 PM.
- vi) Next-Day Delivery of Major Appliances: For orders completed before the designated cut-off time, next-day delivery is available for major appliances such as TVs, washing machines, and refrigerators, resolving common consumer pain points around delayed or complicated delivery of bulky items.

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Acquisition of J SELECT

In September 2024, the Group completed its first strategic acquisition since its listing on the Stock Exchange, acquiring J SELECT, a premium global lifestyle brand retailer formerly under the Jebson Group. The transaction was executed through a combination of cash and 1,516,000 newly issued shares of the Company, with the consideration shares issued at HK\$1.00 per share, representing a 66.67% premium over the closing share price of shares of the Company on the Stock Exchange on the acquisition agreement signing date.

The acquisition marked a pivotal milestone in the Group's strategic roadmap, promoting the development of a dual-brand strategy. Positioned as the Group's premium retail arm, J SELECT enhances our portfolio depth and facilitates entry into high-margin, underpenetrated categories such as beauty, health, and lifestyle. It also elevates the Group's OMO capabilities, enabling a more segmented and sophisticated customer engagement approach.

During the Year, the Group began integrating J SELECT's brand equity and its loyal member base of over 600,000 affluent consumers to drive cross-brand synergies, broaden market reach, and deepen presence in key verticals.

Establishment of J SELECT Beauty Concept Store at K11 MUSEA

In mid-June 2025, the Group opened its first J SELECT Beauty concept store at K11 MUSEA, marking a strategic step in expanding our footprint in the high-potential beauty, skincare, and health segment. As demand grows for at-home professional care and beauty-tech solutions, consumers are increasingly seeking technology-enabled treatments and internal wellness support. Positioned at the intersection of these fast-evolving trends, the new store leverages the Group's global supply chain strength to introduce a curated portfolio of in-demand premium international beauty products encompassing beauty devices, skincare solutions, and beauty-related supplements.

To effectively capture this evolving demand, product selection alone is no longer sufficient. Experience-driven conversion has become a key differentiator as how consumers engage with the brand grows increasingly critical. The J SELECT Beauty concept store is designed not merely as a conventional point of sale, but as an immersive discovery and engagement hub. Beyond curated displays and product education, the store features in-house beauty advisers who offer personalized consultations and live product demonstrations, allowing customers to physically experience the efficacy of products, which in turn boosts confidence and drives purchase decisions.

The new concept store is a practical demonstration of the Group's offline experiential strategy while contributing to the ongoing advancement of its OMO capabilities. By enhancing physical touchpoints and deepening engagement, J SELECT aims to evolve from a product-centric retailer into a customer-centric platform built around experience, trust, and value.

MANAGEMENT DISCUSSION AND ANALYSIS

Launch of the YOHO App

The launch of a standalone mobile application has long been on the Group's agenda. However, since mobile accessibility has already been well supported through our web platform, we were never in a rush to launch. Instead, we deliberately waited for the optimal timing when we were confident that the YOHO App could generate distinctive and incremental value beyond what our existing infrastructure already delivers, both in terms of user experience and long-term commercial impact. Far from being a redundant extension, the YOHO App has been architected as a performance-driven asset, designed to elevate customer experience, deepen platform stickiness, and enhance customer lifetime value.

Launched on the Hong Kong app stores in May 2025, the timing of the launch reflects the convergence of several key strategic drivers. First, with the Group's product portfolio now spanning 20 major categories, the increased breadth and complexity of our offerings have created expanded opportunities for cross-category selling, personalized engagement, and repeat purchases, while also supporting the cultivation of habitual browsing behaviors. These evolving patterns present new opportunities for high-frequency, high-value interactions that a native app is uniquely positioned to deepen and scale.

Second, the Group has achieved successful implementation of AI-powered features, including tailored product recommendations and automated product information summarization, on the web platform since last year. These capabilities have demonstrated measurable improvements in both conversion and user experience. With these AI technologies now operationally stable and validated, the Group is ready to extend and scale them through the YOHO App, enabling a seamless, intelligent, and data-enriched experience in a mobile-native context. Taken together, these factors lead to a strategically aligned and timely inflection point for the launch.

Launch of YOHO First Membership Program

In August 2024, the Group launched YOHO First, a paid membership scheme that remains relatively rare among Hong Kong retailers. The initiative drew inspiration from the widespread success of similar models in Mainland China and overseas markets where consumers increasingly embrace access-based loyalty in exchange for exclusivity, savings, and convenience. While not yet widely adopted locally, the Group identified a strategic opportunity to differentiate its offering by introducing a more exclusive, benefit-led experience aimed at strengthening customer loyalty, enhancing perceived value, and deepening engagement with high-intent and high-frequency shoppers.

For an annual enrollment fee of HK\$399 via the YOHO e-commerce platform, members are granted immediate access to a suite of premium privileges, including YOHO First discounts, limited-time coupons, early access to pre-order items and price guarantee.

The tiered membership structure supports more granular customer segmentation, allowing the Group to deliver personalized experiences aligned with the preferences and behavioral patterns of distinct member cohorts. It also enhances the Group's data analytics and marketing precision, providing deeper insights into customer behavior and targeted campaigns that drive conversion and retention.

Since its launch, YOHO First has seen steady growth in enrollments, primarily appealing to three key segments which are loyal high-frequency YOHO shoppers, customers undergoing major purchase cycles such as relocation or renovation, and value-driven buyers seeking substantial savings through membership-linked benefits.

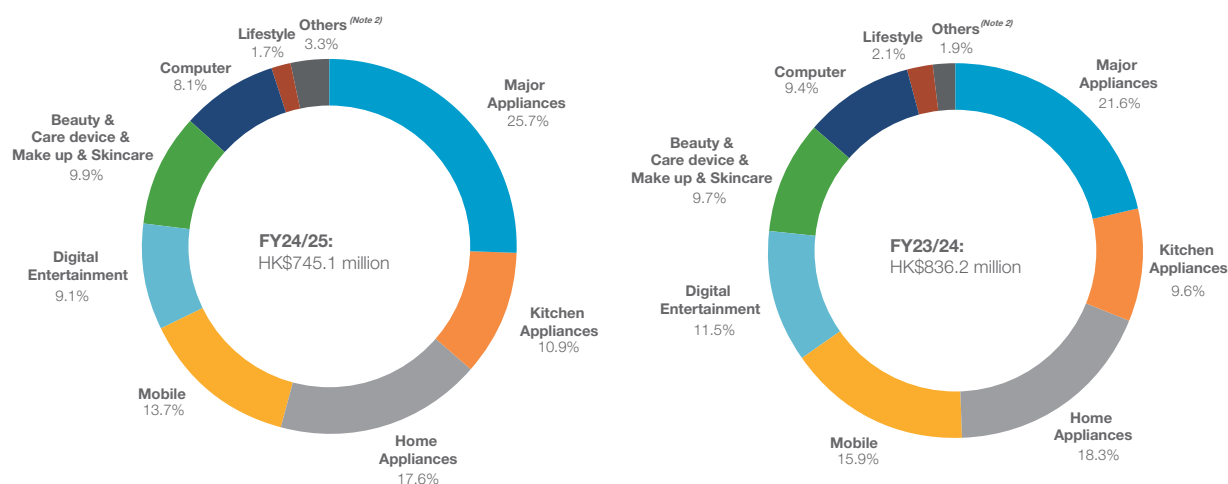
MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE

Our GMV and revenue decreased by approximately 8.4% and 10.4%, respectively, for FY24/25 compared to FY23/24.

In terms of product category, the below graph demonstrated the diversity in our product offering to satisfy customers' demand.

Revenue breakdown by product category ^(Note 1)



Notes:

1. Excluding revenue generated from the provision of advertising services.
2. Others refers to Toys, Personal care, Household, Health & Wellness, Mother & Baby, Supermarket, Menswear, Womenswear, Kidswear, Pet Supplies, Wine & Spirits, Book & Culture and other products & services.

BUSINESS HIGHLIGHTS

We operate a dynamic OMO business model under two complementary brands, YOHO and J SELECT, each strategically positioned to serve distinct customer segments and drive growth. YOHO is our flagship brand targeting the mass market with a focus on competitive pricing and an extensive product range. Its offerings span electronics and appliances, beauty and skincare, health and wellness, household, mother and baby, pet supplies, wines and spirits, and toys. With a strong presence across online and offline channels, YOHO operates the robust YOHO E-commerce Platform and three expansive retail stores located in key districts (Kwun Tong, Causeway Bay, and Cheung Sha Wan). J SELECT elevates our portfolio by focusing on mid-to-high-end consumers, offering a curated selection of premium beauty devices, lifestyle products, and cutting-edge gadgets. Its presence extends online through the J SELECT e-commerce platform (jselect.com) and offline with a premium retail store in Popcorn Mall, Tseung Kwan O. Our dual-brand strategy underscores our dedication to capturing diverse consumer segments and unlocking new opportunities by leveraging differentiated market positioning, advanced retail technology, and forward-thinking innovations.

MANAGEMENT DISCUSSION AND ANALYSIS

OMO BUSINESS MODEL

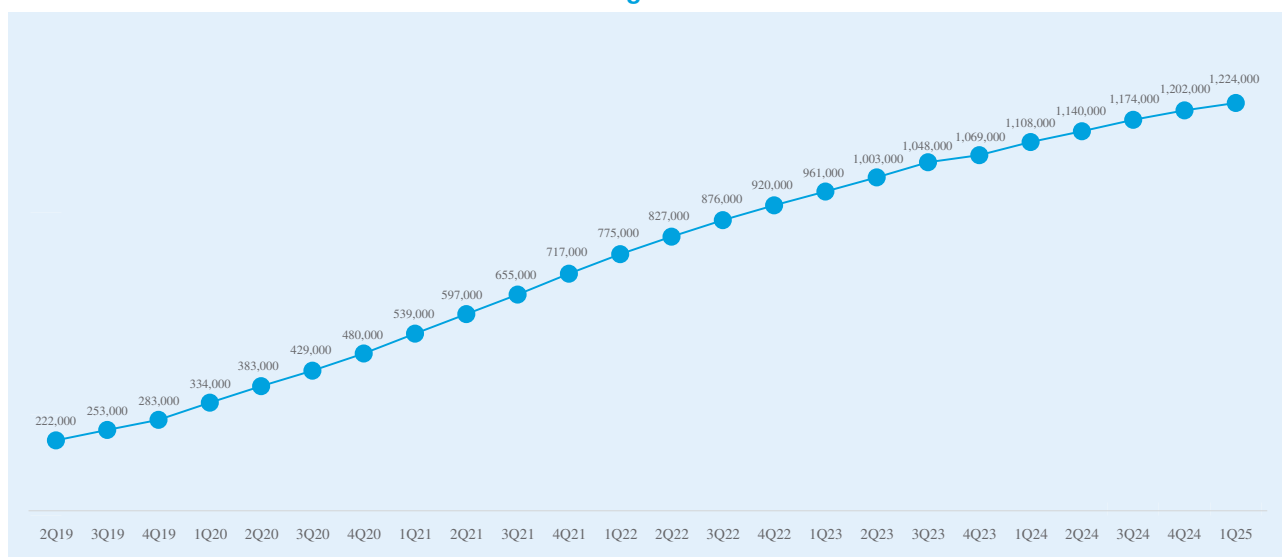
We believe our OMO business has enabled us to enhance customer experience, which helped drive the significant increase in our customer base and the scale of operation during the years indicated below:

	FY24/25	FY23/24	Movement
GMV (HK\$ million)	848.1	926.3	-8.4%
Number of registered members	1,224,000	1,108,000	10.5%
Number of orders intakes	433,000	475,000	-8.8%
Basket value (HK\$)	1,960	1,948	0.6%

GROWING CUSTOMER BASE

We have established a customer base comprising over 1,224,000 registered members as at 31 March 2025.

Number of Registered Members



Source: Internal system.

The above result was facilitated by our membership programme in strengthening customer loyalty and incentivising our customers to make repeat purchases. The growing customer base also echoed with our brand name which encapsulates our ideology to create a one-stop e-commerce platform to cater both online and offline retail market under our OMO business model.

DISCIPLINED COST EFFICIENCY

We have implemented robust cost discipline while growing our business scale and revenue sustainably. We have managed to keep major cost items at a reasonable percentage to our revenue by achieving economies of scale. Total operating expenses, being the total sum of selling and distribution expenses and administrative expenses, for FY23/24 and FY24/25 remained relatively stable at approximately 12.3% and 13.4% of our total revenue for the relevant year, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

Our revenue decreased from approximately HK\$841.1 million for FY23/24 to approximately HK\$753.8 million for FY24/25, representing a decrease of approximately 10.4%. The decrease in our revenue was primarily due to prolonged macroeconomic volatility and persistently high interest rates weighed heavily on consumer confidence leading to more restrained spending behaviors and heightened price sensitivity across discretionary categories, severely hitting the retail sector in Hong Kong.

GROSS PROFIT

Our gross profit decreased from approximately HK\$121.8 million for FY23/24 to approximately HK\$118.1 million for FY24/25, representing a decrease of approximately 3.0%, which was mainly due to decrease in revenue mentioned above. Furthermore, our gross profit margin increased from approximately 14.5% for FY23/24 to approximately 15.7% for FY24/25, mainly due to the effectiveness of our refined product mix and disciplined margin management.

OTHER INCOME

Our other income decreased from approximately HK\$8.9 million for FY23/24 to approximately HK\$8.2 million for FY24/25, which was primarily due to the decrease in interest income from fixed deposit by approximately HK\$0.9 million.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses increased from approximately HK\$66.6 million for FY23/24 to approximately HK\$68.1 million for FY24/25 primarily due to an increase in depreciation charge of right-of-use assets in warehouse expansion and new premium retail store in Popcorn Mall, Tseung Kwan O.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased from approximately HK\$36.5 million for FY23/24 to approximately HK\$32.6 million for FY24/25 primarily due to stringent cost management.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCE COSTS

Our finance costs increased from approximately HK\$1.2 million for FY23/24 to approximately HK\$1.4 million for FY24/25, due to increase in interest on lease liabilities.

INCOME TAX EXPENSE

Our income tax expense decreased from approximately HK\$4.1 million for FY23/24 to approximately HK\$3.7 million for FY24/25.

Notwithstanding the fact that we recorded a decrease in profit before tax of approximately HK\$24.1 million for FY24/25 (FY23/24: approximately HK\$26.4 million), we recorded an effective tax rate of approximately 15.2% (FY23/24: approximately 15.4%) for FY24/25.

PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

As a result of the foregoing, we recorded a profit and total comprehensive income for the year of approximately HK\$20.5 million for FY24/25 as compared with a profit and total comprehensive income for the year of approximately HK\$22.3 million for FY23/24. Our net profit margin remained stable at approximately 2.7% for FY24/25 (FY23/24: 2.7%). The decrease in profit and total comprehensive income for the year was primarily attributable to the decrease in revenue from approximately HK\$841.1 million for FY23/24 to approximately 753.8 million for FY24/25.

TRADE RECEIVABLES

Our trade receivables decreased from approximately HK\$9.8 million as at 31 March 2024 to approximately HK\$6.7 million as at 31 March 2025. Our days sales outstanding remained stable at 4 days as of 31 March 2025 (2024: 4 days).

MANAGEMENT DISCUSSION AND ANALYSIS

The following is an ageing analysis of trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period:

	As at 31 March 2025 HK\$'000	As at 31 March 2024 HK\$'000
Within 30 days	3,367	8,057
31 to 60 days	375	778
61 to 90 days	1,770	72
Over 91 days	1,206	878
	6,718	9,785

TRADE PAYABLES

Our trade payables decreased from approximately HK\$50.0 million as at 31 March 2024 to approximately HK\$33.6 million as at 31 March 2025. Our days purchases outstanding remained stable at 24 days as of 31 March 2025 (2024: 21 days).

The following is an ageing analysis of trade payables of our Group presented based on the invoice dates at the end of each reporting period:

	As at 31 March 2025 HK\$'000	As at 31 March 2024 HK\$'000
Within 30 days	27,680	41,240
31 to 60 days	2,000	5,162
61 to 90 days	260	54
Over 91 days	3,665	3,518
	33,605	49,974

MANAGEMENT DISCUSSION AND ANALYSIS

NON-HKFRS ACCOUNTING STANDARDS MEASURES

In order to supplement our consolidated statements of profit or loss and other comprehensive income, which are presented in accordance with HKFRS, we also use adjusted net profit as non-HKFRS Accounting Standards measures as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. We believe that these non-HKFRS Accounting Standards measures help identify underlying trends in our business that could otherwise be distorted by the effect of the expenses that we include in income from operations and net profit, and therefore provide useful information to investors and others in understanding and evaluating our results of operation by eliminating potential impacts of such items. We also believe that these non-HKFRS Accounting Standards measures provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects, and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

We define adjusted net profit as non-HKFRS Accounting Standards measures as profit and total comprehensive income for the year adjusted by share options grant to directors and certain employees. The use of adjusted net profit as non-HKFRS Accounting Standards measures has material limitations as an analytical tool because they do not reflect all items of income and expenses that affect our operations. When assessing our operating and financial performance, you should not consider adjusted net profit as non-HKFRS Accounting Standards measures in isolation from or as a substitute for our profit or loss for the year, gross profit or any other financial performance measure that is calculated in accordance with HKFRS. The term “adjusted net profit as non-HKFRS Accounting Standards measures” is not defined under HKFRS, and such term may not be comparable to other similarly titled measures used by other companies.

The following table sets forth our adjusted net profit as non-HKFRS Accounting Standards measures for the years indicated:

	FY24/25 HK\$'000	FY23/24 HK\$'000
Profit and total comprehensive income for the year	20,466	22,304
Adjusted for:		
Equity-settled share-based expense to directors and certain employees	1,111	1,075
Adjusted net profit as non-HKFRS Accounting Standards measures	21,577	23,379

PLEDGE OF ASSETS

As at 31 March 2025, bank deposits in the amount of approximately HK\$1.4 million (31 March 2024: HK\$1.3 million) had been pledged against bank guarantee letters for a subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Since the listing of our shares on the Main Board of the Stock Exchange on 10 June 2022 (the “**Listing Date**”), there has been no change in the capital structure of the Group. The capital of the Group comprises of issued ordinary share capital and capital reserves. The Group had share capital of approximately HK\$385,000 as at 31 March 2025, representing a decrease of approximately HK\$3,000 from 31 March 2024, as the Group repurchased 5,882,000 shares during the Year which offset the effect of issuance of shares involved in the acquisition of J SELECT.

The Group’s sources of funding comprise of its cash and cash equivalents and short-term bank deposits. The Group’s total cash position recorded a decrease by 17.2% from approximately HK\$229.6 million (excluding the pledged deposits of approximately HK\$1.3 million) as at 31 March 2024 to approximately HK\$190.2 million (excluding the pledged deposits of approximately HK\$1.4 million) as at 31 March 2025 mainly due to the net of the cash flow used in operating activities of approximately HK\$4.4 million, net of the cash flow used in investing activities of approximately HK\$49.9 million and net cash used in financing activities of approximately HK\$39.0 million. The cash and cash equivalents and short-term bank deposits of the Group, mainly denominated in HK\$, are generally deposited with authorised financial institutions.

As at 31 March 2025 and 2024 respectively, the Group had not utilised any uncommitted banking facilities. Our total cash and cash equivalents consisted of cash at bank and in hand and short-term deposits within three months of maturity. As at 31 March 2025, bank deposits in the amount of approximately HK\$1.4 million (31 March 2024: HK\$1.3 million) had been pledged against bank guarantee letters for a subsidiary of the Company. The Directors are of the opinion that, after taking into consideration the available internal financial resources, the Group has sufficient funds to finance its operations and to meet the financial obligations as and when they fall due. During FY24/25, the Group invested approximately HK\$1.2 million on capital expenditure as compared to approximately HK\$78,000 in FY23/24. For the upcoming capital expenditure requirements, we will remain cautious and it is expected to be funded by internal resources within the Group. Overall, the Group’s financial position remains sound for continued business expansion.

GEARING RATIO

Gearing ratio (i.e. interest-bearing gross debt divided by total equity) was at nil as at 31 March 2025 and 2024, respectively.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

On 26 May 2022, the Company offered 55,000,000 ordinary shares (the “**Shares**”) for subscription by public in its global offering. The offer price per Share was determined at HK\$2.10 and the Shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date. The net proceeds (after deduction of underwriting fees and commissions and other Listing expenses) from the global offering of the Company was approximately HK\$74.7 million (the “**Net Proceeds**”) and a total amount of approximately HK\$39.6 million out of the Net Proceeds have been utilised by the Group as of 31 March 2025 according to the allocation set out in the prospectus of the Company dated 26 May 2022 (the “**Prospectus**”).

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the utilisation of the net proceeds from the Listing Date up to 31 March 2025 is set out below:

	Percentage	Allocated use of proceeds (HK\$ million)	Utilised amount up to 31 March 2024 (HK\$ million)	Utilised amount during the year ended 31 March 2025 (HK\$ million)	Unutilised balance as of 31 March 2025 (HK\$ million)	Proposed timetable for the use of unutilised net proceeds
Capturing a larger market share through organic growth	20.4%	15.2	12.5	0.9	1.8	On or before 31 March 2026
Expanding the product offerings on our e-commerce platform(s) through the launch of online marketplace operations	7.1%	5.3	1.1	1.4	2.8	On or before 31 March 2026
Expanding our services to customers in the PRC and, in particular, the Greater Bay Area	8.6%	6.4	–	–	6.4	On or before 31 March 2026
Strengthening our supply chain capabilities	9.2%	6.9	0.2	2.0	4.7	On or before 31 March 2026
Further investing in brand management and marketing to increase mass awareness of our group and the effectiveness of our marketing activities	11.8%	8.8	2.0	0.7	6.1	On or before 31 March 2026
Expanding our teams of staff in support of our business strategies	19.2%	14.4	7.0	2.3	5.1	On or before 31 March 2026
Acquiring companies in e-commerce-related industries	13.7%	10.2	–	2.0	8.2	On or before 31 March 2026
General working capital	10.0%	7.5	7.5	–	–	On or before 31 March 2026
	100.0%	74.7	30.3	9.3	35.1	

The unutilised Net Proceeds of approximately HK\$35.1 million as at 31 March 2025 (placed in interest-bearing deposits with authorised financial institutions in Hong Kong) is expected to be applied in accordance with the planned use as previously disclosed in the Prospectus, save that, as disclosed in the announcement of the Company dated 15 November 2024, after careful consideration, the Company has decided to: (i) extend the expected timeline for utilising the remaining allocated Net Proceeds allocated for further investment in brand management and marketing (to on or before 31 March 2026), to address the need for additional time to adapt to evolving market conditions and to strategically evaluate and implement marketing efforts that resonate with current consumer trends; and (ii) extend the expected timeline for utilising

MANAGEMENT DISCUSSION AND ANALYSIS

the Net Proceeds allocated for acquiring companies in e-commerce-related industries (to on or before 31 March 2026), to allow adequate time for conducting thorough due diligence and identifying acquisition targets that are in line with its strategic growth objectives. Despite the prudent planning by the Board and management of the Company concerning the relevant use of Net Proceeds, the actual implementation of relevant projects have been affected by many factors such as market environment and overall project progress. As such, the Board has determined to extend the timelines for these projects, with the view that the extension will not have any material adverse impacts on the operations of the Company and is in the best interests of the Company and the Shareholders as a whole. Save as disclosed above, the Board currently has no intention to change the planned use of the Net Proceeds as disclosed in the Prospectus. The expected timeline for using the unutilised Net Proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions.

PRINCIPLE RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations and business prospects may be affected by a number of principal risks and uncertainties directly or indirectly pertaining to our Group's business. The following list is a summary of certain principal risks and uncertainties faced by our Group which are not exhaustive and therefore other risks and uncertainties may also exist:

- we face significant competition in our business and our profitability and prospects for future growth depend on our ability to compete effectively with the other competitors;
- our business depends on our ability to maintain existing and attract new customers;
- incidents of counterfeit products could adversely affect the demand of our products, our brand, reputation and profitability;
- our business and results of operations may be materially and adversely affected if we are unable to maintain daily operations and security of the Yoho E-commerce Platform and systems;
- we are exposed to cybersecurity risks and may be liable for our users' privacy being compromised which may materially and adversely affect our reputation and business;
- the independent warehousing service provider and independent courier service providers engaged by us may increase their service charges and our net profit margin and results of operations may be affected as a result;
- we may not be able to provide electronic appliances to our customers in a timely manner or at all, which may subject us to refund of advances received in relation to the sales of electronic appliances; and
- our business, financial conditions and results of operations could be affected if we fail to attract and retain our key personnel, management team and our employees.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT

Hong Kong's retail sector stands at a pivotal juncture of structural transformation. Amid persistent macroeconomic uncertainty, growing cross-border consumption outflows, and intensifying competitive dynamics, short-term headwinds are expected to persist. However, we view this period not merely as a cyclical downturn but as a critical inflection point that compels local players to reassess their competitive positioning, strengthen core capabilities, and accelerate the transition toward more sustainable and future-ready business models.

We believe Hong Kong retailers possess a set of differentiated hard-to-replicate advantages, including deep-rooted consumer insights, strong brand trust, product authenticity and globally integrated sourcing capabilities. If we can leverage these strengths and translate them into clear and differentiated value propositions, we are confident that this will not only recapture local discretionary spending but also tap into the consumption potential of inbound tourism and regional consumer flows.

1P MODEL

Our 1P Model will continue to serve as the Group's primary revenue engine and profit backbone in the near to medium term, providing steady cash flow and resource support for new business development and deeper vertical integration. Our 1P Model focuses on categories where we hold significant supply chain advantages, including digital entertainment, mobile, computer, beauty and care devices, home appliances, kitchen appliances, and major appliances.

Despite intensifying competition, we are cautiously optimistic about demand across these categories, grounded in the resilience of the local market and clear product differentiation. Consumers in these segments highly value product authenticity, safety, and brand credibility, priorities that are not easily compromised by marginal price discounts. These preferences play to our strengths, as our portfolio predominantly features globally recognized brands certified to international standards, ensuring high quality, energy efficiency, and durability. Furthermore, our offerings are always global or APAC versions, which differ meaningfully from China-market models in terms of functionality, service infrastructure, and post-sales support, creating robust competitive moats and making substitution less likely.

Additionally, consumers increasingly favor one-stop, full-service providers that deliver reliable and hassle-free experiences. Under our 1P Model, certain offerings span multi-stage service journeys, ranging from site surveying and professional installation to end-of-life recycling and disposal. By consolidating these capabilities under a unified operational umbrella, we exercise complete control over the entire value chain, ensuring consistent quality, faster response times, and elevated customer satisfaction. Such end-to-end integration not only solidifies our leadership but also establishes enduring, hard-to-replicate competitive barriers.

Beyond electronics, we see structurally strong demand in the beauty and health supplement categories, particularly in high-quality and functionally differentiated subsegments. To capture this opportunity, we completed the strategic acquisition of J SELECT during the Year. Leveraging its premium brand positioning and affluent member base, we are establishing a presence in these verticals which offer strong consumer relevance and attractive margin profiles.

MANAGEMENT DISCUSSION AND ANALYSIS

On the YOHO brand side, our expanding 3P Model has become an effective sourcing channel, giving us access to a broader pool of emerging beauty and health brands. Many of our partners possess high-quality products and efficient supply chains but lack the e-commerce expertise and resources to scale online. Through our 3P Model, we can identify and validate product-market fit early on. Those that demonstrate strong market traction and scalability are selectively transitioned into the 1P Model, where we apply our full-stack capabilities to drive volume.

This strategic interplay between the 1P Model and the 3P Model enables us to scale with discipline. By using the 3P Model as a low-risk incubator and the 1P Model as a growth engine for high potential products, we can diversify our product portfolio while minimizing inventory risk and operational overhead in less familiar verticals.

3P MODEL

As the e-commerce industry evolves toward a more platform-centric and ecosystem-driven competitive landscape, our 3P Model will be a growth catalyst for the Group's long-term development and category expansion. Beyond functioning as a strategic mechanism for identifying high-potential products for our 1P portfolio, the 3P Model also allows us to scale SKU breadth and depth rapidly and flexibly without bearing significant inventory risk.

In contrast to many price-led, mass-market platforms in Hong Kong, our 3P Model is deliberately positioned toward mid-to-premium, quality-driven product offerings. We focus on onboarding merchants and categories with strong brand equity, robust supply chain capabilities, or distinctive product differentiation, while intentionally avoiding overly commoditized, low-price, low-margin SKUs. This curation-first approach not only protects platform quality and unit economics but also reinforces consumer trust and long-term brand equity. As of now, the YOHO e-commerce platform features over 100,000 SKUs, with approximately 70% contributed via the 3P Model, underscoring its scalability and strategic importance.

With our strong organic traffic and a maturing merchant infrastructure, we are attracting increasing inbound interest from quality merchants. Our streamlined onboarding and operations processes have also driven measurable improvements in merchant acquisition cost, operational efficiency and scalable merchant enablement.

Looking ahead, we will further empower 3P merchants through a growing suite of value-added services including in-platform advertising, 3PL solutions and data analytics, to help them grow local sales and optimize performance. In parallel, we are actively laying the foundation to extend high-performing 3P partnerships into Mainland China. By first evaluating merchant performance under the 3P Model, we can identify top-tier brands with cross-border potential and gradually build an outbound supply chain. Our cross-border sales infrastructure will help these merchants access the PRC market, thereby deepening our strategic partnerships and amplifying the platform's network effects and economies of scale.

MANAGEMENT DISCUSSION AND ANALYSIS

CROSS-BORDER

Amid the growing influx of Mainland brands into Hong Kong, we see a compelling countertrend to enable Hong Kong enterprises to “go north” through cross-border e-commerce by introducing curated, premium, and brand-backed products that reflect the unique identity and value of a “Hong Kong-imported” supply chain.

Hong Kong’s longstanding role as a global sourcing hub and free trade port has earned deep consumer trust across Mainland China. Its diversified import channels, stringent product standards, and transparent regulatory environment provide a strong foundation for differentiated retail experiences. Coupled with advances in cross-border logistics and digital marketing, Hong Kong is uniquely positioned to serve as a strategic gateway between global supply and Mainland demand. Supportive policy further reinforces this pathway. The HKSAR Government has introduced targeted initiatives to help local SMEs expand into Mainland China, particularly the Greater Bay Area, offering both financial subsidies and operational resources. These policy tailwinds provide a strong framework for outbound business expansion.

Aligned with this macro direction, YOHO has been actively building its cross-border operation since the second half of 2024, with the aspiration of becoming the go-to gateway for Hong Kong and globally sourced products entering the Mainland market. To support this ambition, we have established a wholly owned subsidiary in Shenzhen and initiated local recruitment while building a dedicated operational infrastructure. Our WeChat Mini Program has entered the pilot phase and currently serves as our first channel dedicated to engaging Mainland consumers. To ensure relevance and traction, we are prioritizing product categories where Hong Kong’s supply chain offers clear differentiation such as lifestyle appliances, beauty devices, niche electronics, verticals that are underserved in the Mainland and well-suited for cross-border retail.

Additionally, we have never viewed Hong Kong and Mainland supply chains as competitive, but as complementary. Cross-border commerce should not be seen as a one-way flow from Hong Kong to the Mainland, it also presents a massive opportunity to reposition Hong Kong as a launchpad for exporting high-quality Mainland products to global markets. By combining Hong Kong’s trusted trade infrastructure, regulatory credibility, and global connectivity with the Mainland’s strengths in cost efficiency and product variety, we see a long-term strategic model that supports our aspiration of becoming a key enabler of cross-border commerce in Asia, connecting trusted supply with high-quality global demand through a scalable and resilient ecosystem.

FORWARD-LOOKING INFRASTRUCTURE DEVELOPMENT

Looking forward, the next chapter of retail leadership will be defined by how effectively businesses embed intelligence and agility across the value chain. Strategic imperatives such as AI and automation, OMO integration, hyper-personalized journeys, and responsive supply chain management will become baseline requirements for competitiveness. At YOHO, we have taken early steps to invest in these foundational pillars. We are building a smarter, more responsive, and integrated retail ecosystem.

As we move forward, we will continue to strengthen synergies across our three core businesses and refine our consumer value proposition in line with changing expectations. While remaining vigilant amid near-term uncertainties, we are committed to disciplined execution, purposeful innovation, and the creation of sustainable, long-term value for our customers, partners, and Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER INFORMATION

TALENT REMUNERATION

Including the Directors, as at 31 March 2025, our Group had 104 permanent full-time employees as compared with 102 as at 31 March 2024. Our Group provides remuneration package consisting of basic salary, bonus, and other benefits to our employees. Bonus payments are discretionary and dependent on both our Group's and individual performances. Our Group also provides comprehensive medical and life insurance coverage, competitive retirement benefits schemes, and staff training programs and operates a share option scheme.

CAPITAL EXPENDITURE

During FY24/25, our Group acquired property, plant and equipment of approximately HK\$1.2 million (FY23/24: approximately HK\$78,000).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any significant capital commitment nor contingent liability (2024: Nil).

Substantially all of our Group's monetary assets and liabilities are denominated in Hong Kong dollars ("HK\$"), United States dollars ("US\$") and Japanese yen ("JPY"). Given the pegged exchange rate between HK\$ and US\$, the exposure of our operating entities that use HK\$ as their respective functional currencies to the fluctuations in US\$ is minimal. The Group does not expect any appreciation or depreciation of the HK\$ against US\$ which could materially affect the Group's results of operations, however, exchange rate fluctuations between HK\$ and JPY could affect our Group's performance and asset value. Our Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging arrangements for significant foreign currency exposure should the need arise. During the FY24/25, the Group did not hedge its investments dominated in foreign currency by currency borrowings and other hedging instruments.

The Group has a treasury policy that aims at better controlling its treasury operations and lowering borrowing cost. Such treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and sufficient banking facilities available to finance the Group's daily operations and to address short term funding needs. The Group reviews and evaluates its treasury policy from time to time to ensure its adequacy and effectiveness.

MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENTS AND FUTURE PLANS OF MATERIAL INVESTMENTS

Save as disclosed in this report, during the Reporting Period, the Group did not have material acquisition, disposal, significant investments and future plans for material investment or capital assets.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the Reporting Period, the Group has repurchased a total of 178,000 shares through the Stock Exchange at total consideration of HK\$111,000, the shares have not been cancelled nor held as treasury shares up to the date of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GOVERNANCE AND STRATEGY





REPORTING FRAMEWORK

Reporting Boundary

This Environmental, Social and Governance Report (the “**ESG Report**”) is prepared and published by the Group in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the “**Guide**”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The ESG report presents a comprehensive overview of the Group’s ESG strategy, policies, initiatives, and performance related to our OMO retail operations for the year from 1 April 2024 to 31 March 2025. The reporting scope covers our principal business activities in Hong Kong, including our corporate headquarter, three YOHO retail stores located in Cheung Sha Wan, Kwun Tong and Causeway Bay, one J SELECT retail store in Tseung Kwan O¹, and our warehouse in Kwai Chung².

Reporting Principles

In preparing the ESG Report, the reporting principles of materiality, quantitative, balance, and consistency have been strictly applied, ensuring the integrity and quality of the disclosed information.

Materiality		Information considered sufficiently important and pertinent by the Group’s stakeholders is included in the ESG Report. The prioritisation of the identified ESG issues was guided by a materiality assessment, the results of which are presented in the “Materiality Analysis” section of the ESG Report.
Quantitative		To support the objective evaluation of the Group’s ESG performance and management effectiveness, quantitative information is provided with standards, methodologies, assumptions and calculation tools disclosed where appropriate.
Balance		Information is presented as objectively as possible to provide stakeholders with a fair and balanced view of the Group’s overall ESG performance.
Consistency		Consistency of the reporting standards, data collection processes and calculation methods is ensured, with comparative figures provided across reporting years to enable meaningful year-on-year analysis.

¹ The J SELECT brand was acquired by the Group during FY24/25, with operations commencing in September 2024.

² A warehouse expansion in Kwai Chung was carried out during FY24/25, with an additional floor coming into operation in October 2024, to support business needs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG STRATEGY

Driving Sustainable and Inclusive Retail Transformation

As a leading OMO retail player in Hong Kong, YOHO is strategically positioned at the intersection of digital innovation and community-rooted commerce. Our ESG strategy is a core pillar of our long-term business vision, guiding how we create shared value for customers, employees, investors, and the broader community while mitigating environmental and operational risks.

Environmental: Towards Greener, Smarter Retail

The Group is committed to reducing our environmental footprint by embedding sustainability into every aspect of our operations. From optimizing last-mile logistics and promoting circular practices to enabling greener product choices, we aim to lead the shift towards a low-carbon, resource-efficient retail model. Our environmental efforts are informed by data and innovation, ensuring both operational efficiency and ecological responsibility.

Strategic Focus:



- Accelerate the adoption of low-carbon logistics and smart delivery solutions



- Promote circular economy principles through recycling, refurbishment, and reuse initiatives



- Educate consumers to make informed, sustainable purchasing decisions



- Enhance energy efficiency and responsible resource consumption across operations

Social: Empowering People and Communities

Social responsibility lies at the heart of YOHO's business. As a digital-first yet people-centric retailer, YOHO seeks to amplify its positive social impact by fostering a diverse, inclusive, and supportive workplace, contributing to charitable initiatives, and leveraging our platform to empower local startups and nonprofit organizations. We also strive to mobilize collective efforts across sectors to create meaningful contributions to public welfare and social goods, capitalizing on our high-traffic and data-rich online e-commerce platform.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategic Focus:



- Amplify our influence as a leading e-commerce platform to drive collective action for public welfare and charitable causes



- Champion community-focused programmes and drive social innovation across our ecosystem



- Foster inclusive, flexible, and empowering work environments that support employee well-being and continuous development



- Create access and visibility for underrepresented groups through inclusive platform initiatives and strategic partnerships



- Uphold customer trust by implementing robust data privacy protections and maintaining transparent communication regarding data usage

Governance: Embedding Trust and Accountability

Sound governance is the foundation of long-term business resilience and stakeholder confidence. At YOHO, we embed governance principles into every level of our organization to ensure integrity, resilience, and long-term value creation. With board-level oversight and cross-functional leadership, we are committed to upholding a culture of accountability and continuous improvement across our operations.

Strategic Focus:



- Cultivate a values-led culture built on integrity, compliance, and ethical conduct



- Integrate ESG risks and opportunities into enterprise-wide governance and strategic decision-making



- Promote transparency through proactive reporting, stakeholder engagement, and responsible disclosures



- Build organizational capacity through ongoing ESG education, policy reinforcement, and performance monitoring



- Ensure effective governance structures are in place to align business practices with stakeholder expectations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

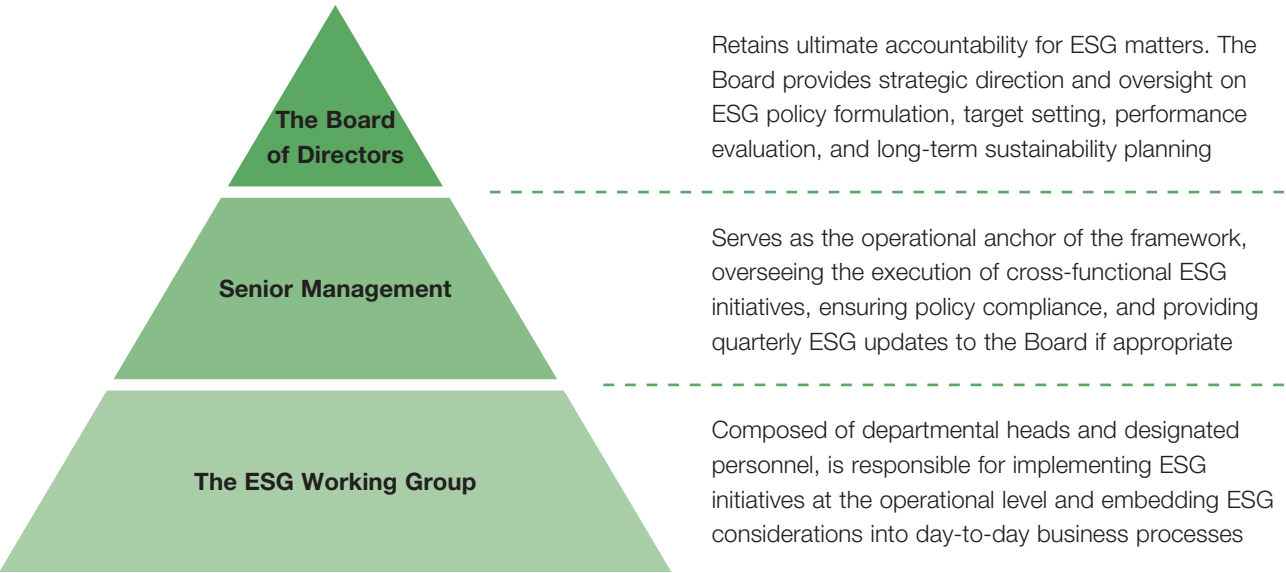
ESG GOVERNANCE

ESG Governance Framework

YOHO maintains a rigorous and institutionalized ESG governance system, operating in full compliance with all applicable laws and regulations in Hong Kong. ESG governance is positioned as a foundational element of the Group’s corporate oversight, enterprise risk management, and long-term stakeholder engagement strategy.

Three-tier Governance Structure

The Group operates a three-tier governance structure to ensure rigorous oversight and execution of ESG priorities. This structure comprises:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Governance Policy

To institutionalize ESG governance, the Group has adopted a formal ESG Governance Policy, developed in line with the Listing Rules. This policy establishes a clear framework governing:



- Oversight of ESG and climate-related risks and opportunities



- Identification and engagement of key stakeholders



- ESG strategy development and review procedures



- Performance tracking, reporting, and assurance mechanisms



- Establishment and evaluation of key performance indicators (KPIs)



- Responsive action plans for managing material ESG risks

ESG Risk Management Process

Central to this governance model is a comprehensive ESG risk management process, built upon a structured “identify-assess-mitigate” approach. This framework facilitates the proactive identification of emerging risks and enables timely mitigation strategies to protect and enhance stakeholder value. Current priority risk domains include:



- Business ethics and compliance



- Cybersecurity and data privacy



- Sustainable procurement and supply chain integrity



- Occupational health and safety



- Climate-related financial and operational risks

Regular review of ESG policies and practices






To ensure the effectiveness of this governance structure and the relevance of ESG strategies in a dynamic business environment with evolving stakeholder expectations, senior management undertakes formal reviews of ESG policies and practices at least on an annual basis. These reviews assess the effectiveness of current policies, identify new risks or opportunities, and guide updates to strategy and implementation plans. All decisions, refinements, and progress updates are recorded in the Group’s internal governance documentation portal, with formal communications disseminated to relevant departments, ensuring cross-organisational alignment, transparency, and accountability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is designed to gather insights into the perspectives and expectations that influence our current and future sustainability strategies. We have actively engaged stakeholders directly impacted by the Group’s operations, including investors, customers, employees, suppliers, local community, and regulatory bodies. Through continuous communication with these key groups, we aim to better understand their concerns and priorities related to our operations and sustainability performance. The feedback collected from these stakeholder engagement exercises has been instrumental in shaping our strategic direction and has significantly informed the preparation of the ESG Report.

Table of engagement channels with stakeholders:

Shareholders/Investors		
	<ul style="list-style-type: none">• Annual general meetings• Annual and interim reports• Announcements and press releases	<ul style="list-style-type: none">• Company website and investor relations portal• Non-deal roadshows• Investor meetings and calls
Employees		
	<ul style="list-style-type: none">• Regular staff meetings and briefings• Intranet updates	<ul style="list-style-type: none">• Employee engagement activities and surveys• Training and development programs
Customers		
	<ul style="list-style-type: none">• Customer service live chat/email support• Customer feedback channels	<ul style="list-style-type: none">• Customer satisfaction surveys• Product reviews and social media engagement
Suppliers and subcontractors		
	<ul style="list-style-type: none">• Quotation and tender processes• Supplier onboarding and evaluation mechanisms• Regular business reviews and meetings	
Local community		
	<ul style="list-style-type: none">• Participation in community service and outreach programs• Company website and social media platforms• Corporate social responsibility initiatives	<ul style="list-style-type: none">• Press releases• Collaboration with local NGOs
Regulatory bodies		
	<ul style="list-style-type: none">• Compliance reporting and filings• Regular correspondence and site inspections• Meetings and seminars on regulatory updates	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

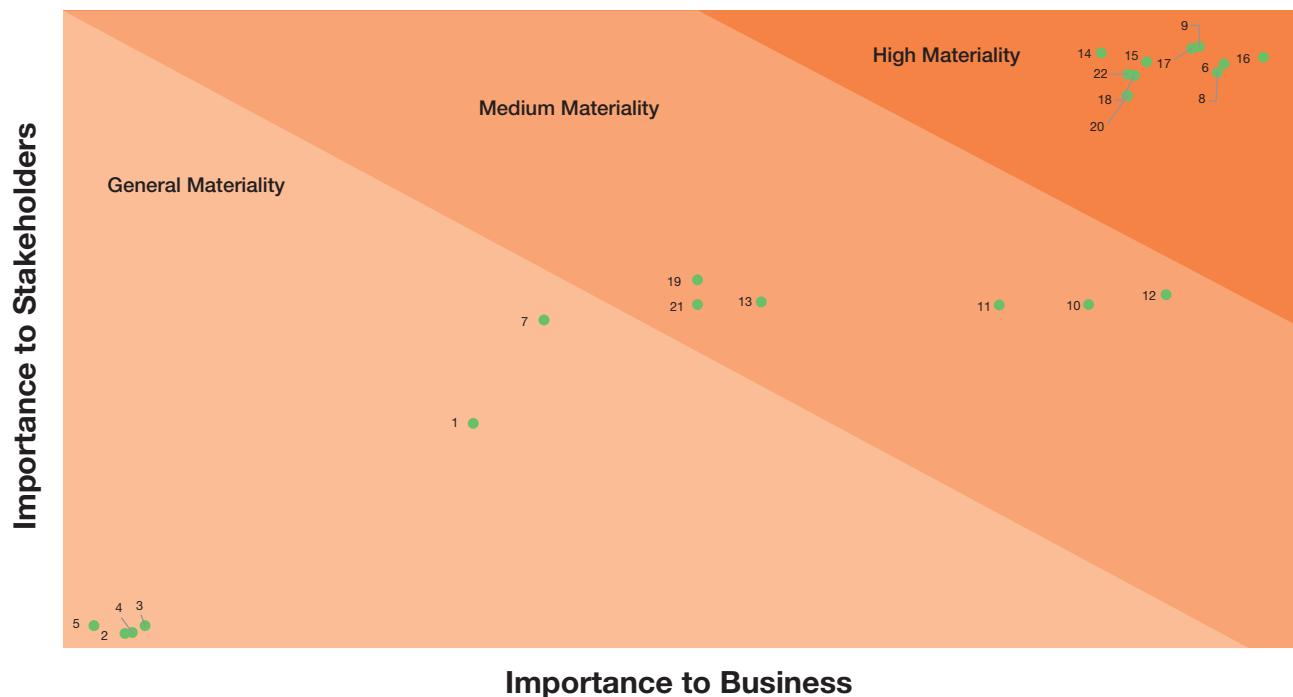
MATERIALITY ASSESSMENT

To better allocate resources and ensure the effective implementation of our ESG strategies, the Group conducted a materiality assessment during the Reporting Period in accordance with the Guide issued by the Stock Exchange. As part of this process, both internal and external stakeholders were invited to participate in an online questionnaire covering a broad range of ESG topics, allowing the Group to gain deeper insights into stakeholder expectations and identify the ESG issues most critical to our business.

A total of 22 ESG topics were assessed, with stakeholders rating each topic based on two dimensions, i.e. its importance to stakeholders and its significance to the Group's business operations. The Group prioritized these ESG topics based on the feedback gathered to ensure the results were accurate, balanced, and reflective of stakeholder concerns. Following a comprehensive analysis, the 22 topics were categorized into three levels of materiality, among which, 10 of high materiality, 6 of medium materiality, and 6 of general materiality.

The Board of Directors has reviewed and confirmed the following key ESG topics as material to the Group.

Yoho's Materiality Matrix



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Highly Material Issues		Medium Material Issues		General Material Issues	
6	Packaging material	10	Employee promotion, remuneration, and working conditions	1	Air and greenhouse gas emissions
8	Equal employment opportunities and diversity	11	Occupational health and safety	2	Climate change response
9	Staff recruitment and termination	12	Employee training and career development	3	Non-hazardous waste management
14	Supply chain management and monitoring	13	Prohibition of child labour and forced labour	4	Energy consumption and efficiency
15	Green procurement	19	Intellectual property rights	5	Water consumption and efficiency
16	Quality and safety management of services and products	21	Prevention of bribery, corruption and money laundering	7	Driving environmental protection practice in the industry
17	Customer information protection				
18	Customer satisfaction				
20	Advertising and labelling				
22	Charity support				

The ESG Report addresses the concerns raised by our stakeholders by outlining the Group's policies, measures and performance across key ESG topics over the Reporting Period. Looking ahead, we will periodically review and refine our ESG policies to ensure they remain aligned with the evolving expectations of our stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognizes that compliance with all applicable environmental and social laws and regulations is not only a legal obligation, but also a core component of responsible corporate governance. With ESG priorities identified, the Group remains committed to upholding high compliance standards across our operations. We acknowledge that any non-compliance may lead to regulatory penalties, operational disruptions, and reputational damage. To proactively mitigate such risks, the Group has developed a comprehensive environmental compliance framework supported by internal controls and staff training. Dedicated personnel are responsible for ensuring the effective implementation and continuous improvement of our compliance systems.

FY24/25 AWARDS AND RECOGNITION



ALBA Integrated Waste Solutions
(Hong Kong) Limited



Carbon Reduction Certificate
In recognition of outstanding
dedication to air conditioner
recycling



ALBA Integrated Waste Solutions
(Hong Kong) Limited



Carbon Reduction Certificate
In recognition of outstanding
dedication to waste electrical and
electronic equipment ("WEEE")
recycling



The Hong Kong Council of
Social Service



Caring Company Award
In recognition of the enhanced
awareness of various social
agendas across different sectors
through a diverse range of activities

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL

As our operations are primarily based in Hong Kong, we ensure strict adherence to local environmental regulations while remaining attentive to emerging international sustainability standards.

ENVIRONMENTAL GOVERNANCE AND PERFORMANCE

Environmental Management System (EMS)

To translate our environmental vision into effective action, the Group has implemented a structured EMS that integrates sustainability into our operational planning, performance monitoring, and decision-making processes. The system is designed to mitigate the environmental impact of our business, reduce resource consumption, and embed a culture of sustainability throughout the organisation.

Environmental governance is led by the Board and senior management, who provide strategic direction and accountability for environmental performance. This top-down commitment ensures that sustainability is embedded into the Group's risk management, capital allocation, and strategic decision-making processes. Operational ownership resides with the ESG Working Group, which acts as a cross-functional implementation engine – driving policy execution, integrating environmental initiatives across departments, and ensuring alignment with the Group's ESG objectives.

The key features of our environmental management system are summarized below:



- Continuous identification, evaluation, and assessment of environmental risks and compliance with legal requirements



- Collaboration with key stakeholders, such as employees and suppliers, in the risk assessment process to co-create effective mitigation strategies



- Establishment of measurable and practicable environmental performance objectives and targets, with regular reviews to monitor progress



- Assurance of resource availability, and clear delineation of roles and responsibilities to facilitate effective environmental performance management



- Thorough investigation, documentation, and management of environmental incidents in accordance with applicable legislations and standards, including the determination of preventive and corrective measures






- Execution of management reviews of the environmental management system, utilizing the monitoring of environmental measures to evaluate adequacy, effectiveness, and to pinpoint opportunities for enhancement

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Targets

We adopt a risk-informed and forward-looking approach to environmental management, recognising that long-term business resilience depends on our capacity to address environmental risks across the value chain. To operationalize this strategy, we have established performance targets in the areas of air emissions, waste reduction and energy efficiency. Progress towards these targets will be continuously monitored through the implementation of structured environmental initiatives and operational practices, as outlined in the subsequent sections of the ESG Report.

Environmental Aspects	Targets
<div>Air emissions</div> <div></div>	<ul style="list-style-type: none">Strengthen monitoring of air emissions intensity across key operational areas, with the objective of maintaining or improving emissions intensity (e.g., per sq. ft or per revenue) by FY26/27Assess opportunities to adopt lower-emission solutions in logistics and facility operations where commercially and operationally viable by FY26/27
<div>Wastes</div> <div></div>	<ul style="list-style-type: none">Track non-hazardous waste intensity relative to business performance, and identify opportunities for waste reduction at source, particularly in packaging and fulfilment operations by FY26/27Aim to increase the proportion of recycled content in packaging materials year-over-year, with a mid-term goal to transition at least 50% of outbound paper boxes to those made with recycled content by FY26/27Identify internal reuse opportunities (e.g., supplier box reuse, refurbished electronics for employee use) and expand partnerships with recyclers and NGOs to divert reusable or repairable materials from landfill
<div>Energy consumption</div> <div></div>	<ul style="list-style-type: none">Closely monitor our energy consumption intensity and ensure its consumption is in line with business growth by FY26/27Formalize procurement guidelines to prioritize energy-efficient equipment (e.g., those with Grade 1 Energy Labels), and ensure that all major appliance purchases are evaluated against energy performance criteria by FY26/27



Note: As the Group does not involve significant water consumption, water usage data has not been disclosed, and no specific target has been set in this area.

During the Reporting Period, the Group did not identify any material non-compliance with environmental laws and regulations in Hong Kong. Considering the nature of our business as an OMO retailer, our operations do not involve substantial water consumption and the production of hazardous waste, hence, the relevant disclosures are not applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air and Greenhouse Gas (GHG) Emissions

The primary source of our GHG emissions is the indirect emissions associated with electricity consumption across our operations. In FY24/25, our total indirect GHG emissions and intensity amounted to 425.32 tonnes CO₂e (FY23/24: 426.17) and 0.0055 tonnes CO₂e per square foot area (FY23/24: 0.0069), respectively. Although our total emissions remained broadly stable, the expansion of our operating footprint led to a reduction in emissions intensity, indicating a positive trend in operational efficiency and emissions performance. The breakdown of our GHG emissions is as follows:

Item		Unit	Total amount in FY24/25	Total amount in FY23/24
Scope 1: Direct greenhouse gas emissions		Tonnes CO ₂ e	0	0
Scope 2: Energy indirect greenhouse gas emissions			425.32	426.17

Note: These carbon emissions are calculated with reference to Appendix 2: Reporting Guidance on Environmental KPIs published by the Stock Exchange.

For details of our measures to control indirect GHG emissions, please refer to the section “Energy Consumption and Efficiency” below.

ENVIRONMENTAL STEWARDSHIP AND KEY INITIATIVES

Recognizing the critical role of environmental stewardship in sustainable development, the Group has identified (i) energy consumption and efficiency, (ii) waste management and circular economy practices, and (iii) sustainable packaging materials as our key environmental priorities. These focus areas have been strategically integrated into our operational workflows and decision-making processes to drive reductions in our environmental footprint and to optimise resource efficiency across the entire value chain.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Energy Consumption and Efficiency

We are conscious of our carbon footprint and the responsibility to optimise natural resource utilisation across operations. At YOHO, we recognise that energy conservation and climate change mitigation are essential not only for environmental stewardship but also for long-term operational efficiency and resilience.

During FY24/25, the Group's total electricity consumption increased to 1,013,855.54 kWh (FY23/24: 966,576.00), primarily due to the expansion of our operating floor area. However, we improved significantly in terms of energy intensity which defined to 13.07 kWh per square foot of area (FY23/24: 16.77), which demonstrates the efficacy of our energy optimisation and control measures.

Recognizing the direct link between energy use and indirect GHG emissions, the Group remains committed to managing both proactively. To support our energy targets and integrate sustainability into daily business operations, we have developed and implemented a set of energy-saving principles and initiatives tailored to various functions across the organization. These measures aim to reduce overall consumption, lower emissions intensity, and align with our broader ESG objectives.

Low-Carbon Last-Mile Logistics



- Utilize smart route optimisation systems to minimize fuel consumption and delivery distances



- Encourage click-and-collect in-store pickup or consolidated delivery options to lower the frequency of trips and reduce emissions per parcel



- Provide eco-friendly delivery alternative such as simultaneous delivery and collection of WEEE to reduce frequent and fragmented shipments

Office Operations



- Routine energy tracking and internal benchmarking to identify inefficiencies



- Facility upgrades such as the replacement of outdated equipment and lighting with energy-efficient alternatives



- Employee engagement campaigns to raise awareness of energy conservation practices and promote behavioural change



- Adoption of cloud-based platforms for communication and document sharing, reducing reliance on power-intensive local servers and physical printing

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Retail Stores



- Optimized use of air conditioning and lighting, with staff trained to reduce usage during off-peak hours



- Installation of LED signage and display lighting to reduce electricity consumption while maintaining visibility and branding impact

Warehouse



- Route optimization using smart logistics software to reduce travel distances, avoid high-traffic areas, and minimize fuel consumption



- Consolidation of deliveries to reduce the frequency of trips and maximize vehicle load capacity



- Use of eco-conscious packaging designs, reducing excess material and overall package weight to improve transport fuel efficiency



- Adoption of reusable and stackable packaging materials to minimize waste and enable more efficient loading

Waste Management and Circular Economy Practices

We adhere to the “3R” approach to environmental conservation, i.e. reduction of waste, reuse of resources and recycling of used materials, which is applied wherever practicable across our operations.

Non-Hazardous Waste

The Group inevitably generates non-hazardous waste which we categorize as either recyclable or non-recyclable for disposal. Recyclable wastes are reused internally as much as possible, while any surplus is handled by certified disposal companies to ensure responsible processing. During FY24/25, the Group generated 1.57 tonnes of paper (FY23/24: 2.20) and 12.08 tonnes of general office waste (FY23/24: 11.8), with a total of 0.00018 tonnes of non-hazardous waste per square foot area (FY23/24: 0.00024). Our paper consumption primarily stems from printing invoices, which are typically issued during in-store purchases or pickups. The year-on-year reduction in paper consumption was mainly driven by the expanded adoption of e-invoicing, where digital receipts are issued by default across all stores. In addition, our internal operations have increasingly shifted toward paperless workflows, including the use of cloud-based systems for documentation and approvals, significantly reducing the need for physical printing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Non-Hazardous Waste Management Across Operations



- Digital Price Tag Implementation

All offline retail stores have fully adopted electronic shelf labels that automatically sync with our e-commerce platform. This significantly reduces reliance on disposable paper tags and ensures pricing accuracy across all channels



- Sustainable Shopping Bags

We launched the “I Used to Be a Plastic Bottle” shopping bag made from recycled polyethylene terephthalate (RPET) – a material sourced from post-consumer plastic bottles. This initiative provides customers with an eco-friendly alternative to conventional plastic or nylon bags derived from fossil fuels



- Reduction of Paper Usage:

All physical stores issue e-invoices by default, with printed receipts provided only upon request

We promote a paperless culture by leveraging cloud-based systems and digital communication platforms across all departments. Internally, documents are shared, edited, and stored electronically, eliminating the need for printing in most daily operations and significantly reducing paper consumption

Hazardous Waste Across Value Chain

While the Group does not directly generate hazardous waste as part of its core retail operations, we may indirectly engage with hazardous materials through activities within our value chain, particularly in relation to the disposal of WEEE. Such instances typically arise when we assist customers with WEEE recycling, or when returned or exchanged products are found to be defective, non-repairable, and unsuitable for refurbishment or donation. These items may contain regulated components such as heavy metals or toxic substances that require proper classification and specialized disposal by licensed service providers, in accordance with environmental regulations.

All such waste products are stored appropriately and transferred to licensed disposal partners for safe processing in compliance with local environmental regulations and applicable international standards. To ensure responsible end-of-life treatment, we collaborate with certified recyclers, including ALBA IWS and Green@Community, who provide specialized services for the collection, treatment, and material recovery of electrical and electronic equipment.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Value Chain Responsibility for Hazardous Waste Reduction



- Mandatory WEEE Recycling Selection at Checkout

We embedded a mandatory WEEE recycling selection step into our e-commerce checkout process, requiring customers to choose a recycling method before order confirmation, to further mitigate the risk of improper disposal and promote consumers' environmental accountability



- Refurbishment and Donation Programmes

We partner with e-waste recycling companies and environmental NGOs to refurbish small household appliances with minor defects. These revitalized items are then donated to underserved and vulnerable communities, extending product lifecycles and reducing e-waste generation



- Promotion of Refurbished Electronics

We cultivate a culture of reuse and sustainability by prioritizing refurbished devices for internal use. All employees are equipped with high-performance refurbished computers by default – demonstrating that environmental responsibility and operational effectiveness can go hand in hand. New devices are issued only when specific functional requirements cannot be met, reinforcing our dedication to circular economy principles, and reducing unnecessary electronic waste

Packaging Materials

Packaging plays a critical role in the e-commerce value chain – not only in protecting products during transit but also as a key contributor to environmental impact. Recognizing this, the Group has strategically embedded sustainable packaging practices into our fulfilment and logistics operations to advance resource efficiency and circularity.

We prioritize the use of recyclable, unprinted paper boxes and packaging materials containing recycled content, which help reduce reliance on virgin materials and improve post-consumer recyclability. These efforts are aligned with our broader environmental objectives to minimize upstream and downstream waste, reduce carbon intensity per shipment, and reinforce sustainable consumption across the customer journey.

Key initiatives include:



- Use of recyclable plain paper boxes: Adopted unprinted kraft paper boxes that are more easily recyclable and contain fewer dyes and chemicals



- Progressive transition to recycled packaging materials: Gradually replaced standard packaging with materials containing recycled content for customer shipments



- Reuse of supplier packaging: Assessed the condition of incoming paper boxes from suppliers and reused those in good condition for outbound deliveries

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT




- Implemented smart packing practices, including:
 - Right-sizing packaging to fit products better
 - Reducing excess filler material
 - Streamlining material use to reduce total consumption
 - Switch from single-use paper bags to reusable eco-friendly bags
 - Eliminated paper bags in favour of reusable alternatives, reducing demand for virgin packaging resources

During FY24/25, total packaging material consumption amounted to 1.28 tonnes (FY23/24: 1.06), including cartons and wrapping paper. The year-on-year increase was primarily attributable to an expanded reporting scope, which captured a broader range of packaging activities compared to the previous reporting period.


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Change

In line with our commitment to long-term resilience and sustainable value creation, the Group continuously assesses the potential impacts of climate change on our operations and value chain. Recognising that climate-related risks can pose both physical and transitional challenges, we have identified key risk areas that could influence our business strategy, operational continuity, and financial performance.

Category	Risks	Possible Financial Impacts	Mitigation Strategies
<div>Physical Risks</div> <div></div>	Increased frequency of typhoons, storms, flooding, and other severe weather conditions	Significant damage to our retail stores, warehouse, office and other physical assets, potentially leading to substantial repair and replacement costs	Invest in strengthening physical assets to withstand severe weather conditions, such as reinforcing buildings, elevating critical infrastructure, and installing flood defenses
		Interruptions to business operations and supply chain can lead to loss of productivity, delayed deliveries, and shutdowns, impacting revenue streams and increasing operational costs	Develop and regularly update a comprehensive business continuity plan that includes strategies for ensuring safe operations during and after severe weather event
		Inadequate preparation and response to severe weather events can harm a company's reputation, affecting customer trust and long-term profitability	Diversify supply chain and logistics options to reduce dependency on single routes or suppliers
		Safety hazards for employees may lead to additional expenses, including medical treatments, compensation, and legal fees	Implement a robust communication strategy to keep stakeholders informed during and after severe weather events, helping to maintain trust and manage reputational risk
			Regularly review insurance coverage to ensure it is adequate to cover potential damages from severe weather and consider options for additional coverage for extreme events

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Risks	Possible Financial Impacts	Mitigation Strategies
Transition Risks 	Shifts in consumer preferences towards more sustainable lifestyles	Potential decrease in demand for less eco-friendly products, affecting sales and revenue	Research and invest in more energy-efficient product lines
	Regulatory changes requiring increased disclosure on energy consumption levels	Adapting product lines and services to meet eco-friendly standards might involve higher production and operational costs	Enhancing sustainability practices within company operations
	Implementation of schemes like the Mandatory Energy Efficiency Labelling Scheme by the HKSAR Government	Significant growth opportunities in markets for sustainable products and services	Leverage marketing to highlight the environmental benefits of products, appealing to eco-conscious consumers
		Increased operational costs associated with gathering, monitoring, and reporting energy data as required by new disclosure requirements	Stay ahead of potential regulations by voluntarily adopting higher standards of energy disclosure
		Potential fines or penalties for non-compliance	Train staff to be compliant with new regulatory requirements and to understand the importance of energy efficiency Allocate budget for compliance costs in financial planning

To counteract the significant risks that climate change poses to the value of the Group's investments, we have established a robust climate change policy. This policy ensures the prompt detection and efficient management of climate-related risks by conducting regular climate risk assessments and embedding climate considerations into our strategic planning. It details mitigation strategies aimed at shielding our assets from both immediate and long-term environmental effects. Additionally, the policy enhances management's ability to adapt, thereby increasing the resilience of our operations and safeguarding shareholder interests.

In addition, the Group has implemented contingency plans to manage the impacts of extreme weather events effectively. Climate change risks are an integral part of our risk management framework, influencing critical business decisions. We also keep abreast of and comply with regulatory changes related to climate change, ensuring that all pertinent departments are informed and adhere to new legal mandates. This comprehensive approach not only prepares us for current environmental challenges but also positions us to navigate future regulatory landscapes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL EMPLOYMENT

People are the cornerstone of our success. Our human capital strategy is designed not only to ensure compliance with labour laws and international standards, but to foster a diverse, inclusive, high-performance culture that supports long-term business resilience and sustainable growth.

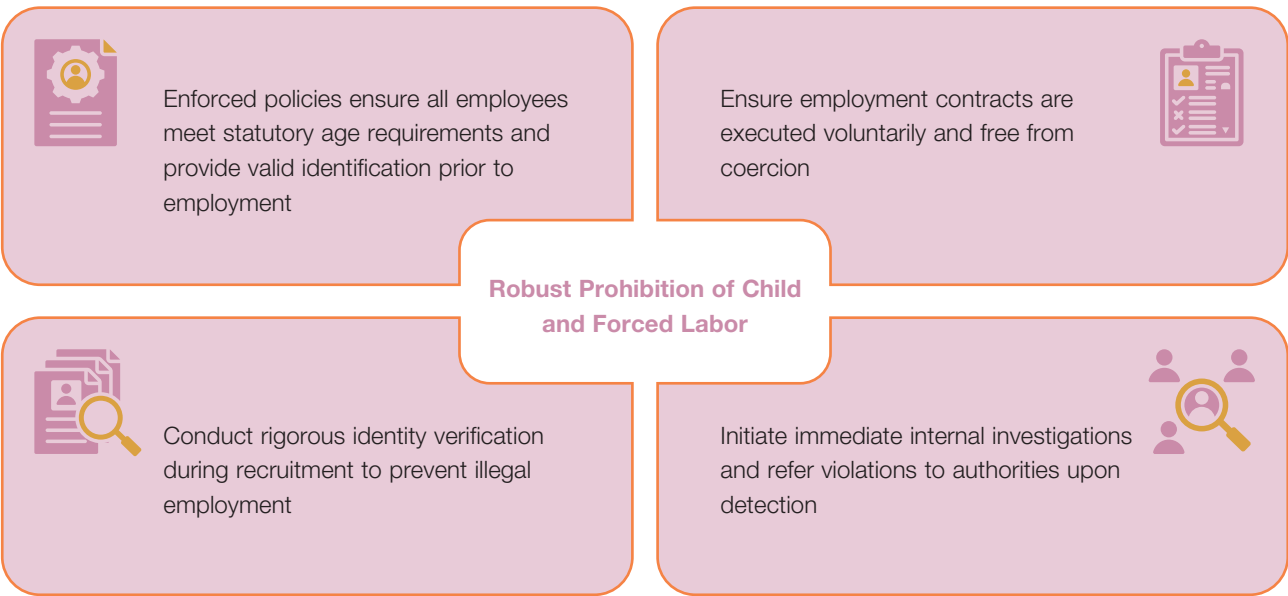
Compliance and Ethical Employment

We uphold full compliance with all applicable labour laws and employment regulations, including but not limited to the Employment Ordinance (Cap. 57 of the laws of Hong Kong), anti-discrimination laws administered by the Equal Opportunities Commission and international labour standards, with a zero-tolerance policy toward child labour, forced labour, and any form of unfair or unethical employment practices.

To institutionalize the best employment practices, we regularly review and update our HR policies and internal social responsibility management framework, to ensure alignment with regulatory changes and evolving workforce expectations.

During the Reporting Period, the Group did not identify any material non-compliance with employment and labour-related laws and regulations in Hong Kong, including but not limited to the Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Mandatory Provident Fund Schemes Ordinance (Cap. 485).

Robust Prohibition of Child and Forced Labor



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-Discrimination and Harassment Policies

- Implement comprehensive anti-discrimination and anti-harassment policies across all operations to create a workplace where diversity is valued and employees feel safe and empowered, thereby enhancing team cohesion and innovation

Grievance and Whistleblowing Mechanisms

- Provide secure, confidential channels to raise concerns and protect whistleblowers, we ensure early detection and resolution of workplace issues, reducing legal risks and fostering a culture of trust and ethical responsibility

Work-Hour Monitoring System

- Leverage digital attendance systems, we maintain precise oversight of working hours to prevent burnout, improve productivity, and ensure compliance with labor laws – balancing operational efficiency with employee well-being

Overtime Compensation

- Guarantee fair and timely compensation or equivalent time off for overtime work to meet legal standards, demonstrate respect for employees' time, boost morale, and reduce turnover

Employee Engagement and Communication

- Prioritize active listening and open dialogue with employees through structured feedback mechanisms, enabling rapid response to concerns and ideas, which strengthens organizational agility and drives continuous cultural and operational improvements

Talent Management and Employee Development

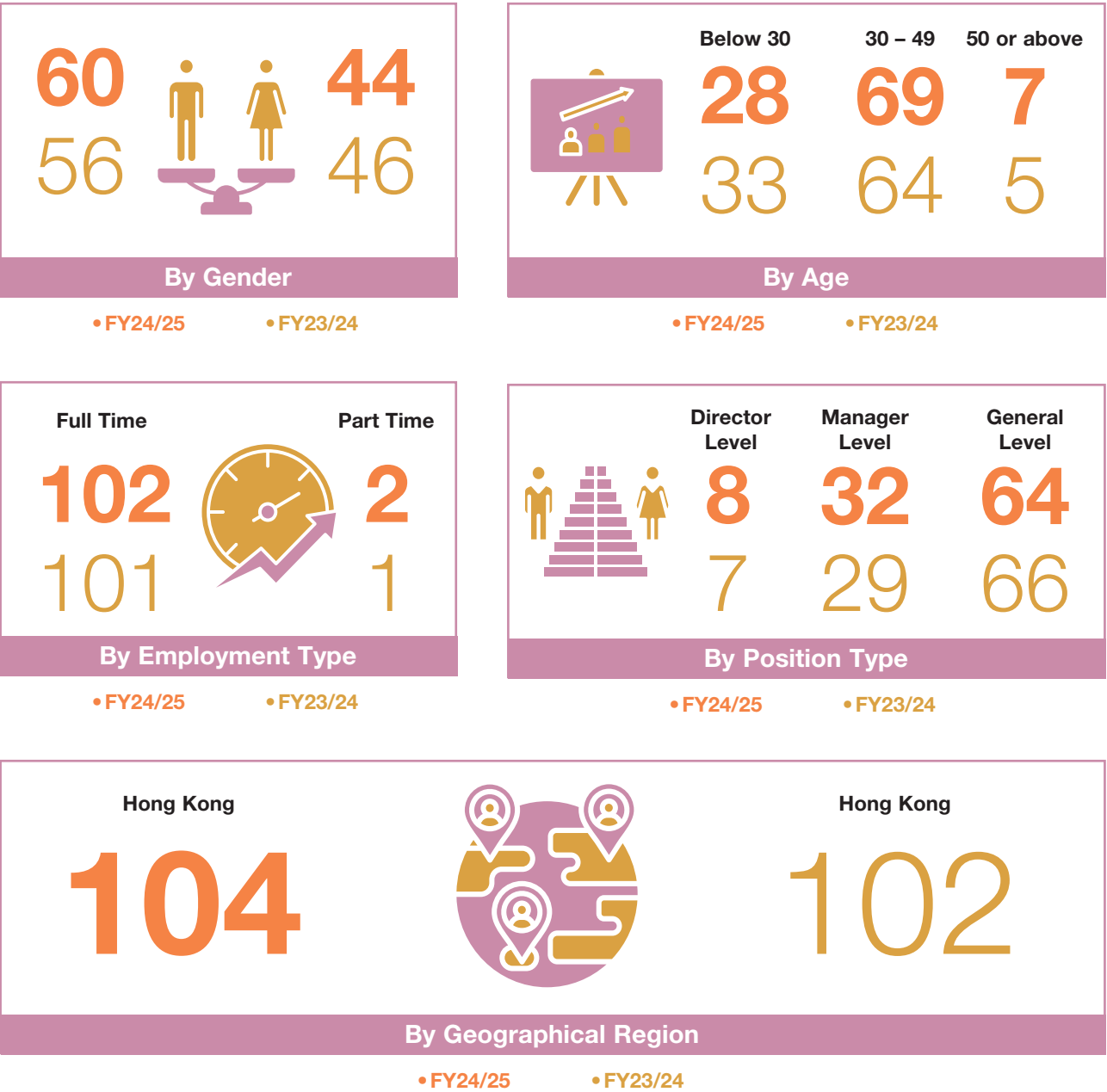
Talent Acquisition, Diversity, and Inclusion

We adopt a merit-based and non-discriminatory approach to recruitment, emphasizing fairness and equal opportunity at all stages of the employment lifecycle – from hiring to promotion and compensation. During FY24/25, we enhanced our recruitment framework by integrating AI-enabled assessment tools, such as automated CV screening and skills-based evaluations, to reduce human bias and ensure consistent, objective, and data-driven decision-making. Standardized assessments and structured interview checklists further uphold our commitment to fair and ethical employment practices, supplemented by human oversight to maintain contextual judgment and transparency.

Our steadfast dedication to equal opportunity has enabled us to cultivate a diverse workforce, attracting talent across a broad spectrum, from recent graduates to experienced professionals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 31 March 2025, the Group employed 104 employees (FY23/24: 102) in Hong Kong. Our employee profile was as follows:



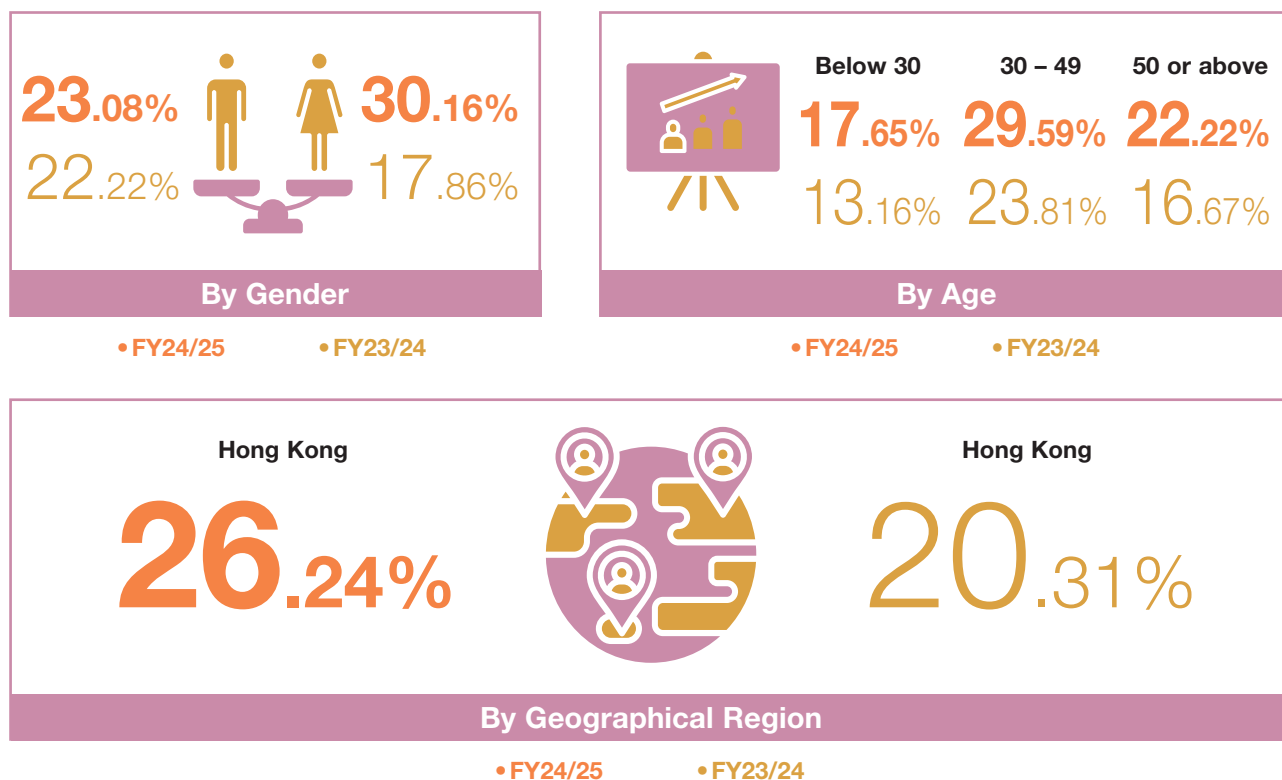
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Turnover Rate⁽¹⁾

In accordance with the calculation methodology for employee turnover rate defined in the Guide published by the Stock Exchange, during the Reporting Period, the Group's male employee turnover rate was 34.07% (FY23/24: 27.27%), while the female employee turnover rate was 36.23% (FY23/24: 20.69%). The employee turnover rate by age group was 33.33% for those under the age of 30 (FY23/24: 17.50%), 36.70% for those aged between 30 and 50 (FY23/24: 28.09%), and 22.22% for those aged above 50 (FY23/24: 16.67%). As for the employee turnover rate by geographical region, the rate in Hong Kong was 35.00% (FY23/24: 24.44%).

To provide a clearer and more meaningful insight into our workforce stability and employee retention beyond the initial onboarding phase, we also report the post-probation employee turnover rate. This metric excludes early departures during the probation period and therefore better reflects the engagement, satisfaction, and long-term commitment of employees who have successfully integrated into the Group.

Post-Probation Employee Turnover Rate^(2, 3)



Notes:

- (1) Employee Turnover Rate per category = Number of employees in the category leaving employment during the Reporting Period / (Number of employees in the category as at year-end + Number of employees in the category leaving employment during the Reporting Period). The calculation method is in accordance with Appendix 3: Reporting Guidance on Social KPIs published by the Stock Exchange.
- (2) All employee resignations are voluntary.
- (3) Post-Probation Employee Turnover Rate = Number of employees in the category leaving employment after probation period / (Number of employees in the category as at year-end + Number of employees in the category leaving employment after probation period).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Training and Career Development

Recognizing that continuous learning and skill enhancement are critical to sustaining competitive advantage and fostering leadership, our training and development framework is strategically designed to support employees at every stage of their career journey, from onboarding to leadership development. During the Reporting Period, we significantly strengthened our training efforts and allocated dedicated resources to enhance accessibility and engagement. This led to an increase in training hours in FY24/25, driven by the expansion of programs to cover emerging skills, greater adoption of flexible learning formats, a stronger focus on leadership development, and increased employee participation in continuous learning.



Training natures include:



Onboarding training for all new recruits, introducing the Group's culture, mission, values, and operational framework to facilitate smooth integration



Role-specific training and targeted workshops designed to enhance both current job performance and future career readiness, covering topics such as customer service, technical skills, and business systems



Regular in-house training sessions to keep employees updated on evolving business operations and to build advanced professional capabilities



On-the-job training for front-line and operational staff, including:

- Job shadowing with experienced colleagues
- One-on-one coaching and mentoring
- Real-time support to strengthen workplace confidence and skills

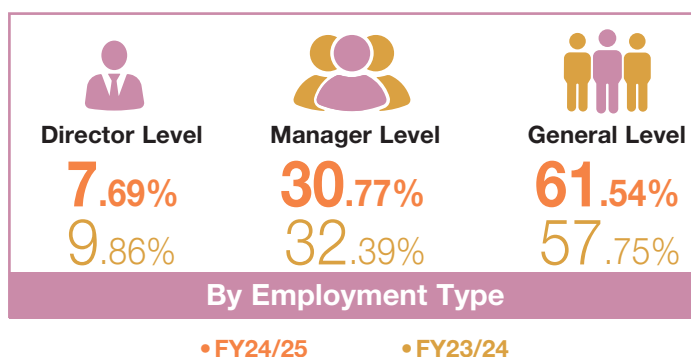
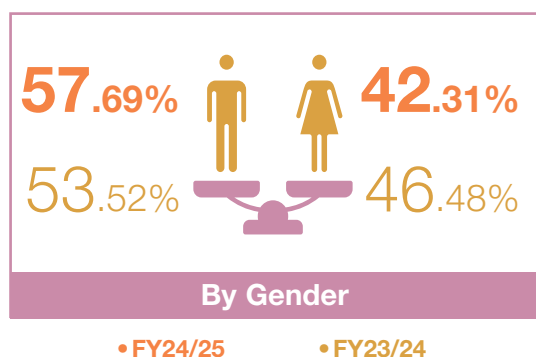


Performance-driven development which assesses training needs through performance appraisals and talent reviews. Identified skill gaps are addressed through targeted development plans, mentorship, and coaching initiatives.

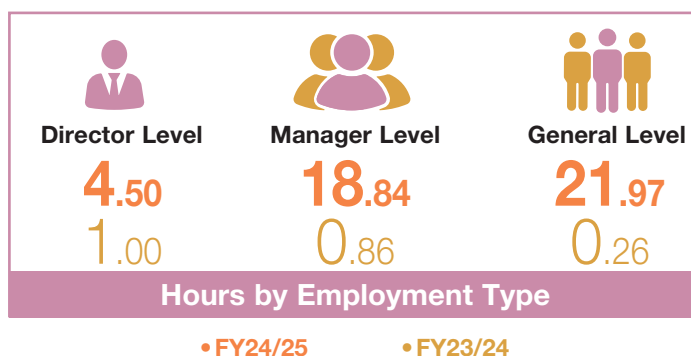
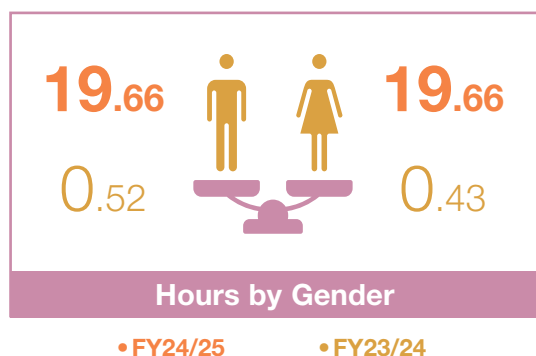
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The breakdown of employees trained, and average training hours completed per employee by gender and position type during the Reporting Period are as follows:

Employees Trained



Average Training Hours Completed per Employee



Remark: Percentage of employees trained by category = Employees in the category who took part in training/Total number of employees in the category. Average training hours for employees by category = Total number of training hours for employees in the category/Number of employees in the category. The calculation method is in accordance with Appendix 3: Reporting Guidance on Social KPIs published by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A structured performance feedback mechanism is also in place to support employee development. Supervisors regularly engage in one-on-one reviews to provide constructive feedback, recognize achievements, and set clear performance expectations. These conversations help identify areas for improvement and guide individual development plans.

Performance and Internal Mobility

Our employee development strategy is anchored in a performance-based and future-focused framework. We conduct quarterly performance evaluations against quantitative, role-specific KPIs to guide career progression, succession planning, and leadership pipeline development. High performers are fast-tracked for promotion, enrolled in targeted skill-building programmes, and offered strategic career opportunities. Meanwhile, for those requiring additional support, a structured Performance Improvement Plan (PIP) reinforces our commitment to continuous learning, inclusivity, and personal growth.

In parallel, we also encourage internal mobility through transparent job postings and cross-functional opportunities, optimizing workforce utilization and empowering employees to pursue their career aspirations.

Workforce Stability and Termination Protocols

To uphold fairness and consistency in employee relations, the Group maintains well-defined disciplinary and termination procedures. These protocols clearly articulate the grounds and processes for dismissal, safeguarding employees against arbitrary treatment and ensuring alignment with ethical and legal standards.

Employee Welfare and Workplace Environment

Competitive Compensation and Benefits

We strive to maintain a fair and motivating rewards system that reflects both market practices and our commitment to internal equity. Our approach combines core salary, performance-based incentives, and a range of supportive benefits to help employees balance work and personal life.

Market-Competitive Pay		<ul style="list-style-type: none">• Regularly benchmarked salaries against industry norms• Discretionary bonuses based on individual and team performance
Paid-Leave Entitlements and Flexible Working Hours		<ul style="list-style-type: none">• Annual, birthday, marriage, maternity, paternity, sick and compassionate leave• Flexible working hours to accommodate personal needs
Recognition Programs		<ul style="list-style-type: none">• Monthly attendance bonus to acknowledge consistent reliability• Performance bonuses for retail teams meeting sales and customer satisfaction goals
Additional Perks		<ul style="list-style-type: none">• Employee-exclusive shopping discounts• Share-option scheme designed to align long-term interests with company success

This balanced package is intended to reward dedication, support well-being, and foster a collaborative culture.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Mental and Physical Well-being

We reinforce a collaborative, high-morale environment through regularly scheduled office gatherings, such as seasonal celebrations, departmental mixers, and milestone recognitions, that encourage open dialogue and cross-team engagement.



Mid-Autumn Festival Party



Workplace Fitness Corner

Complementing these initiatives, our on-site Fitness Corner provides convenient access to exercise equipment and guided wellness resources, enabling brief active breaks that alleviate stress, enhance focus, and sustain employee vitality.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Occupational Health and Safety

We place a strong emphasis on maintaining a safe and healthy working environment for all employees. Our occupational health and safety (OHS) practices are fully aligned with all relevant statutory requirements in Hong Kong, including the Occupational Safety and Health Ordinance and the Employees’ Compensation Ordinance. We strive to foster a safety-first workplace culture.

Health and Safety Measures Implemented

To protect employees from occupational hazards and ensure operational safety, we have adopted the following measures:

Mandatory Safety Training		All new warehouse employees must complete a rigorous safety training programme upon onboarding. This training equips them with the necessary skills and knowledge to identify hazards and respond appropriately to ensure workplace safety
Ongoing Refresher Courses		Regular refresher training is mandated to maintain awareness and update employees on the latest workplace safety procedures and regulatory developments
Emergency Preparedness		We have implemented a comprehensive business continuity plan that outlines response procedures in the event of service disruptions caused by extreme weather, fire, or man-made incidents. The plan includes proactive risk reduction measures to minimize injury, fatalities, and operational disruption, with a focus on rapid recovery once employee safety is assured
Fire Safety Protocols		In the event of fire hazards, evacuation procedures are clearly established. Trained personnel are assigned to manage evacuation processes and conduct roll calls at designated assembly points
No Smoking Policy		A total smoking ban is enforced across all company premises. Smoking is strictly prohibited in enclosed areas, including private offices, meeting rooms, warehouses, common areas, pantries, washrooms, and reception areas

Monitoring and Compliance

We strictly comply with all applicable OHS laws and regulations as well as the Employees’ Compensation Ordinance. Our occupational health and safety measures are monitored through regular internal inspections, safety audits, incident reporting mechanisms, and periodic reviews of emergency preparedness plans. Designated safety officers are responsible for ensuring adherence to safety standards and reporting any potential risks for timely mitigation.

During the Reporting Period, the Group did not encounter any significant incidents or accidents in relation to workers’ safety. There were no fatalities recorded for our employees in the past three years, including the Reporting Period, and there were no lost days due to work injuries during the Reporting Period.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We strictly adhere to all relevant legal requirements, such as the Occupational Safety and Health Ordinance (Cap. 509 of laws of Hong Kong). Specifically, under the Employee’s Compensation Ordinance (Cap. 282 of the laws of Hong Kong), the employer is obligated to compensate for injuries or fatalities that employees suffer during accidents that occur in the course of their employment. During the Reporting Period, we have not identified any significant non-compliance issues with occupational health and safety regulations in Hong Kong.

RESPONSIBLE PROCUREMENT AND QUALITY MANAGEMENT

Supply Chain Monitoring

The Group collaborates with a diverse array of global and local suppliers to support our extensive product range, while rigorously managing the environmental, social, and ethical risks inherent in our supply chain. Our sustainable sourcing framework includes rigorous supplier evaluation, continuous monitoring, and decisive corrective measures to ensure resilience and integrity at every stage.

Pre-Engagement Due Diligence		Comprehensive vetting of prospective suppliers, including background checks, business-practice reviews, and validation of compliance with local laws and international standards
Ethical & Responsible Business Conduct		<p>Preference for partners that demonstrate clear environmental stewardship, adherence to labor and human-rights standards, and transparent governance</p> <p>Risk-based assessment of anti-corruption policies and environmental management systems to identify value-aligned suppliers and mitigate ESG exposures</p>
Certification & Regulatory Compliance		Requirement for valid product-safety certifications and evidence of conformity with applicable industry regulations
Ongoing Monitoring & Performance Review		<p>Regular audits and performance assessments</p> <p>Prompt corrective-action plans for non-compliance, with escalation – up to contract termination – for repeated and/or material breaches</p>

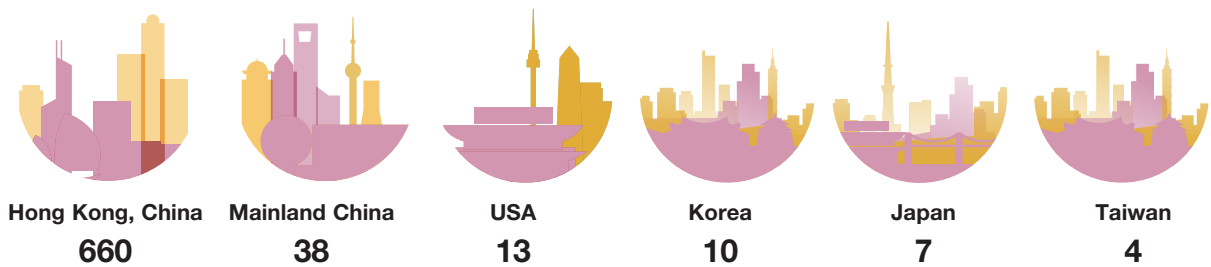
By enforcing these rigorous standards, we minimize risks from supply-chain disruptions, uphold our commitment to environmental and social responsibility, and cultivate partnerships with suppliers who share our values. This approach underpins a responsible, resilient, and sustainable supply chain.

For more details on our supplier quality protocols, please refer to the “Quality Management” section below.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The distribution of our suppliers by geographical regions during the Reporting Period is as follows, all of whom are subject to the environmental and social management procedures outlined above.

Geographical Regions










Quality Management

Supplier Pre-Approval & Governance

To guarantee the authenticity and quality of all procured products, we source exclusively from suppliers on our pre-approved list. This list is maintained by the procurement department and reviewed semi-annually by the CEO, which includes only partners vetted from the perspectives of reputation, brand integrity, and proven product performance. We give priority to direct procurement from brand owners or their authorized distributors, and all new suppliers must pass our comprehensive due diligence procedures, including verification of business registration, incorporation documents, and distribution credentials. Any partner that falls short of our authenticity or quality standards is immediately removed.

Sustainable and Responsible Procurement

We prioritize goods and services that satisfy one or more of the following environmental and social criteria:

	Recycled, organic, or biodegradable inputs		Products certified to government or international standards
	Easily disassembled or recyclable, with clear disposal guidelines		Minimal, recyclable, or biodegradable packaging solutions
	Preference for suppliers using electric/hybrid vehicles or local sourcing to reduce emissions		Suppliers with mature recycling and reuse programmes
	Products designed for easy repair and backed by robust warranty coverage		

Inbound Inspection

Upon receipt of products at our warehouse or retail stores, all products undergo a comprehensive inbound inspection by our warehousing and logistics team. We verify shipment quantities, authenticate items through anti-counterfeit labels or warranty cards provided by brand owners or authorized distributors, and assess packaging integrity. Suppliers may also be required to submit safety-compliance certificates to further validate product quality and authenticity. Any discrepancies or quality concerns are immediately directed to the procurement department, which coordinates with the supplier to arrange refunds or returns. Suppliers with repeated non-compliance are promptly removed from our pre-approved list.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Marketing & Label Verification

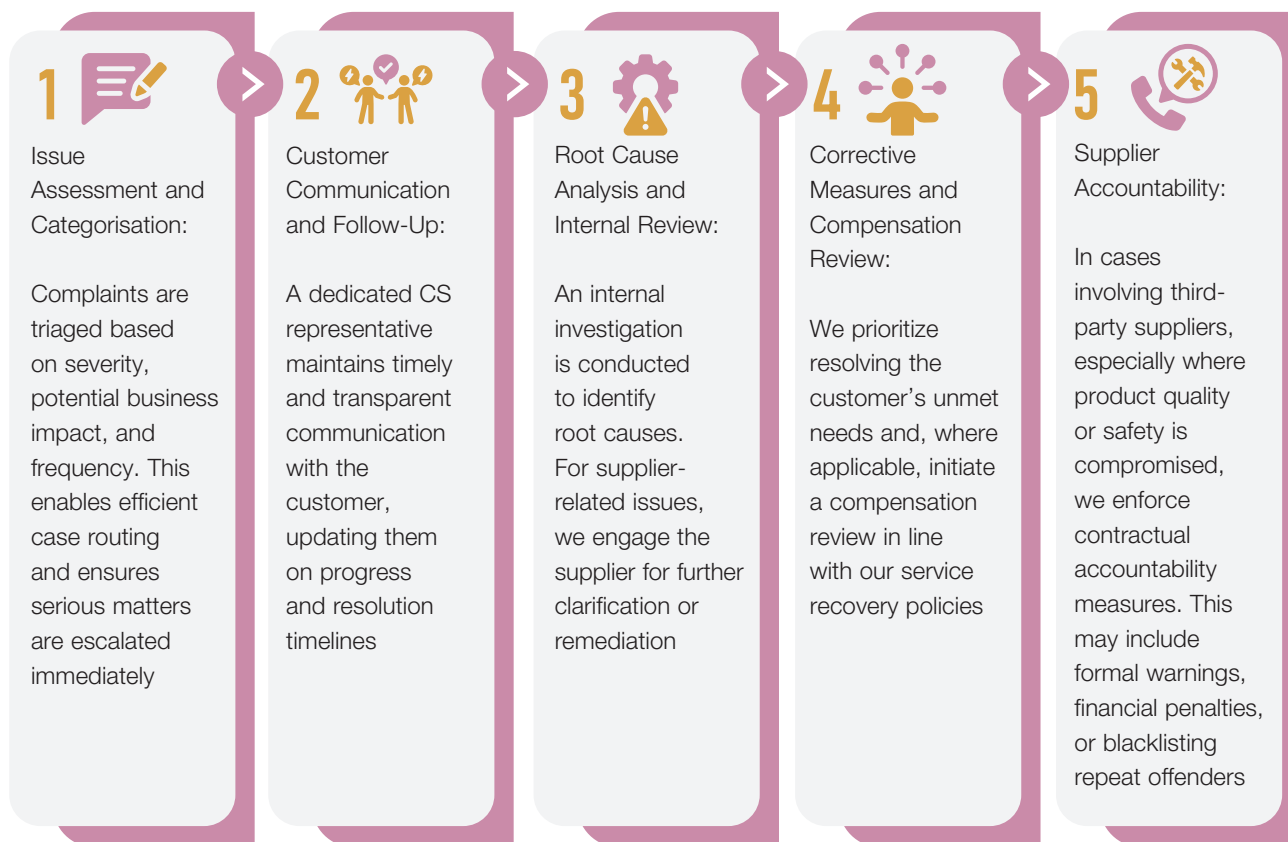
Prior to any launch of any product or promotional campaign, we rigorously verify all product labels, marketing collateral, website information, and advertisements, to ensure that every claim accurately reflects the product's actual features and are legally compliant in terms of marketing practices.

Customer Complaint Management & Product Recall Framework

To ensure prompt and effective resolution of product or service-related issues, we have established a multi-channel complaint handling system. To make a complaint, Customers can conduct our Customer Service (CS) team through various accessible communication channels. Once a complaint is received, it is promptly logged and assigned to a designated CS specialist for initial assessment and resolution.

Complaints are categorized based on a structured severity and recurrence scale, allowing us to prioritize and allocate resources accordingly. For complex or high-risk cases, the matter is escalated to the Head of CS, who directly engages with the customer to understand the issue in depth, oversees a formal internal investigation, and coordinates resolution actions across departments.

Complaint resolution process



In case of any product recalls due to safety and health reason, we immediately investigate the issue and hold the relevant supplier accountable, which may include imposing penalties or blacklisting repeat offenders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Product Recall Procedures

In the event of a health or safety-related product recall, we activate a rapid response protocol:



Transparent and Proactive Disclosure



On a quarterly basis, we publish a consolidated Customer Feedback Report on our platform, outlining the types and nature of complaints received, the corresponding handling procedures, and the resolution outcomes.

We also monitor complaint trends and conduct regular reviews of our handling procedures to identify opportunities for service enhancement and risk prevention.

During the Reporting Period, the Group did not receive any complaints that materially impacted the Group's business operations and financial position, nor were there any product labels or products sold or shipped subject to recalls for safety and health reasons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY INVESTMENT

Guided by our “Business to Community” (B2C) ethos, the Group has established a comprehensive community engagement policy to identify local needs and ensure our initiatives deliver meaningful and sustainable impact. Embracing an ESG mindset, we focus our efforts on key areas such as environmental stewardship, social inclusion, and fostering innovation. Highlights of our initiatives during the Reporting Period are presented below.

Appliance Safety Workshop



To promote community well-being and uphold our commitment to responsible product stewardship, we have partnered with a local NGO to deliver regular appliance safety workshops tailored to seniors. These interactive sessions teach participants proper installation, routine maintenance, and safe operation of common household electrical appliances. By empowering older adults with these practical skills, we not only help prevent accidents and extend the lifespan of their appliances but also strengthen their confidence and autonomy in managing daily household tasks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Refurbished Appliances Donation Program

Building on our sustainability and social-responsibility objectives, we have launched a Refurbished Appliances Donation Program that partners with selected NGOs to extend the useful life of returned or lightly used products. Eligible appliances undergo a standardized refurbishment process – conducted by certified technicians – covering safety inspections, parts replacement, and cosmetic restoration. Once certified, these appliances are donated to under-resourced households and community centers.



Make A Wish Campaign

Over the past nine years, we have been supporting Hong Kong Christian Service's "Make-A-Wish" program by providing brand-new electronic and electrical appliances tailored to each beneficiary's wish list. From washers for single-parent households to refrigerators for low-income families and assistive devices for children with special educational needs (SEN), every donation is designed to address specific, practical requirements. By granting these wishes, we aim to enhance daily living standards while fostering hope, dignity, and social inclusion among underprivileged families, seniors, persons with disabilities, and ethnic minority communities – demonstrating our ongoing commitment to responsible stewardship and community well-being.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

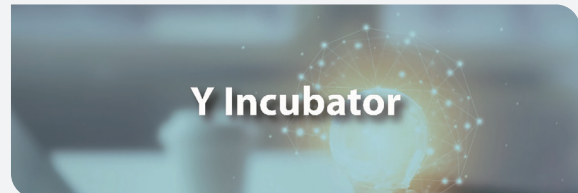
Little Farmers Urban Farming Workshop

As part of our community engagement and environmental stewardship initiatives, we sponsored the Little Farmers Urban Farming Workshop this year. In collaboration with local organic farmers and nutrition consultants, the program delivered a hands-on, nature-based learning experience for over 60 families – prioritizing SEN children and their parents. Participants engaged in planting activities, farm-to-table demonstrations, and interactive educational games, gaining practical insights into sustainable agriculture and healthy eating. By facilitating parent-child collaboration in an inclusive setting, the workshop advanced our social inclusion objectives and reinforced our commitment to sustainable resource use and community well-being.



Y Incubator Programme

Fueling Hong Kong's next wave of innovators, our Y Incubator initiative welcomes qualifying start-ups onto the Yoho E-commerce Platform with zero listing fees, annual fees, or commissions. By lifting these financial barriers, we empower entrepreneurs to channel their resources into product development, marketing, and sustainable growth – sparking fresh ideas and driving the city's startup ecosystem forward.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Y Charity Programme

Through Y Charity, we opened our platform doors to over 10,000 Section 88-registered charities and trusts at no cost. With all administrative and transaction fees waived, every dollar raised goes straight to life-changing causes. This initiative amplifies the reach of fundraising campaigns, mobilizes community support, and underlines our belief that collective generosity can transform lives – uplifting communities and creating lasting social impact.



PROTECTION OF CUSTOMER INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

Consumer Data Protection and Privacy Policies



Our policies adhere to six core principles of data protection – collection, accuracy, use, security, openness, and access and correction – to ensure that personal data is handled responsibly and transparently at every stage of the data lifecycle.

All personal information is stored securely within our enterprise management systems, with access permissions tightly governed by role-based access control protocols. Only designated employees with relevant job responsibilities are granted access to customer data, and access rights are periodically reviewed to prevent privilege creep.

Implementation and Risk Controls

To operationalize these policies, we have embedded comprehensive risk management and internal control procedures into our data governance framework. This includes:



- Advanced encryption technologies to protect data in transit and at rest



- Regular security audits and penetration testing to proactively identify vulnerabilities



- 24/7 monitoring systems to detect, respond to, and contain any suspicious activity



- Data retention and disposal protocols aligned with statutory and operational requirements

These controls are reinforced through well-defined incident response procedures, ensuring swift remediation in the event of a data breach or attempted compromise.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee Compliance and Training

Employees play a critical role in safeguarding data privacy. All staff are bound by stringent confidentiality clauses outlined in the employee handbook and are prohibited from removing data – whether physically or via network transfer – without explicit authorization.

To maintain high standards of awareness and accountability, employees undergo regular training on information security covering topics such as “Information Security Awareness,” “Anti-Virus Education,” and “Emergency Response Training”, helping employees understand common information security risks and the appropriate protective measures.

For new hires, our HR department provides onboarding guidance on the use of office software and essential information security practices. This ensures that new employees develop a strong sense of security responsibility from the outset.

Monitoring and Continuous Improvement

Our compliance with data protection policies is monitored through a combination of automated access logs, compliance audits, and management reviews. Findings from these monitoring activities inform continuous improvement efforts, enabling us to proactively update our systems, procedures, and training materials in response to regulatory changes or identified risks.

Intellectual Property Rights



The Group is committed to the comprehensive protection and responsible management of intellectual property (IP) rights, recognizing their strategic importance in safeguarding brand value, fostering innovation, and sustaining long-term competitiveness.

We operate our core businesses – including the e-commerce platforms and physical retail stores – under the registered brand names “Yoho”, “友和” and “J SELECT”, and have secured the domain names yohohongkong.com and jselect.com, key digital assets supporting our online operations. These assets are actively protected through formal IP registrations in relevant jurisdictions and governed by a robust internal framework that oversees the creation, usage, and enforcement of trademarks, copyrights, and other proprietary rights.

To prevent unauthorized access or disclosure, we implement non-disclosure agreements with employees, service providers, and business partners, and continuously monitor potential infringements across all platforms. Where violations are identified, we take prompt and appropriate legal action to safeguard our intellectual property.

In parallel, the Group places equal emphasis on respecting the intellectual property rights of third parties. We have established stringent due diligence and compliance protocols to ensure that all externally sourced content, software, and materials used in our operations are properly licensed or authorized. Our procurement and marketing teams are trained to verify usage rights and adhere to relevant legal requirements, thereby reducing the risk of unintentional infringement.

During the Reporting Period, we were not aware of any case of material non-compliance regarding quality management and data privacy-related laws and regulations in Hong Kong, including the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong), and the Trade Description Ordinance (Cap. 362 of the laws of Hong Kong).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PREVENTING BRIBERY AND CORRUPTION

As a socially responsible company, we employ a zero-tolerance approach towards bribery, extortion, fraud, money laundering and any other form of corruption as a means to uphold business ethics, in order to minimize the business risks that our stakeholders may be exposed to and avoid any detrimental effect that may be posed on society.

Ethics and Anti-Corruption Framework



We have instituted a comprehensive “Code of Ethics and Anti-Fraud and Anti-Bribery Policy” specifically tailored to the Group’s operations and risk profile, to ensure the highest standards of integrity and ethical conduct. Under this framework, robust risk-management and internal-control protocols such as mandatory due-diligence checks on new business partners, centralized approval gates for high-risk transactions, and periodic independent audits, operate in concert to prevent and detect corruption. In addition, our clear guidelines on gifts, hospitality, and conflicts of interest require employees to self-declare any received items or potential conflicts and to obtain management sign-off, thereby reinforcing individual accountability.

Moreover, third-party engagements are subject to a tiered screening process that assesses compliance credentials, ownership structures, and reputational risk, with non-compliant vendors subject to termination to safeguard our supply chain. Complementing these measures, all staff complete anti-corruption training at onboarding and annual refreshers, while high-risk functions undertake additional role-specific modules with mandatory certification, ensuring sustained awareness across the organization.

Finally, our senior management and department heads maintain continuous oversight of anti-corruption and anti-bribery compliance in daily operations through real-time monitoring of key risk indicators such as unusually large payments or vendors with elevated risk profiles. When thresholds are breached, issues are promptly escalated to senior management and, where warranted, to the Board’s Audit Committee. Each incident is then reviewed during our periodic risk assessments to validate the effectiveness of existing controls and guide targeted policy enhancements, fostering continuous improvement in our governance framework.

Ongoing Anti Bribery and Corruption Training and Awareness



The Group’s training efforts are anchored by a centralized documentation portal, that houses all relevant policies, guidelines, and training materials. New employees must complete a thorough review of these resources before onboarding, and all staff revisit refresher materials on the Yoho portal to stay aligned with evolving legal, regulatory, and industry standards.

Building on this foundation, we implement a multi-tiered training strategy to ensure both breadth and depth of anti-corruption knowledge. All employees participate in regular, role-agnostic in-house workshops that reinforce our core principles, while directors and senior management attend specialized webinars that focus on their unique ethical and governance responsibilities. During the Reporting Period, we organize a webinar hosted by the Hong Kong Business Ethics Development Centre for our directors and senior management. This session covered their ethical and governance duties, assessment of common ethical risks, and the legal and regulatory controls that govern our operations. Through practical case studies, they examined the board’s ethical responsibilities, fiduciary duties of directors, scenarios involving bribery and other legal violations, and best practices for managing conflicts of interest and connected transactions. The webinar also explored strategies for cultivating an ethical corporate culture and provided an overview of Independent Commission Against Corruption (ICAC) support services, thereby reinforcing our commitment to the highest standards of corporate governance and integrity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To evaluate training effectiveness and embed continuous improvement, we track key performance indicators, including completion rates, post-training assessment scores, and incident-reporting volumes. These metrics are integrated into departmental performance reviews, ensuring accountability at all organizational levels.

Whistleblowing and Reporting Procedures



To facilitate early detection and resolution of potential issues, we maintain robust reporting channels for serious concerns that may affect our operations or reputation. Employees are encouraged to raise matters promptly so that the Group can respond swiftly and effectively.

Our whistleblowing framework ensures confidentiality and protection from retaliation. Upon receipt of a whistleblowing report, our senior management will conduct a thorough review to determine the necessary course of action, ranging from an internal inquiry to a formal investigation, and may engage the reporting employee for additional information as needed. The Group will make every effort to preserve the whistleblower's anonymity wherever possible, disclosing their identity only when legally mandated.

During the Reporting Period, the Group was not aware of any case of material non-compliance with corruption-related laws and regulations in Hong Kong, including the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong), nor any corrupt practices against the Group or its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Reporting Guide Requirements	Description	Relevant Section
Overall Approach	The board has overall responsibility for an issuer's ESG strategy and reporting.	ESG GOVERNANCE
Governance Structure	(a) A disclosure of the board's oversight of ESG issues; (b) The board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); (c) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG GOVERNANCE
Reporting Principles	(a) Materiality (b) Quantitative (c) Consistency (d) Balance	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report, and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Boundary
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL
KPI A1.1	The types of emissions and respective emissions data.	Air and Greenhouse Gas (GHG) Emissions
KPI 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).	Air and Greenhouse Gas (GHG) Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guide Requirements	Description	Relevant Section
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management and Circular Economy Practices
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	ESG GOVERNANCE, Air and Greenhouse Gas (GHG) Emissions
KPI 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.	ESG GOVERNANCE, Waste Management and Circular Economy Practices
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption and Efficiency
KPI 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).	Energy Consumption and Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Not Applicable
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG GOVERNANCE, Energy Consumption and Efficiency
KPI 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.	ESG GOVERNANCE
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Management System (EMS)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management System (EMS)
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI 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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guide Requirements	Description	Relevant Section
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, RESPONSIBLE PROCUREMENT AND QUALITY MANAGEMENT, COMMUNITY INVESTMENT, PROTECTION OF CUSTOMER INFORMATION AND INTELLECTUAL PROPERTY RIGHTS, PREVENTING BRIBERY AND CORRUPTION
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Compliance and Ethical Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Compliance and Ethical 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 providing a safe working environment and protecting employees from occupational hazards.	Talent Management and Employee Development
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Talent Management and Employee Development
KPI B2.2	Lost days due to work injury.	Talent Management and Employee Development
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Management and Employee Development
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Management and Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Management and Employee Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Management and Employee Development

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guide Requirements	Description	Relevant Section
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.	Compliance and Ethical Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Compliance and Ethical Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Compliance and Ethical Employment
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Monitoring
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Monitoring
KPI 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 Monitoring
KPI 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 Monitoring
KPI 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 Monitoring
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.	Quality Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guide Requirements	Description	Relevant Section
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	PROTECTION OF CUSTOMER INFORMATION AND INTELLECTUAL PROPERTY RIGHTS
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	PROTECTION OF CUSTOMER INFORMATION AND INTELLECTUAL PROPERTY RIGHTS
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.	PREVENTING BRIBERY AND CORRUPTION
KPI 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.	PREVENTING BRIBERY AND CORRUPTION
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	PREVENTING BRIBERY AND CORRUPTION
KPI B7.3	Description of anti-corruption training provided to directors and staff.	PREVENTING BRIBERY AND CORRUPTION
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
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY INVESTMENT

PROFILE OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wu Faat Chi (胡發枝)

Chief Executive Officer

Mr. Wu Faat Chi (“**Mr. Wu**”), aged 39, co-founded our Yoho OMO Business in 2013, is an executive Director and Chairman of our Board. Mr. Wu is responsible for formulating the strategic development plans of the Group and overall management of the Group. Mr. Wu has more than 17 years of experience in the consumer electronics and home appliances industry in Hong Kong and the PRC. Prior to commencing the Group’s e-commerce business in 2013, he was involved in the trading and distribution of consumer electronics through offline channels in Hong Kong from 2008 to 2013. He was also engaged in the trading of consumer electronics in the PRC from 2011 to 2013. Mr. Wu holds a degree of Bachelor of Business Administration with a major in Economics and a minor in Humanities and China Studies from the Hong Kong University of Science and Technology. Mr. Wu is also one of the directors of each of our subsidiaries. Mr. Wu is the spouse of Ms. Tsui Ka Wing.

Ms. Tsui Ka Wing (徐嘉穎)

Chief Operating Officer

Ms. Tsui Ka Wing (“**Ms. Tsui**”), aged 41, co-founded our Yoho OMO Business in 2013, is an executive Director. Ms. Tsui is responsible for designing and implementing business strategies, overseeing regulatory compliance, and managing the daily operations of the Group. With over 12 years of experience in the Hong Kong e-commerce industry, Ms. Tsui has a diverse background. Prior to joining the Group, she co-founded Usamimi International Limited, an O2O fashion e-commerce business, in 2012 and worked as an audit associate at Deloitte Touche Tohmatsu in 2009. Ms. Tsui holds a Bachelor of Economics and Finance degree from the University of Hong Kong. She is also one of the directors of each of our subsidiaries. Ms. Tsui is the spouse of Mr. Wu.

NON-EXECUTIVE DIRECTOR

Mr. Man Lap (文立)

Mr. Man Lap (“**Mr. Man**”), aged 51, has been appointed as our Non-executive Director. He was appointed as a Director in May 2021, and was re-designated as a Non-executive Director in June 2021. As confirmed by Mr. Man, he is a Director nominated by Beyond Ventures. Mr. Man is the Co-founder & Managing Partner of Beyond Ventures, a Hong Kong-based venture capital firm founded in 2017. With the slogan “From Hong Kong, For Hong Kong”, Beyond Ventures aims to revitalize and transform the city’s innovation ecosystem by being Hong Kong’s most impactful venture capital firm. He is primarily responsible for identifying potential start-ups and driving the investment decisions. Beyond Ventures portfolio companies include SenseTime (stock code: 20.HK), Smartsens (stock code: 688213.SH), Prenetics (Nasdaq: PRE), Yoho (stock code: 2347.HK), HKTaxi (acquired by Uber in 2021) and many more. Since 2018, Beyond Ventures has been appointed as a Co – investment Partner of HKSAR Government’s Innovation and Technology Venture Fund (ITVF).

PROFILE OF DIRECTORS

Mr. Man founded DYXnet Group in 1999 and he was the CEO from September 1999 to September 2018. Under Mr. Man's leadership, the company became the leading corporate virtual private network (VPN) service provider in Greater China and was acquired by 21Vianet Group (Nasdaq: VNET), the largest carrier-neutral Internet and data center service provider in China in 2014. Prior to founding DYXnet Group, Mr. Man was one of the brains behind LinkAGE Online from June 1995 to August 1999, which became the largest corporate Internet service provider in Hong Kong before being acquired by PSINet in 1998. Mr. Man obtained a degree of Bachelor of Arts from the Chinese University of Hong Kong in December 1997.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Qian, Sam Zhongshan (錢中山)

Dr. Qian, Sam Zhongshan ("**Dr. Qian**"), aged 61, is our independent non-executive Director and joined the Group in May 2022. Dr. Qian has been the chief executive officer of Star Plus Development Limited since October 2020. Dr. Qian was appointed as the chief executive officer and executive Director of Star Plus Legend Holdings Limited (a company listed on the Stock Exchange with stock code: 6683) in September 2021, where he is responsible for formulating overall business strategy and corporate finance strategy. From March 2000 to March 2004, he was a vice president in Sohu.com Limited, which was formerly known as Sohu.com Inc. (a company listed on the NASDAQ with stock code: SOHU), where he was responsible for overseeing the finance, real estate and automobile channels. From April 2004 to June 2006, Dr. Qian was the president and chief financial officer of China Finance Online Co., Ltd (a company listed on the NASDAQ with stock code: JRJC), where he was responsible for the overall management and financial affairs of the company. From June 2013 to October 2019, he was a responsible officer of ExaByte Capital Management (HK) Limited to carry on Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Ch. 571 of the laws of Hong Kong) (the "**SFO**"). Dr. Qian obtained a degree of Doctor of Philosophy from Columbia University in the United States in February 1991 and a degree of bachelor in Physics from the University of Science and Technology of China in the PRC in July 1985.

PROFILE OF DIRECTORS

Dr. Leung Shek Ling Olivia (梁碩玲)

Leung Shek Ling Olivia (formerly known as Leung Wai Fong Olivia, “**Dr. Leung**”), aged 53, is a Canadian Chartered Accountant, PhD and associate professor of teaching in Accounting. Dr. Leung has been the principle lecturer of the Faculty of Business and Economics of The University of Hong Kong since July 2011 and the associate dean of the Faculty of Business and Economics of The University of Hong Kong since January 2020. Her primary working experience includes assistant professor and principle lecturer of accounting at The City University of Hong Kong from August 2004 to June 2011, director of the International Business and Global Management Program of The University of Hong Kong from June 2016 to October 2018 and assistant dean of the Faculty of Business and Economics of The University of Hong Kong from June 2016 to December 2019. Dr. Leung obtained a bachelor’s degree from The University of British Columbia in Canada and a doctorate degree from The Chinese University of Hong Kong in June 1994 and June 2004, respectively. Since June 2020, Dr. Leung has been an independent non-executive director of GF Securities Co., Ltd. (廣發証券股份有限公司) a company listed on the Main Board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776).

Mr. Ho Yun Tat (何潤達)

Mr. Ho Yun Tat (“**Mr. Ho**”), aged 39, is an independent non-executive Director and joined the Group in May 2022. Mr. Ho has been serving as the Senior Director, Finance of Klook Travel Technology Limited, an experiences platform which connects users from all over the world with local merchants providing a vast array of activities, tours, attractions and destination services, since April 2020, where he is responsible for managing and leading the finance functions of the company. From October 2009 to July 2015, Mr. Ho worked at PricewaterhouseCoopers, starting as an associate in the tax department and later serving as a manager in the assurance department in the financial services practice. From September 2015 to January 2016, Mr. Ho was an associate in the internal audit division of Morgan Stanley Asia Limited in Hong Kong. From January 2016 to November 2019, Mr. Ho served as a financial director at GOGOX (formerly known as GOGO Tech Limited), a technology platform offering logistics solutions. Mr. Ho obtained a degree of Bachelor of Business Administration in Professional Accounting from the Hong Kong University of Science and Technology in November 2009. Mr. Ho has been a member of the Hong Kong Institute of Certified Public Accountants since March 2013.

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the Reporting Period.

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules as the basis of the Company’s corporate governance practices throughout the Reporting Period.

In the opinion of the Directors, save for the deviation from the code provision C.2.1 disclosed in the subsection headed “Chairman and Chief Executive Officer” below, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period.

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted its own securities dealing code regarding the code of conduct of Directors and employees (who are likely to be in possession of inside information of the Company) on dealings in the Company's securities (the **"Securities Handling Policy"**) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Securities Handling Policy throughout the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

BOARD COMPOSITION

The composition of the Board as at the date of this annual report is as follows:

Executive Directors

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

Non-Executive Directors

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy (*resigned on 22 July 2024*)

Independent Non-Executive Directors

Dr. Qian Sam Zhongshan

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia

The biographical information of the Directors is set out in the section headed "Profile of Directors" on pages 77 to 79 of this annual report.

Mr. Wu is the spouse of Ms. Tsui. Save as disclosed in this annual report, there is no financial, business, family or other relationships between the members of the Board.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. During the Reporting Period, the Board held 4 Board meetings for the purposes of, among others, approving the (i) final results, and (ii) interim results of the Group for the Reporting Period.

A summary of the attendance records of the Directors at the Board meetings, the Board Committee meetings and the general meetings of the Company held during the Reporting Period is set out below:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy and Investment Committee	Annual General Meeting
Mr. Wu Faat Chi	4/4			1/1	1/1	1/1
Ms. Tsui Ka Wing	4/4		1/1		1/1	1/1
Mr. Man Lap	4/4	2/2			1/1	1/1
Mr. Hsieh Wing Hong Sammy ¹	1/1				1/1	0/0
Dr. Qian Sam Zhongshan	4/4			1/1		1/1
Mr. Ho Yun Tat	4/4	2/2	1/1			1/1
Dr. Leung Shek Ling Olivia	4/4	2/2	1/1	1/1		1/1

Note:

1. Mr. Hsieh Wing Hong Sammy resigned as non-executive Director on 22 July 2024. For details, please refer to the Company's announcement dated 22 July 2024.

Apart from regular Board meetings, the Chairman also held one meeting with the independent non-executive Directors without the presence of other Directors during the year.

The independent non-executive Directors and non-executive Director have attended the annual general meeting of the Company to gain and develop a balanced understanding of the view of the Shareholders.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

The positions of chairman and chief executive officer are held by Mr. Wu. While this will constitute a deviation from code provision C.2.1, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of six Directors, and the Company believe there is sufficient check and balance on the Board; (ii) Mr. Wu and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions of our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Group.

Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both the Board and senior management levels.

Finally, as Mr. Wu is one of the founders of the Yoho OMO Business, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions the Company need to take to maintain and improve the Board's performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, all Directors have completed the independence evaluation in the form of a questionnaire individually and supplemented by individual interviews. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

CORPORATE GOVERNANCE REPORT

RE-ELECTION OF DIRECTORS

Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an addition to the Board, shall hold office only until the first annual general meeting of the Company after appointment. The retiring Directors shall be eligible for re-election.

Each of the executive Directors, Mr. Wu and Ms. Tsui, has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and shall thereafter continue on a month to month basis, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company.

The non-executive Director, Mr. Man, has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023, which may be terminated by not less than one month's notice in writing served by either the non-executive Director or the Company. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Directors and the Company.

Each of the independent non-executive Directors, Dr. Qian, and Mr. Ho, has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023 and Dr. Leung has entered into a letter of appointment with the Company for a term of one year commencing from 31 July 2023, which may be terminated by not less than one month's notice in writing served by either the independent non-executive Director or the Company. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Directors and the Company.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

CORPORATE GOVERNANCE REPORT

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Directors attended a training organised by the Company and conducted by the Hong Kong legal advisers of the Company for all Directors on ongoing obligations and Directors' duties and responsibilities of a publicly listed company under certain applicable Hong Kong laws and regulations, including the Listing Rules.

CORPORATE GOVERNANCE REPORT

The training records of the Directors for the Reporting Period have been provided to the Company and are summarised as follows:

Directors	Type of training attended ^{Note}
Executive Directors	
Mr. Wu Faat Chi	A and B
Ms. Tsui Ka Wing	A and B
Non-Executive Directors	
Mr. Man Lap	A and B
Mr. Hsieh Wing Hong Sammy ¹	A and B
Independent Non-Executive Directors	
Dr. Qian Sam Zhongshan	A and B
Mr. Ho Yun Tat	A and B
Dr. Leung Shek Ling Olivia	A and B

Notes:

1. Mr. Hsieh Wing Hong Sammy resigned as non-executive Director on 22 July 2024.

A Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established four committees, namely, the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”), the nomination committee (the “**Nomination Committee**”) and the strategy and investment committee (the “**Strategy and Investment Committee**”), for overseeing particular aspects of the Company’s affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company’s website and the Stock Exchange’s website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under “Corporate Information” on page 2 of this annual report.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee consists of three members, namely Mr. Man (non-executive Director), Mr. Ho and Dr. Leung (independent non-executive Directors). Mr. Ho is the chairman of the Audit Committee. At least one of the committee members possesses appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules and none of the committee members is a former partner of or has any financial interest in the Company's existing external auditors within two years before his appointment as a member of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company and managing the relationship with the external auditors, including but not limited to making recommendation to the Board on the appointment, reappointment and removal of external auditors, receiving and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, discussing with the auditors the nature and scope of the audit and reporting obligations, and developing and implementing policy on engaging an external auditor to provide non-audit services.

The Audit Committee held two meetings during the Reporting Period to review the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works.

The Audit Committee also met the external auditors twice without the presence of the Executive Directors.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members, namely Ms. Tsui (executive Director), Dr. Leung and Mr. Ho (independent non-executive Directors). Dr. Leung is the chairwoman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The Remuneration Committee adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of the individual executive Directors and senior management. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, reviewing matters relating to the share schemes under Chapter 17 of the Listing Rules, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held one meeting during the Reporting Period to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors.

CORPORATE GOVERNANCE REPORT

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board.

NOMINATION COMMITTEE

The Nomination Committee consists of three members, namely Mr. Wu (executive Director), Dr. Qian and Dr. Leung (independent non-executive Directors). Mr. Wu is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee held one meeting during the Reporting Period to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the Annual General Meeting, to review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

CORPORATE GOVERNANCE REPORT

STRATEGY AND INVESTMENT COMMITTEE

The Strategy and Investment Committee consists of three members, namely Mr. Wu and Ms. Tsui (executive Directors), as well as Mr. Man (non-executive Director). Mr. Man is the chairman of the Strategy and Investment Committee.

According to the terms of reference of the Strategy and Investment Committee, its principal duties include, without limitation, reviewing and evaluating investment projects for the long-term development of the Group (including mergers and acquisition, joint venture and equity investments), studying and making recommendations to the Board on major investments, financial solutions and capital investments and supervising the implementation of the investments approved by the Board.

The Strategy and Investment Committee held one meeting during the Reporting Period to discuss the investment projects for the long-term development of our Group as well as other related matters.

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 March 2025:

	Female	Male
Board	33.3% (2)	66.7% (4)
Other employees	42.9% (42)	57.1% (56)
Overall workforce	42.3% (44)	57.7% (60)

The Board had targeted to achieve and had achieved at least 33.3% (2) of female Directors, and 42.9% (42) of female employees of the Group and considers that the above current gender diversity is satisfactory. The Board will continue to review the gender diversity of the Group from time to time to ensure their appropriateness.

Details on the gender ratio of staff of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 54 to 57 of this Annual Report.

BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, qualification, skills, experience, knowledge, length of service and any other factors that the Board would consider relevant and applicable from time to time taking into account the Company's business model and specific needs.

The Board will continue to adopt measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE REPORT

As at the date of this annual report, the Board's composition based on the measurable objectives can be summarised by the following main diversity perspectives:

	Number of Directors
By Gender	
Female	2
Male	4
By Ethnicity	
Chinese	6
By Age	
Below 40	2
40-49	1
50 or above	3
By Length of Service	
Over 1 year	1
Over 2 years	5

Our Directors also have a balanced mix of knowledge and skills and obtained degrees in various majors. We have three independent non-executive Directors with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the Nomination committee and the Board are of the view that the composition of our Board satisfies the Board Diversity Policy.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

CORPORATE GOVERNANCE REPORT

The Director Nomination Policy sets out the following factors for assessing the suitability and the potential contribution to the Board of a proposed candidate:

- whether the individual's educational background and qualification, skills and experience are relevant to the Company's business model and specific needs;
- individual's character and reputation for integrity;
- whether the individual would be able to devote sufficient time to the Board;
- (in respect of appointment and reappointment of independent non-executive Directors) Independence of the individual with reference to the independence criteria set out in Rule 3.13 of the Listing Rules;
- how the individual would be able to contribute to the diversity of the Board with reference to the factors set out in the Board Diversity Policy of the Company from time to time in force; and
- Board succession planning considerations.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings as follows:

APPOINTMENT OF NEW DIRECTOR

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

CORPORATE GOVERNANCE REPORT

RE-ELECTION OF DIRECTOR AT GENERAL MEETING

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Nomination Committee will review the Director Nomination Policy regularly to ensure its effectiveness. The Nomination Committee will also conduct annual review on the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining corporate governance policy of the Company and performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. A Corporate Governance Policy setting out various corporate governance policies and procedures has been adopted by the Company, which applies to assist the Board and the top management to better perform their corporate governance duties to the Group and delegate the responsibilities to the Board committees.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, the Company engaged an independent internal control consulting firm to perform an overall assessment on certain of our procedures, systems and internal controls. During the course of the internal control review, the consulting firm has provided some recommendations for our Group to enhance its internal control measures.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

The management of our Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system and ensuring that our Group establish and maintain appropriate and effective systems. The management also assists the Board in the implementation of our Group's policies, procedures and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Risk management process involves operation management input to the risk identification, evaluation and management of significant risks. Operation management team makes decisions regarding which risks are acceptable and how to address those that are not. The Group periodically reviews our policies and procedures, code of business conduct, the Anti-corruption Policy and the Whistleblowing Policy.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

CORPORATE GOVERNANCE REPORT

The Company has adopted a Whistleblowing Policy to facilitate employees of our Group and other stakeholders who deal with our Group to raise, in confidence, concerns about possible improprieties in the practices and procedures, including financial reporting, internal control and other matters. It enables employees and stakeholders to report matters that may constitute (i) non-compliance to laws or regulations; (ii) malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matter; (iii) endangerment of the health and safety of an individual; (iv) damage caused to the environment; (v) improper conduct or unethical behaviour likely to prejudice the standing of the Company; and (vi) deliberate concealment of any of the above.

The Company has developed the Information & Communication Policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

The Company has engaged an external professional firm which assists the Board and the Audit Committee in their review of the adequacy and effectiveness of the risk management and internal control systems. The Company has also established its internal audit function to examine key issues in relation to the accounting practices and all material controls.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems throughout the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report, has conducted its annual review of the effectiveness of the Group's risk management and internal control systems. The annual review also covered the financial reporting, internal audit function and staff qualifications, experiences and relevant resources. The Board considered that, throughout the Reporting Period, the risk management and internal control system and procedures of our Group were reasonably effective and adequate, and that no material deficiencies had been identified.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Our controlling Shareholders, namely The Mearas Venture Limited ("**The Mearas Venture**"), The Wings Venture, Yo Cheers (BVI) Limited ("**Yo Cheers (BVI)**"), Mr. Wu and Ms. Tsui, have entered into a deed of non-competition in favour of the Company on 18 May 2022 (the "**Deed**"), details of which have been set out in the section headed "Relationship with Our Controlling Shareholders" in the Prospectus.

The Company has received written declarations from each controlling Shareholder in respect of his/her/its and/or his/her/its close associates' compliance with the terms of the Deed during the Reporting Period up to the date of this annual report. The independent non-executive Directors have also reviewed the compliance with the Deed and enforcement of the terms of the Deed by the controlling Shareholders, and they confirmed that the controlling Shareholders have been in compliance with the Deed throughout the Reporting Period up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 124 to 127 in this annual report.

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

AUDITORS' REMUNERATION

An analysis of the total remuneration to the external auditor of the Company, Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the Reporting Period is set out below:

Service Category	Total Fees
Audit Services	HK\$1,600,000
Non-audit Services	
– Hong Kong profit tax for filing services	HK\$72,000
– Review services in relation to the interim report	HK\$350,000
– Others	HK\$304,000
	HK\$2,326,000

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Ms. Chan Sau Ling (“**Ms. Chan**”) has been appointed as the company secretary and an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from 31 July 2023. Ms. Chan is currently a Director of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. During the Reporting Period, Ms. Chan has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with its Shareholders through various communication channels.

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Any Shareholder who wishes to put forward proposals at a general meeting of the Company shall submit such proposals to the Board in writing for the Board's consideration either via mail to the Company's principal place of business in Hong Kong or via email not less than 15 business days prior to the date of the general meeting. The mail address and email address are set out in the subsection headed “Contact Details” below.

CORPORATE GOVERNANCE REPORT

PUTTING FORWARD ENQUIRIES TO THE BOARD

For enquiries about shareholdings, share registration and related matters, Shareholders shall direct their enquiries to the Company's Hong Kong branch share registrar and the contact details are set out as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Email: is-enquiries@vistra.com

Telephone: (852) 2980 1333

Fax: (852) 2810 8185

For any other enquiries to be brought to the attention of the Board, Shareholders shall send their written enquiries to the Company either via mail to the Company's principal office in Hong Kong or via email. The mail address and email address are set out in the subsection headed "Contact Details" below.

CONTACT DETAILS

Shareholders can send their proposals and enquiries as mentioned above to the Company as follows:

Address: 9A, Bamboos Centre, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong (For the attention of the Board of Directors)

Email: info@yohohongkong.com

Telephone: (852) 3001 1077

Fax: (852) 3011 3130

For the avoidance of doubt, Shareholder(s) must deposit and send the duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

The Company will not normally deal with verbal or anonymous enquiries.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

The general meetings of the Company provide a forum for communication between the Board and the Shareholders. The Chairman of the Board and the chairmen of the Nomination Committee, the Remuneration Committee, the Audit Committee and the Strategy and Investment Committee (or their delegates) will make themselves available at the annual general meetings to meet Shareholders and answer their enquiries. The annual general meeting of the Company for the Reporting Period (the "AGM") will be held on Friday, 29 August 2025 and the notice of AGM will be sent to Shareholders of the Company at least 21 days before the AGM.

To promote effective communication, the Company maintains a website at www.yohohongkong.com where up-to-date information and updates on the Company's financial information, corporate governance practices and other information are posted.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

The Company has adopted and issued a new arrangement for Corporate Communications, which took effect on 28 March 2024. Pursuant to the amended Rule 2.07A of the Listing Rules and the Company's Articles of Association, the Company will disseminate its Corporate Communications to Shareholders electronically and only send Corporate Communications in printed form to Shareholders upon request. "Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.yohohongkong.com) in a timely manner as required by the Listing Rules. Details of the arrangements (i) for dissemination of Corporate Communications and (ii) for requesting printed copy of Corporate Communications and Actionable Corporate Communications are published under the section "Corporate News" in the Company's website (www.yohohongkong.com).

CORPORATE GOVERNANCE REPORT

(b) **Announcements and Other Documents pursuant to the Listing Rules**

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website and Company's website in a timely manner in accordance with the Listing Rules.

(c) **Corporate Website**

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website.

(d) **Shareholders' Meetings**

The AGM and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) **Shareholders Enquiries**

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: info@yohohongkong.com or by post to 9A, Bamboos Centre, 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

(f) **Other Investor Relations Communication Platforms**

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a required basis.

CORPORATE GOVERNANCE REPORT

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted an amended and restated Memorandum and Articles of Association by a special resolution passed on 20 May 2022 and which became effective on the Listing Date. 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. Save as disclosed above, there was no change in the constitutional documents of the Company during the Reporting Period and up to the date of this annual report.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

The Board shall review the Dividend Policy as and when necessary.

Declaration and payment of any dividends would require the recommendation of our Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to the Shareholders' approval, but no dividend shall be declared in excess of the amount recommended by the Board. A decision to declare or to pay any dividend in the future, and the amount of any dividend, depend on a number of factors, including the actual and expected results of operations, financial condition, the payment of cash dividends by our subsidiaries to us, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions of the Company, and other factors which our Board deems to be relevant. There is no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Company in the future.

REPORT OF THE DIRECTORS

The Board is pleased to present their annual report together with the audited consolidated financial statements for the Reporting Period.

REGISTERED OFFICE

The Company is a company incorporated registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands and has its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

PRINCIPAL ACTIVITIES

The principal activities of our Group are (i) provision of both online and offline e-commerce retail services and (ii) offline wholesale and trading of consumer electronics and home appliances. The principal activities of its major subsidiaries are detailed in note 34 to the consolidated financial statements.

BUSINESS REVIEW

The business review of our Group for the Reporting Period is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” from pages 6 to 11 and pages 16 to 32 of this annual report, respectively. Description of the principal risks and uncertainties that our Group faces is set out in the section headed “Principal Risks and Uncertainties” on page 28 of this annual report.

RELATIONSHIPS WITH STAKEHOLDERS

Our Group understands that it is important to maintain a good relationship with its business partners, customers, suppliers and merchants to achieve its long-term goals. Accordingly, our management have maintained a solid communication channel and shared business updates with them when appropriate. This communication provides valuable feedback for our business and assists us to understand stakeholders’ needs and assess the best way to leverage our resources and expertise to contribute to future business and community development.

An account of the Company’s relationships with its talents is set out in the sections headed “Management Discussion and Analysis” from page 16 and “Environmental, Social and Governance Report” from pages 33 to 76 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, our Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by our Group.

CHANGES TO DIRECTORS’ INFORMATION

During the Reporting Period and up to the date of this annual report, save as disclosed in this annual report, there had been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REPORT OF THE DIRECTORS

DIRECTORS' EMOLUMENT

Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 11 to the consolidated financial statements in this annual report.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Our Group recognises its corporate responsibility to promote environmental and social sustainability and has therefore taken up various initiatives with a view to reducing energy consumption, food and paper waste. Through the initiatives taken to control electricity consumption by using energy-efficient retrofits and air-conditioning and lighting control measures in workplaces, we have seen continued improvement in reducing the use of electricity.

Going forward, our Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in our Group's daily operation of our Group's business and also continue to promote environmental practices and social sustainability through various initiatives consistent with its policies and relevant laws and regulations.

In addition, discussion on our Group's environmental policies and performance are contained in the section headed "Environmental, Social and Governance Report" on pages 33 to 76 of this annual report.

CONSOLIDATED FINANCIAL STATEMENTS

The financial performance of our Group for the Reporting Period and the financial position of our Group as at that date are set out in the consolidated financial statements from pages 128 to 130 of this annual report.

ANALYSIS ON FINANCIAL PERFORMANCE

An analysis of the Group's performance during the Reporting Period is set out in the sections headed "Financial Highlights", "Operational Highlights" and "Management Discussion and Analysis" on page 4, page 5 and from pages 16 to 32 of this annual report, respectively.

DIVIDENDS

The Board has recommended the declaration of a final dividend of HK\$0.015 per Share for FY24/25 (FY23/24: HK\$0.030) representing a total amount of approximately HK\$7,399,000 (2024: HK\$14,934,660), subject to the approval of shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 29 August 2025. The proposed final dividend will be paid to the Shareholders on or about Friday, 26 September 2025 whose names appear on the Company's register of members on Wednesday, 10 September 2025.

REPORT OF THE DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend and vote at the 2025 AGM, and the eligible Shareholders' entitlement to the proposed final dividend, the Register of Members will be closed as appropriate as set out below:

- (i) For determining the Shareholders' eligibility to attend and vote at the 2025 AGM:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Friday, 22 August 2025
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Closure of the Register of Members	Monday, 25 August 2025 to Friday, 29 August 2025 (both days inclusive)
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Record Date	Friday, 29 August 2025
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- (ii) Subject to the passing of the final dividend proposal agenda at the 2025 AGM, for determining the eligible Shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Thursday, 4 September 2025
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Closure of the Register of Members	Friday, 5 September 2025 to Wednesday, 10 September 2025 (both days inclusive)
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Record Date	Wednesday, 10 September 2025
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For purposes mentioned above, all properly completed transfer form(s) accompanied by the relevant share certificate(s) must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in note 25 to the consolidated financial statements. Shares were issued during the year as consideration shares for acquisition of J SELECT. Details on the issuance of shares are also set out in note 25 to the consolidated financial statements. The Group has repurchased some shares during the year.

As of the date of this report, these repurchased shares have not been cancelled nor have been held as treasury shares. As at 31 March 2025, the Company did not hold any treasury shares.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed “Share Option Scheme” as set out on pages 112 to 120 of this annual report, no equity-linked agreement was entered into by our Group during the Reporting Period or subsisted at the end of the Reporting Period.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2025, calculated in accordance with the provision of Part 6 of Companies Ordinances (Cap. 622) of the laws of Hong Kong, amounted to approximately HK\$44.2 million (2024: approximately HK\$46.0 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2025 are set out in note 14 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

BORROWINGS

The Group had no outstanding borrowings as at 31 March 2025.

REPORT OF THE DIRECTORS

LOAN AND GUARANTEE

During the year ended 31 March 2025, 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.

NO CHARGE ON ASSETS

Save as disclosed in this report, there has not been any other charges on the assets of the Group during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

DIRECTORS

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

EXECUTIVE DIRECTORS

Mr. Wu Faat Chi (*Chairman and Chief Executive Officer*)

Ms. Tsui Ka Wing (*Chief Operating Officer*)

NON-EXECUTIVE DIRECTORS

Mr. Man Lap

Mr. Hsieh Wing Hong Sammy (*resigned on 22 July 2024*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Qian Sam Zhongshan

Mr. Ho Yun Tat

Dr. Leung Shek Ling Olivia

REPORT OF THE DIRECTORS

In accordance with Article 16.19 of the Articles of Association, Mr. Wu Faat Chi, Mr. Ho Yun Tat and Dr. Leung Shek Ling Olivia will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either the executive Director or the Company. Each of Mr. Man Lap, Dr. Qian Sam Zhongshan and Mr. Ho Yun Tat has entered into a letter of appointment with the Company for a term of one year commencing from the Listing Date and entered into a letter of renewal with the Company for a term of one year commencing from 10 June 2023, which may be terminated by not less than one month's notice in writing served by either party on the other. The term shall thereafter continue on a month to month basis unless otherwise agreed by the Director and the Company. Dr. Leung Shek Ling Olivia has entered into a letter of appointment with the Company for a term of one year commencing from 31 July 2023, which may be terminated by not less than one month's notice in writing served by either party on the other. The term shall thereafter continue on a month to month basis unless otherwise agreed by Dr. Leung and the Company.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under note 26 to the consolidated financial statements, no transaction, arrangement nor contract of significance in relation to our Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between the Company or any of its subsidiaries and the controlling Shareholders of the Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the Reporting Period and up to the date of this annual report, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder of the Company or any of its subsidiaries was entered into during the Reporting Period or subsisted at the end of the Reporting Period and up to the date of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages 77 to 79 of this annual report.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director may be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a director in defending any proceedings whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company had arranged appropriate directors' liability insurance coverage for the Directors as at the date of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Wu ^(Notes 1,3)	Interest in a controlled corporation	168,003,522 (Long position)	33.65%
	Interest of spouse	145,938,186 (Long position)	29.23%
	Beneficial interest	8,014,000 (Long position)	1.60%
Ms. Tsui ^(Notes 2,3)	Interest in a controlled corporation	140,938,186 (Long position)	28.23%
	Interest of spouse	176,017,522 (Long position)	35.25%
	Beneficial interest	5,000,000 (Long position)	1.00%

REPORT OF THE DIRECTORS

Name of Director/chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Man ^(Note 4)	Beneficial Interest	4,454,160 (Long position)	0.89%
Mr. Ho Yun Tat ^(Note 5)	Beneficial interest	560,000 (Long position)	0.11%
Dr. Qian Sam Zhongshan ^(Note 5)	Beneficial interest	560,000 (Long position)	0.11%
Dr. Leung Shek Ling Olivia ^(Note 5)	Beneficial interest	448,000 (Long position)	0.09%

Notes:

1. The Mearas Venture Limited (the "**Mearas Venture**"), which is wholly-owned by Mr. Wu, is interested in 168,003,522 Shares. Under the SFO, Mr. Wu is deemed to be interested in the 168,003,522 Shares held by the Mearas Venture. Mr. Wu is also beneficially interested in 8,014,000 Shares (including the 5,000,000 share options granted to Mr. Wu by the Company on 21 July 2023).
2. The Wings Venture Limited (the "**Wings Venture**"), which is wholly-owned by Ms. Tsui, is interested in 140,938,186 Shares. Under the SFO, Ms. Tsui is deemed to be interested in the 140,938,186 Shares held by the Wings Venture. Ms. Tsui is also beneficially interested in 5,000,000 Shares (representing the share options granted to Mr. Tsui by the Company on 21 July 2023).
3. Mr. Wu is the spouse of Ms. Tsui, and therefore Mr. Wu is deemed to be interested in 145,938,186 Shares held by Ms. Tsui, representing the aggregate of Ms. Tsui's interests via the Wings Venture (i.e. 140,938,186 Shares) and her personal beneficial interests (i.e. 5,000,000 Shares) in the Company.

Similarly, Ms. Tsui is deemed to be interested in 176,017,522 Shares held by Mr. Wu, representing the aggregate of Mr. Wu's interests via the Mearas Venture (i.e. 168,003,522 Shares) and his personal beneficial interests (i.e. 8,014,000 Shares) in the Company. As a result, each of Mr. Wu and Ms. Tsui is deemed to be interested in a total of 321,955,708 Shares, representing approximately 64.48% interest of the total issued share capital of our Company as at 31 March 2025.

REPORT OF THE DIRECTORS

4. In addition to his direct interests in our Company, Mr. Man is indirectly interested in the issued share capital of our Company via Beyond Ventures Vehicle, which is interested in 35,676,935 Shares. 3 Musketeers Limited, which is owned by Mr. Man and his spouse, Ms. Ma Siu Yan Sandra, as to 50% and 50%, respectively, is (i) one of the shareholders of Beyond I Capital Limited (being the general partner of Beyond Ventures) as to approximately 14.3%, (ii) one of the limited partners and strategic partners of Beyond Ventures which directly owned a total of approximately 8.34% partnership interest (comprising approximately 3.69% partnership interest as limited partner and approximately 4.65% partnership interest as strategic partner, among which approximately 2.18% strategic partnership interest was in respect of our Group and approximately 2.47% strategic partnership interest was in respect of other investment projects invested by Beyond Ventures), and (iii) one of the shareholders of Beyond I Special Capital Limited (being a limited partner of Beyond Ventures which owned approximately 5.35% of limited partnership interest of Beyond Ventures) as to 14.29%. For further details, please see the section headed "History, Reorganisation and Corporate Structure – Pre-IPO Investment – Public Float" in the Prospectus. Mr. Man's beneficial interests include 560,000 share options granted under the Share Option Scheme.
5. These personal interests represented the share options granted to the respective directors under the Share Option Scheme.
6. For details of the share options granted to the Directors, please refer to the section headed "Other information – Share Option Scheme" of this report.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS

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

To the best knowledge and information of the Directors after having made all reasonable enquiries, as at 31 March 2025, the following persons (other than the Directors and chief executives of the Company) had interests in 5% or more of the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding
The Mearas Venture	Beneficial Interest	168,003,522 (Long position)	33.65%
The Wings Venture	Beneficial Interest	140,938,186 (Long position)	28.23%
Beyond Ventures Vehicle ^(Note 1)	Beneficial Interest	35,676,935 (Long position)	7.14%
Beyond Ventures I Fund L.P. ("Beyond Ventures") ^(Note 1)	Interest in controlled corporation	35,676,935 (Long position)	7.14%
Beyond I Capital Limited ^(Note 1)	Interest in controlled corporation	35,676,935 (Long position)	7.14%

Note:

- Beyond Ventures Vehicle is wholly-owned by Beyond Ventures, which is an exempted limited partnership registered in the Cayman Islands with (i) Beyond I Capital Limited as its general partner, which is in turn owned by Expand Ocean Limited as to approximately 28.6%, Mr. Fang Yan Zau Alexander as to approximately 28.6%, 3 Musketeers Limited as to approximately 14.3%, Billion Eggs Limited as to approximately 14.2% and Decent Global Limited as to approximately 14.3%, and (ii) various high net worth individuals and institutional and corporate investors as its limited partners and strategic partners. No limited partner or strategic partner has contributed more than one third of the capital to Beyond Ventures. Under the SFO, Beyond Ventures (as the sole shareholder of Beyond Ventures Vehicle) and Beyond I Capital Limited (as the general partner of Beyond Ventures) are deemed to be interested in the 35,676,935 Shares held by Beyond Ventures Vehicle.

Save as disclosed above, as at 31 March 2025, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

On 20 May 2022, the Company conditionally adopted the Share Option Scheme the principal terms of which are set out below:

(A) PURPOSE

The purpose of the Share Option Scheme is to enable our Group to (1) recognise and acknowledge the contributions that eligible participants have (or may have) made or may make to our Group (whether directly or indirectly); (2) attract and retain and appropriately remunerate the best possible quality of employees and other eligible participants; (3) motivate the eligible participants to optimise their performance and efficiency for the benefit of our Group; (4) enhance its business, employee and other relations; and/or (5) retain maximum flexibility as to the range and nature of rewards and incentives which our Group can offer to eligible participants.

(B) ELIGIBLE PARTICIPANTS

Eligible participants mean (1) any employee or officer employed by any member of our Group or an affiliate (whether full time or part time) and any of his/her close associates; (2) any director or proposed director of any member of our Group or any company which is an affiliate and their respective close associates; and (3) any consultant, professional, customer, supplier, agent, franchisee, partner, advisor or contractor of any member of our Group or any of the affiliates and their respective close associates, who the Board in its absolute discretion determines to be qualified to be (or, where applicable, to continue to be qualified to be) an eligible participant.

(C) TOTAL NUMBER OF SHARES AVAILABLE FOR ISSUE UNDER THE SHARE OPTION SCHEME

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (i.e. 50,000,000 Shares) (the “**Scheme Mandate Limit**”) and representing approximately 10% of the total issued shares of the Company as at the date of this annual report. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Scheme Mandate Limit may be refreshed if so approved by our Shareholders at general meeting from time to time provided always that the Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by our Shareholders at general meeting. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time.

As of 1 April 2024, the number of options available for grant under the Share Option Scheme was 23,984,000. After the lapse of options of an aggregate of 3,304,000 during the Reporting Period, the number of options available for grant as of 31 March 2025 was 27,288,000. No option was exercised during the Reporting Period and up to the date of this annual report and there was 22,712,000 outstanding option as at 31 March 2025.

REPORT OF THE DIRECTORS

(D) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and to be issued upon exercise of options already granted or to be granted to any grantee (including exercised, cancelled and outstanding options) under the Share Option Scheme, in any 12-month period up to and including the date of such grant shall not exceed 1% of the Shares in issue.

(E) PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the commencement date subject to the provisions of early termination thereof.

(F) MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

The Board may in its absolute discretion and in accordance with the Listing Rules set a minimum period for which an option must be held and performance targets that must be achieved before an option can be exercised.

(G) TIME OF ACCEPTANCE AND THE AMOUNT PAYABLE ON ACCEPTANCE OF THE OPTION

An offer shall be deemed to have been accepted when the Company receives a duplicate offer letter duly signed from the grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant thereof.

(H) BASIS OF DETERMINING THE EXERCISE PRICE

The exercise price in respect of any particular option shall be a price determined by the Board and stated in the offer letter, and shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; (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 date of the offer; and (iii) the nominal value of a Share prevailing on the date of the offer.

(I) LIFE OF THE SHARE OPTION SCHEME

The Share Option Scheme became unconditional on the Listing Date and shall be valid and effective for a period of ten years commencing therefrom, subject to the early termination provisions contained in the Share Option Scheme. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

REPORT OF THE DIRECTORS

On 21 July 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 12,800,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. Among the total 12,800,000 share options, 12,800,000 share options are subject to shareholders' approval. For details, please see the Company's announcement dated 21 July 2023 and circular date 9 August 2023.

On 22 September 2023, the Company granted share options under the Share Option Scheme under which the option holders are entitled to acquire an aggregate of 14,504,000 shares of the Company. Pursuant to the terms of the Share Option Scheme, the options granted are not subject to performance targets nor clawback mechanism. For details, please see the Company's announcement dated 22 September 2023.

The remuneration committee of the Board (the "**Remuneration Committee**") considered that the performance targets are not necessary for the options previously granted as (i) the value of the options is subject to the future market price of the shares of the Company, which, in turn, depends on the business performance of the Group, to which the grantees would directly contribute, and the grantees will benefit more from the options if the share price increases; and (ii) the options are subject to the vesting periods as stated below and may lapse where the grantee cease to qualify as an eligible participant under the Share Option Scheme, and that such mechanisms would motivate the grantees to be retained for continued contribution to the Group's development.

In addition, the Remuneration Committee considered that a clawback mechanism is not necessary for the options previously granted, having considered that the lapse and cancellation of options under various scenarios has already been provided for under the Share Option Scheme, which could adequately safeguard the Company's interests. The Remuneration Committee believed that, even without additional performance target and clawback mechanism, the grant of the options could align the interests of the grantees with that of the Company and its Shareholders as a whole (in particular, it would serve to incentivise and reinforce the long-term commitment and devotion of the grantees towards the future development, results of operation and growth of the Group) which is in line with the purpose of the Share Option Scheme.

No share options were granted nor exercised pursuant to the Share Option Scheme during the Reporting Period.

Save as disclosed above, there were no other material matters relating to the Share Option Scheme that were required to be reviewed for approval by the Remuneration Committee during the Reporting Period in accordance with Rule 17.07A of the Listing Rules.

REPORT OF THE DIRECTORS

The following table discloses movements in the share options under the Share Option Scheme of the Company during the Reporting Period.

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2024)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ^(a) (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ^(b)	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2025)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Wu Faat Chi (Chairman, Chief Executive Officer, Executive Director and Substantial Shareholder of the Company)	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Ms. Tsui Ka Wing (Executive Director, Chief Operating Officer and Substantial Shareholder of the Company)	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	1,000,000	–	0.77	180,830	–	–	1,000,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00

REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2024)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽⁹⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁸⁾	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2025)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Mr. Man Lap (Non-executive Director of the Company)	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Mr. Hsieh Wing Hong Sammy (Non-executive Director of the Company, resigned on 22 July 2024)	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	80,000	–	0.77	11,154	–	80,000	–	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00

REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2024)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽³⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2025)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Dr. Qian Sam Zhongshan (Independent Non-executive Director of the Company)	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00
Mr. Ho Yun Tat (Independent Non-executive Director of the Company)	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	1.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	2.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.00
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	3.50
	31 August 2023	80,000	–	0.77	11,154	–	–	80,000	21 July 2023 to 21 July 2027	21 July 2024 to 20 July 2033	4.00

REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2024)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽³⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2025)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Dr. Leung Shek Ling Olivia (Independent Non-executive Director of the Company)	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.00
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.50
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.00
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.50
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.00
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.50
	22 September 2023	64,000	–	0.68	7,914	–	–	64,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	4.00

REPORT OF THE DIRECTORS

Type of grantees/ Name of grantee	Date of grant of the options	Number of outstanding options as at beginning of Reporting Period (i.e. 1 April 2024)	Number of options granted during the Reporting Period	Closing price of the securities immediately before the date on which the options were granted (HK\$)	Value of the options granted ⁽³⁾ (HK\$)	Number of options exercised during the Reporting Period	Number of options expired/ lapsed/ cancelled during the Reporting Period ⁽⁶⁾	Number of outstanding options as at end of Reporting Period (i.e. 31 March 2025)	Vesting period of the options	Exercise period of the options	Exercise price of the options per Share (HK\$)
Other grantees (being other employees of the Group)	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.00
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	1.50
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.00
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	2.50
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.00
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	3.50
	22 September 2023	1,904,000	–	0.68	161,515	–	392,000	1,512,000	22 September 2023 to 22 September 2027	22 September 2024 to 21 September 2033	4.00
Total		26,016,000	–		3,306,615	–	3,304,000	22,712,000			

REPORT OF THE DIRECTORS

Notes:

- Save as disclosed above, no share option was granted to (i) the associates of the directors, substantial shareholders and chief executives of the Group; (ii) participants with options granted and to be granted in excess of 1% of the ordinary shares of the Company in issue; (iii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iv) service providers of the Group (including the suppliers of goods and services of the Group) under the Share Option Scheme. Save as disclosed above, there is no any other information required to be disclosed pursuant to Rule 17.07 of Listing Rules.
- Except for the vesting period, there is no minimum holding period before exercise of the option.
- 12,800,000 and 14,504,000 share options were offered to and accepted by directors and employees of the Group on 21 July and 22 September 2023, respectively. The share options offered on 21 July 2023 were approved by independent shareholders under specific mandate in the Company's annual general meeting on 31 August 2023. The dates of grant of the share options were 31 August and 22 September 2023. The closing prices of the Company's share options immediately before the dates of grant were HK\$0.71 and HK\$0.66, respectively. The fair values of the share options determined at the dates of grant were HK\$2,199,000 and HK\$1,186,000, respectively.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the Reporting Period, the Group recognised the total expense of approximately HK\$1,111,000 (2024: HK\$1,075,000) in relation to share options granted by the Company.

For the details, please refer to the note 27 of the consolidated financial statements in this report.

- The share option, being granted to such grantee(s) on 31 August 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	21 July 2024
25%	21 July 2025
25%	21 July 2026
25%	21 July 2027

- The share option, being granted to such grantee(s) on 22 September 2023 shall be vested according to the following schedule:

Percentage of Post-IPO Option to be vested	Vesting Date
25%	22 September 2024
25%	22 September 2025
25%	22 September 2026
25%	22 September 2027

- During the Reporting Period, a total of 3,304,000 (2024: 1,288,000) share option was lapsed.
- As at the date of the annual report, the total number of shares of the Company available for issue under the Share Option Scheme (including the above options outstanding not yet exercised) was 50,000,000, representing approximately 10.0% of the issued share capital of the Company as of the date thereof.

As of 1 April 2024, the number of options available for grant under the Share Option Scheme was 23,984,000. After the lapse of options of an aggregate of 3,304,000 during the Reporting Period, the number of options available for grant as of 31 March 2025 was 27,288,000. The number of shares to be issued pursuant to the options granted (i.e. 22,712,000) under the Share Option Scheme of the Company during the Reporting Period divided by the weighted average number of shares issued during the Reporting Period is 4.6%.

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Share Option Scheme" above, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors and/or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors and their respecting close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the CG code, our Company has established the Remuneration Committee to formulate remuneration policies. Directors and senior management members who receive remuneration from our Company are paid in forms of salaries, allowances, discretionary bonuses and other benefits in kind. The remuneration of our Directors and senior management members is determined with reference to their experience, duties and performance and the salaries of comparable companies. Details of the emoluments of the Directors and five highest paid individuals for the Reporting Period are set out in note 11 to the consolidated financial statements in this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of turnover and purchase for the Reporting Period attributable to the Group's five largest customers and suppliers is less than 30% of total turnover and purchase for the Reporting Period, respectively, and therefore no disclosures with regard to major customers and suppliers are made.

CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had not entered into any connected transaction or continued connected transactions during the Reporting Period and up to the date of this annual report, which is required to be disclosed under Chapter 14A of the Listing Rules.

The Group entered into a related party transaction during the Year which does not fall under the definition of "connected transaction" or "continuing connected transaction" (as the case may be) in Chapter 14A of the Listing Rules. For details, see note 26 to the consolidated financial statement.

To the best knowledge of the Directors, save as disclosed under note 26 to the consolidated financial statements, there was no other related party transaction during the Reporting Period.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

The Board has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) throughout the Reporting Period.

In the opinion of the Directors, save for the deviation from the code provision C.2.1 disclosed in the subsection headed “Chairman and Chief Executive Officer” in the Corporate Governance Report of this annual report, the Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period up to the date of this annual report.

The corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 80 to 101 of this annual report.

RETIREMENT SCHEME

In compliance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong), employees of the Group in Hong Kong are required to participate in the Mandatory Provident Fund scheme of the Group (“**MPF Scheme**”). The MPF Scheme is a defined contribution plan administered by an independent corporate trustee. Under the MPF Scheme, each of the Group and the employees are required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

The Group’s contributions under the MPF Scheme are expensed as incurred and will not be reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

Particulars of the MPF scheme are set out in note 28 to the consolidated financial statements.

AUDITOR

The consolidated financial statements for the Reporting Period have been audited by Deloitte Touche Tohmatsu, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

REPORT OF THE DIRECTORS

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

On behalf of the Board

Wu Faat Chi

Chairman and Executive Director

Hong Kong, 26 June 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

To the Shareholders of Yoho Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Yoho Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 128 to 181, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

Key audit matter

How our audit addressed the key audit matter

Valuation of Inventories

We identified valuation of inventories as a key audit matter due to the use of judgment and estimates by management in identifying slow-moving inventories and estimating the allowance for inventories.

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories after the consideration of the current market conditions, product life cycle, marketing and promotion plans, historical sales records, ageing analysis and subsequent sales of the inventories.

As set out in note 17 to the consolidated financial statements, the Group had inventories of HK\$110,199,000 (net of accumulated allowance of inventories of HK\$3,604,000) as at 31 March 2025, which represents 31% of the Group's total assets. During the year, the Group recognised allowance for inventories of HK\$392,000.

Our procedures in relation to the valuation of inventories included:

- Understanding and assessing the reasonableness of the Group's inventory provision policy;
- Obtaining an understanding of the key controls of the Group in relation to identification of slow-moving inventories and preparation of ageing analysis of inventories for estimation of allowance for inventories;
- Testing the ageing analysis of the inventories, on a sample basis, to the source documents;
- Discussing with the management on their basis and judgment in the assessment of slow-moving inventories; and
- Assessing the reasonableness, on a sample basis of the estimation of the net realisable value of inventories with reference to the recent selling prices of inventories.

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.

INDEPENDENT AUDITOR'S REPORT

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

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

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Leung Po Shan (practising certificate number: P07300).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	753,795	841,148
Cost of goods sold		(635,674)	(719,315)
		118,121	121,833
Other income	6	8,201	8,870
Other losses	7	(6)	(4)
Selling and distribution expenses		(68,141)	(66,585)
Administrative expenses		(32,636)	(36,535)
Finance costs	8	(1,408)	(1,211)
Profit before taxation		24,131	26,368
Income tax expense	9	(3,665)	(4,064)
Profit and total comprehensive income for the year		20,466	22,304
Earnings per share –			
Basic (HK cents)	13	4.13	4.46
Diluted (HK cents)		4.13	4.46

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	14	5,906	7,448
Right-of-use assets	15	23,446	22,335
Other intangible assets	16	3,189	210
Deposits	19	7,068	5,498
Deferred tax assets	9	345	92
		39,954	35,583
Current assets			
Inventories	17	110,199	84,351
Trade receivables	18	6,718	9,785
Other receivables, deposits and prepayments	19	7,380	12,044
Tax recoverable		130	–
Short-term bank deposits with over 3 months maturity	20	155,461	101,647
Pledged bank deposits	20	1,358	1,300
Cash and cash equivalents	20	34,696	127,942
		315,942	337,069
Current liabilities			
Trade payables	21	33,605	49,974
Other payables and accruals	22	11,768	8,922
Contract liabilities	23	11,336	11,809
Lease liabilities	24	15,511	8,943
Tax liabilities		–	347
		72,220	79,995
Net current assets		243,722	257,074
Total assets less current liabilities		283,676	292,657

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current liability			
Lease liabilities	24	12,443	17,852
Net assets		271,233	274,805
Capital and reserves			
Share capital	25	385	388
Reserves		270,848	274,417
Total equity		271,233	274,805

The consolidated financial statements on pages 128 to 181 were approved and authorised to issue by the board of directors on 26 June 2025 and are signed on its behalf by:

WU Faat Chi
DIRECTOR

TSUI Ka Wing
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (note)	Share-based payment reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2023	390	177,575	51,248	–	35,648	264,861
Profit and total comprehensive income for the year	–	–	–	–	22,304	22,304
Dividend declared (note 12)	–	–	–	–	(12,000)	(12,000)
Recognition of equity-settled share-based expenses (note 27)	–	–	–	1,075	–	1,075
Repurchase and cancellation of ordinary shares (note 25)	(2)	(1,433)	–	–	–	(1,435)
At 31 March 2024	388	176,142	51,248	1,075	45,952	274,805
Profit and total comprehensive income for the year	–	–	–	–	20,466	20,466
Dividend declared (note 12)	–	–	–	–	(22,344)	(22,344)
Recognition of equity-settled share-based expenses (note 27)	–	–	–	1,111	–	1,111
Transfer upon lapse of share options	–	–	–	(78)	78	–
Repurchase of ordinary shares (note 25)	(5)	(3,710)	–	–	–	(3,715)
Issue of shares (note 25)	2	908	–	–	–	910
At 31 March 2025	385	173,340	51,248	2,108	44,152	271,233

Note: Other reserve represents the difference between the amount of share capital and share premium of the Company issued, and the combined share capital of certain subsidiaries of the Group in connection with the Group reorganisation completed in 2021 and also the shareholder's contribution in the equity-settled share-based expenses.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	24,131	26,368
Adjustments for:		
Finance costs	1,408	1,211
Bank interest income	(7,949)	(8,834)
Depreciation of property, plant and equipment	2,757	3,444
Depreciation of right-of-use assets	12,223	10,295
Amortisation of other intangible assets	21	–
Provision of impairment loss on inventories, net of reversal	392	1,657
Equity-settled share-based expenses	1,111	1,075
Operating cash flows before movements in working capital	34,094	35,216
Decrease (increase) in trade receivables	3,067	(2,769)
Decrease (increase) in other receivables, deposits and prepayments	3,094	(2,103)
Increase in inventories	(25,603)	(10,868)
(Decrease) increase in trade payables	(16,369)	18,635
Increase in other payables and accruals	2,201	1,164
Decrease in contract liabilities	(473)	(1,162)
Cash generated from operations	11	38,113
Income taxes paid	(4,395)	(3,598)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(4,384)	34,515
INVESTING ACTIVITIES		
Addition to other intangible assets	(3,000)	(210)
Placement of short-term bank deposits	(224,492)	(202,288)
Placement of pledged bank deposits	(1,985)	(2,633)
Purchase of property, plant and equipment	(942)	(78)
Withdrawal of short-term bank deposits	170,678	181,350
Interest received	7,949	8,834
Withdrawal of pledged bank deposits	1,927	2,656
NET CASH USED IN INVESTING ACTIVITIES	(49,865)	(12,369)
FINANCING ACTIVITIES		
Dividend paid	(21,699)	(11,824)
Repayments of leases liabilities and related finance cost	(13,583)	(10,179)
Repurchase of ordinary shares	(3,715)	(1,435)
NET CASH USED IN FINANCING ACTIVITIES	(38,997)	(23,438)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(93,246)	(1,292)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	127,942	129,234
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	34,696	127,942
Represented by:		
Cash and cash equivalents	34,696	127,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Yoho Group Holdings Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands. The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the Company’s registered office and the principal place of business are Po Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and 9A, Bamboos Centre, 52 Hung To Road, Kowloon, Hong Kong, respectively.

The Company acts as an investment holding company and the operating subsidiaries, as disclosed in note 34, are principally engaged in sales of consumer electronics and home appliances and lifestyle products.

The ultimate controlling shareholders of the Company are Mr. Wu Faat Chi (“**Mr. Wu**”) and Ms. Tsui Ka Wing (“**Ms. Tsui**”), spouse of Mr. Wu (collectively referred as “**Controlling Shareholders**”) who owned a total of 62.0% equity interests in the Company through their respective wholly-owned investment holding companies incorporated in the British Virgin Islands (the “**BVI**”), namely The Mearas Venture Limited (“**The Mearas Venture**”), which is owned by Mr. Wu, and The Wings Venture Limited (“**The Wings Venture**”), which is owned by Ms. Tsui. The Controlling Shareholders are the founders of the group entities now comprising the Group and have been acting in concert on their ownerships and exercise their control collectively over the companies now comprising the Group.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

AMENDMENTS TO HKFRS ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

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

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

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

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

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

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

HKFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

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

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group’s performance in transferring control of goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (sales of goods and award credits for customers under the Group's customer loyalty programme), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

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

Principal versus agent

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

LEASES

The Group as lessee

Right-of-use assets

The cost of right-of-use assets includes:

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

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

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” (“**HKFRS 9**”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In 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 include fixed payments (including in-substance fixed payments).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

LEASES (CONTINUED)

The Group as lessee (Continued)

Lease liabilities (Continued)

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of assessment.

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

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme ("**MPF Scheme**") are charged as an expense when employees have rendered service entitling them to the contributions.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS SHARES/SHARE OPTIONS GRANTED TO EMPLOYEES

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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 expensed 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-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. 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 will be transferred to retained profits.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

TAXATION (CONTINUED)

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

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

Current and deferred tax are recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

INTERNALLY-GENERATED INTANGIBLE ASSETS – RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

CASH AND CASH EQUIVALENTS

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

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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

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 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Continued)

Amortised cost and interest income

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

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables and deposits, short-term bank deposits, pledged bank deposits and bank balances) 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 represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, and 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.

The Group always assesses lifetime ECL for trade receivables.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Continued)

Derecognition of financial assets

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

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

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 a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including trade payables and other payables) 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 expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

ESTIMATED ALLOWANCE FOR INVENTORIES

The identification of aged inventories requires the use of judgment and estimates on the conditions and marketability of the inventories. The Group makes allowance for inventories based on an assessment of the net realisable value of inventories after the consideration of the current market conditions, products life cycle, marketing and promotion plans, historical sales records, ageing analysis and subsequent sales of the inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The carrying amount of inventories is HK\$110,199,000 (2024: HK\$84,351,000) (net of allowance of HK\$3,604,000 (2024: HK\$3,212,000)) as at 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION

REVENUE

Disaggregation of revenue from contracts with customers

	2025 HK\$'000	2024 HK\$'000
Direct merchant sales		
– Major appliances	191,759	180,943
– Kitchen appliances	81,282	79,936
– Mobile	102,071	133,212
– Digital entertainment	67,753	95,819
– Home appliances	130,950	152,598
– Beauty & care device & makeup & skincare	72,906	81,067
– Computer	60,164	78,208
– Lifestyle	12,425	17,313
– Others	23,807	16,428
Revenue from direct merchandise sales	743,117	835,524
Provision of advertising services	8,697	4,974
Revenue from concessionaire sales	1,981	650
Total	753,795	841,148
Geographical markets:		
– Hong Kong	750,882	831,703
– The People's Republic of China (other than Hong Kong) ("The PRC")	2,069	7,290
– Others	844	2,155
	753,795	841,148
Timing of revenue recognition:		
– A point in time	745,098	836,174
– Over time	8,697	4,974
	753,795	841,148

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

REVENUE (CONTINUED)

Performance obligations for contracts with customers

Direct merchandise sales

The Group sells products directly to customers through its own retail outlets, internet sales and wholesale.

For sales of products to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the payment for transaction is due immediately. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

For sales of products through wholesale, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the wholesaler's specific location. Transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the wholesalers. The normal credit term is generally 30 days upon delivery.

Provision of advertising services

Revenue from the provision of advertising services is recognised over time over the period of service as the customers simultaneously receive and consume the benefits provided by the Group when the Group renders the service. Revenue is recognised for the service based on the contract price. The normal credit term is generally 30 days from the date of issue of invoice.

Concessionaire sales

The Group receives income from concessionaire sales from its marketplace platform. For concessionaire sales, the Group acts as an agent and is not the primary obligor, is not subject to inventory risk, and does not have latitude in establishing prices and selecting customers. Concessionaire sales is recognised on a net basis which is based on a fixed percentage of the sales amount, when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer's specific location.

Customer loyalty programme

The Group operates a customer loyalty programme for sales through the Group's retail stores and internet sales where customers are awarded points for purchases made to redeem as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed by the award points holders or expired. The sales discounts is recognised and net to the revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATION FOR CONTRACTS WITH CUSTOMERS

Contracts with customers with unsatisfied performance obligations, including customer loyalty programme, have original expected durations of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts or customer loyalty programme are not disclosed.

SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

GEOGRAPHICAL INFORMATION

The geographical information of the Group's revenue based on the location of the goods delivered and services rendered is disclosed above. The Group's non-current assets are all located in Hong Kong.

INFORMATION ABOUT MAJOR CUSTOMERS

None of the Group's customers contributed over 10% of the Group's total revenue for both years.

6. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Bank interest income	7,949	8,834
Government grants (Note)	252	36
	8,201	8,870

Note: During the year ended 31 March 2025, the Group recognised government grants of HK\$252,000, in respect of the Branding, Upgrading and Domestic Sales Scheme (2024: HK\$36,000, in respect of the Maternity Leave Pay Scheme) launched by the Hong Kong government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. OTHER LOSSES

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange loss	(6)	(4)

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	1,408	1,211

9. INCOME TAX EXPENSE/DEFERRED TAX LIABILITIES (ASSETS)

INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax:		
– Hong Kong Profits Tax	3,918	4,043
Underprovision in prior years – Hong Kong Profits Tax	–	282
Deferred tax	(253)	(261)
	3,665	4,064

Hong Kong Profits Tax for both years is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Group and at 16.5% on the estimated assessable profits above HK\$2,000,000. The profits of other subsidiaries not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

The Company's subsidiaries operating in Hong Kong are eligible for certain tax concessions. The maximum tax concessions eligible for each subsidiary is HK\$1,500 (2024: HK\$3,000) for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. INCOME TAX EXPENSE/DEFERRED TAX LIABILITIES (ASSETS) (CONTINUED)

INCOME TAX EXPENSE (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	24,131	26,368
Tax charge at the Hong Kong Profits Tax rate of 16.5%	3,982	4,350
Tax effect of expenses not deductible for tax purpose	1,063	1,289
Tax effect of income not taxable for tax purpose	(1,395)	(1,686)
Underprovision in prior years	–	282
Tax effect of tax loss not recognised	183	–
Tax concession	(3)	(6)
Tax effect on two-tiered tax rate	(165)	(165)
Income tax expense for the year	3,665	4,064

As at 31 March 2025, the Group has tax loss accounting to HK\$1,109,000 (2024: Nil) available to offset against future profits. No deferred tax assets have been recognised due to uncertainty of future profits stream. The tax loss can be carried forward indefinitely.

DEFERRED TAX LIABILITIES (ASSETS)

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

	Accelerated tax (accounting) depreciation HK\$'000
At 1 April 2023	169
Credit to profit or loss	(261)
At 31 March 2024	(92)
Credit to profit or loss	(253)
At 31 March 2025	(345)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

10. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration		
– Audit service	1,600	1,550
– Non-audit services	726	691
	2,326	2,241
Directors' emoluments (Note 11)	3,617	3,807
Other staff costs (excluding the directors' emoluments)		
– Salaries, allowances and other benefits	31,378	32,391
– Equity-settled share-based expenses	330	294
– Retirement benefits schemes contributions	1,419	1,422
Total staff costs	36,744	37,914
Depreciation of property, plant and equipment	2,757	3,444
Depreciation of right-of-use assets	12,223	10,295
Amortisation of other intangible assets	21	–
Cost of inventories recognised as an expense (including allowance for provision of impairment loss on inventories of HK\$392,000 (2024: HK\$1,657,000), net of reversal)	635,674	719,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(A) DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

The emoluments paid or payable to the directors of the Company by the Group are as follows:

For the year ended 31 March 2025

Executive directors:	Mr. Wu HK\$'000 (Note a)	Ms. Tsui HK\$'000	Total HK\$'000
Fee	153	153	306
Salaries allowances and other benefits	832	832	1,664
Discretionary bonus	69	69	138
Equity-settled share-based expenses	314	314	628
Retirement benefits scheme contributions	18	18	36
	1,386	1,386	2,772

Non-executive directors:	Mr. Man Lap HK\$'000	Mr. Hsieh Wing Hong Sammy HK\$'000 (Note e)	Total HK\$'000
Fee	153	46	199
Equity-settled share-based expenses	44	–	44
Retirement benefits scheme contributions	8	2	10
	205	48	253

Independent non-executive directors:	Mr. Ho Yun Tat HK\$'000	Dr. Qian Sam Zhongshan HK\$'000	Dr. Leung Shek Ling Olivia HK\$'000 (Note d)	Total HK\$'000
Fee	153	153	153	459
Equity-settled share-based expenses	44	44	21	109
Retirement benefits scheme contributions	8	8	8	24
	205	205	182	592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(A) DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

For the year ended 31 March 2024

Executive directors:		Mr. Wu HK\$'000 (Note a)	Ms. Tsui HK\$'000	Total HK\$'000	
Fee		150	150	300	
Salaries allowances and other benefits		816	816	1,632	
Discretionary bonus		68	68	136	
Equity-settled share-based expenses		327	327	654	
Retirement benefits scheme contributions		18	18	36	
		1,379	1,379	2,758	
Non-executive directors:		Mr. Hsieh Wing Hong Sammy HK\$'000 (Note e)	Mr. Adamczyk Alexis Thomas David HK\$'000 (Note b)	Total HK\$'000	
Fee	150	150	126	426	
Equity-settled share-based expenses	28	28	–	56	
Retirement benefits scheme contributions	8	8	6	22	
	186	186	132	504	
Independent non-executive directors:		Mr. Ho Yun Tat HK\$'000	Dr. Qian Sam Zhongshan HK\$'000	Dr. Leung Shek Ling Olivia HK\$'000 (Note d)	Total HK\$'000
Fee	50	150	150	100	450
Equity-settled share-based expenses	–	28	28	15	71
Retirement benefits scheme contributions	3	8	8	5	24
	53	186	186	120	545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(A) DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

Notes:

- (a) The director also acts as chief executive officer of the Company.
- (b) The director resigned as a non-executive director of the Company with effect from 2 February 2024.
- (c) The director resigned as an independent non-executive director of the Company with effect from 31 July 2023.
- (d) The director was appointed as the independent non-executive director with effect from 31 July 2023.
- (e) The director resigned as an independent non-executive director of the Company with effect from 22 July 2024.

The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

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

None of the directors nor chief executive waived or agreed to waive any emoluments during in any of the years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(B) FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals during the year included two directors (2024: two), whose emoluments are included in the disclosures in (a) above. The emoluments of the remaining three (2024: three) individuals respectively, are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries allowances and other benefits	1,829	1,694
Discretionary bonus (Note)	141	124
Equity-settled share-based expenses	32	31
Retirement benefits scheme contributions	54	54
	2,056	1,903

Note: The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

The emoluments of the highest paid employees who are not directors of the Company were within the following bands:

	2025 number of employees	2024 number of employees
Nil to HK\$1,000,000	3	3

No emoluments were paid by the Group to any of the directors of the Company or the chief executive officer of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividend recognised as distribution during the year:		
2025 interim dividend of HK\$0.015 (2024: 2024 Interim dividend of nil) per ordinary share	7,403	–
2024 final dividend of HK\$0.030 (2024: 2023 final dividend of HK\$0.024) per ordinary share	14,941	12,000
	22,344	12,000

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2025 of HK\$0.015 (2024: HK\$0.03) per ordinary share, in an aggregate amount of approximately HK\$7,399,000 (2024: HK\$14,941,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

13. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Earnings for the purpose of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	20,466	22,304
Number of Shares:		
Weighted average number of shares for the purpose of basic and diluted earnings per share	495,869,940	499,771,011

During the years ended 31 March 2025 and 2024, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office furniture and equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
COST				
At 1 April 2023	10,035	3,406	3,118	16,559
Additions	–	–	78	78
Disposals/written off	(87)	(10)	–	(97)
At 31 March 2024	9,948	3,396	3,196	16,540
Additions	628	351	236	1,215
At 31 March 2025	10,576	3,747	3,432	17,755
DEPRECIATION				
At 1 April 2023	3,583	845	1,317	5,745
Provided for the year	2,218	647	579	3,444
Eliminated on disposal/written off	(87)	(10)	–	(97)
At 31 March 2024	5,714	1,482	1,896	9,092
Provided for the year	1,511	677	569	2,757
At 31 March 2025	7,225	2,159	2,465	11,849
CARRYING VALUES				
At 31 March 2025	3,351	1,588	967	5,906
At 31 March 2024	4,234	1,914	1,300	7,448

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of lease terms of the leased properties or 5 years
furniture and equipment	20%
Computer equipment	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

15. RIGHT-OF-USE ASSETS

	Office premises HK\$'000	Warehouses HK\$'000	Retail stores HK\$'000	Total HK\$'000
As at 31 March 2025				
Carrying amount	1,179	7,350	14,917	23,446
As at 31 March 2024				
Carrying amount	2,750	1,194	18,391	22,335
For the year ended 31 March 2025				
Depreciation charge	1,571	3,728	6,924	12,223
For the year ended 31 March 2024				
Depreciation charge	1,672	2,647	5,976	10,295
			2025 HK\$'000	2024 HK\$'000
Total cash outflow for leases			13,583	10,179
Addition to right-of-use assets			13,334	5,750

The Group leases office premises, warehouses and retail stores for both years. Lease contracts are entered into for fixed term of 1 to 5 years (2024: 1 to 5 years), without any extension nor termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the current year, the Group renewed the existing lease agreements for the use of warehouses and retail stores (2024: warehouses and office) for 1 to 2 years (2024: 1 to 2 years). On the lease commencement, the Group recognised HK\$13,334,000 (2024: HK\$5,750,000) of right-of-use assets and HK\$13,334,000 (2024: HK\$5,750,000) as the lease liabilities.

RESTRICTIONS OR COVENANTS ON LEASES

In addition, lease liabilities of HK\$27,954,000 (2024: HK\$26,795,000) are recognised with related right-of-use assets of HK\$23,446,000 (2024: HK\$22,335,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. OTHER INTANGIBLE ASSETS

	Development Cost
	HK\$'000
COST	
At 1 April 2023	–
Additions	210
At 31 March 2024	210
Additions	3,000
At 31 March 2025	3,210
AMORTISATION	
At 1 April 2023 and 31 March 2024	–
Charge for the year	21
At 31 March 2025	21
CARRYING VALUES	
At 31 March 2025	3,189
At 31 March 2024	210

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Consumer electronics, home appliances and lifestyle products	110,199	84,351

18. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	6,718	9,785

As at 1 April 2023, trade receivables from contracts with customers amounted to HK\$7,016,000.

The Group generally grants credit terms of 30 days to its customers from the date of invoices. Sales made through retail stores or internet are settled by cash or credit cards through payment gateways, which will generally settle the amounts with the Group within 2 days after the sales made. An ageing analysis of the trade receivables, net of allowance for impairment losses, presented based on the invoice dates at the end of each reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	3,367	8,057
31 to 60 days	375	778
61 to 90 days	1,770	72
Over 90 days	1,206	878
	6,718	9,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. TRADE RECEIVABLES (CONTINUED)

The Group applies simplified approach to provide for ECL of trade receivables prescribed by HKFRS 9. Details of impairment assessment of trade receivables are set out in note 30.

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$3,308,000 (2024: HK\$2,217,000), which are past due as at the reporting date. Out of the past due balances as at 31 March 2025, HK\$1,170,000 (2024: HK\$839,000) has been past due 90 days or more and is not considered as in default since the management of the Group are of the opinion that the balances are still considered recoverable due to historical experience. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables are set out in note 30.

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Rental and utilities deposits	6,560	4,982
Prepayments and deposits to suppliers	2,820	2,553
Other receivables, deposits and prepayments	5,068	10,007
Total	14,448	17,542
Presented as non-current assets	7,068	5,498
Presented as current assets	7,380	12,044
Total	14,448	17,542

Included in other receivables were amounts of HK\$814,000 (2024: HK\$3,057,000) represented amounts received from customers in advance by payment gateway companies, for which control of the relevant goods has not been transferred.

Details of impairment assessment of other receivables and deposits are set out in note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS/SHORT TERM BANK DEPOSITS WITH OVER 3 MONTHS MATURITY

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term deposits with less than 3 months maturity for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.10% to 4.04% (2024: 0.10% to 5.13%).

PLEDGED BANK DEPOSITS

Pledged bank deposits carry fixed interest rate range from 0.28% to 3.50% (2024: 4.1% to 4.2%) and represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK\$1,358,000 (2024: HK\$1,300,000) have been pledged to secure bank guarantee for a subsidiary of the Group.

SHORT-TERM BANK DEPOSITS WITH OVER 3 MONTHS MATURITY

Short-term bank deposits represents short-term deposits with more than 3 months but less than 1 year maturity carries interest at market rates ranges from 3.95% to 4.04% (2024: 4.60% to 4.97%) per annum.

Details of impairment assessment of these bank balances are set out in note 30.

21. TRADE PAYABLES

The credit period granted by suppliers ranged from 0 to 30 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of each reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	27,680	41,240
31 to 60 days	2,000	5,162
61 to 90 days	260	54
Over 90 days	3,665	3,518
	33,605	49,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables and accruals	8,540	5,799
Accrued staff costs	3,228	3,123
Total	11,768	8,922

23. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Advances received from direct merchandise sales	11,161	9,983
Customer loyalty programme	175	1,826
	11,336	11,809

As at 1 April 2023, the contract liabilities amounted to HK\$12,971,000.

For the contract liabilities as at 1 April 2023 and 31 March 2024, the entire balances were recognised as revenue during the years ended 31 March 2024 and 2025, respectively.

ADVANCES RECEIVED FROM DIRECT MERCHANDISE SALES

Contract liabilities in relation to the sales of products represent the advance payments received from customers upon ordering and before delivery, until the goods are delivered and revenue are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

23. CONTRACT LIABILITIES (CONTINUED)

CUSTOMER LOYALTY PROGRAMME

The Group offers customer loyalty programme in the Group's operation. The customers can earn one award – point for every HK\$1 purchase from the Group. The customers can enjoy discount in future purchase by utilising the award points earned under the customer loyalty programme (every 200 award-points can be used as HK\$1). All award points can be accumulated and will be expired in the following year since the last purchase. Contract liabilities in relation to customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points are redeemed.

24. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable		
Within one year	15,511	8,943
More than one year, but not more than two years	9,671	8,759
More than two years, but not more than five years	2,772	9,093
	27,954	26,795
Less: Amount due for settlement with 12 months shown under current liabilities	(15,511)	(8,943)
Amount due for settlement after 12 months shown under non-current liabilities	12,443	17,852

The weighted average incremental borrowing rates applied to lease liabilities is 5.15% (2024: 4.70%) as at 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. SHARE CAPITAL

ORDINARY SHARES OF US\$0.0001 EACH

Authorised:

	Number of shares	Nominal value of ordinary shares US\$'000
At 1 April 2023, 31 March 2024 and 2025	500,000,000	50

Issued:

	Number of ordinary shares	Equivalent nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares HK\$'000
At 1 April 2023	500,000,000	50	390
Share repurchased and cancelled (Note a)	(2,178,000)	–	(2)
At 31 March 2024	497,822,000	50	388
Issuance of shares (Note b)	1,516,000	–	2
Share repurchased (Note a)	(5,882,000)	(1)	(5)
At 31 March 2025	493,456,000	49	385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. SHARE CAPITAL (CONTINUED)

Notes:

- (a) During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of shares	Price per share Highest HK\$	Lowest HK\$	Aggregate consideration paid (including transaction costs) HK\$'000
Year ended 31 March 2025				
April 2024	590,000	0.68	0.62	387
July 2024	124,000	0.70	0.64	85
September 2024	1,674,000	0.68	0.60	1,057
October 2024	1,066,000	0.69	0.63	692
November 2024	418,000	0.62	0.59	255
December 2024	2,010,000	0.68	0.59	1,239
	5,882,000			3,715
Year ended 31 March 2024				
February 2024	1,594,000	0.67	0.60	1,042
March 2024	584,000	0.68	0.66	393
	2,178,000			1,435

2,178,000 of the above repurchased shares were cancelled during the reporting Period (2024: Nil).

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current year.

- (b) On 12 August 2024, the Company issued 1,516,000 ordinary shares to an independent third party as part of the consideration to purchase a group of assets. For details, please see the Company's announcement dated 12 August 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. RELATED PARTY DISCLOSURES

	2025 HK\$'000	2024 HK\$'000
Sales to Ms. Tsui	–	1

Save as disclosed above and the transactions and balances as disclosed in note 11, the Group did not have any other related party transactions for both years.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management was as follows:

	2025 HK\$'000	2024 HK\$'000
Short term benefits	2,109	2,331
Post-employment benefits	36	40
Equity-settled share-based expenses	627	654
	2,772	3,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. SHARE-BASED PAYMENT TRANSACTIONS

SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 20 May 2022 for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Details of the Scheme is disclosed in Report of the Directors in this annual report.

At 31 March 2025, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 22,712,000 (2024: 26,016,000), representing 4.60% (2024: 5.23%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of the options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% must be approved in advance by the Company's shareholders.

Options may be exercised at any time from one to four years from the date of offer of the share option to the tenth anniversary of the date of offer. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

SHARE OPTION SCHEME (CONTINUED)

The following table discloses details and movement of the Company's share options granted under the Scheme during the years ended 31 March 2025 and 2024:

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Balance			Balance		Balance as at 31 March 2025
				as at 1 April 2023	Granted during the year	Lapsed during the year	as at 31 March 2024	Lapsed during the year	
Directors									
31 August 2023	Note (a)	21 July 2024 to 20 July 2033	1.00	–	400,000	(80,000)	320,000	(80,000)	240,000
			1.50	–	400,000	(80,000)	320,000	(80,000)	240,000
			2.00	–	2,400,000	(80,000)	2,320,000	(80,000)	2,240,000
			2.50	–	2,400,000	(80,000)	2,320,000	(80,000)	2,240,000
			3.00	–	2,400,000	(80,000)	2,320,000	(80,000)	2,240,000
			3.50	–	2,400,000	(80,000)	2,320,000	(80,000)	2,240,000
			4.00	–	2,400,000	(80,000)	2,320,000	(80,000)	2,240,000
22 September 2023	Note (b)	22 September 2024 to 21 September 2033	1.00	–	64,000	–	64,000	–	64,000
			1.50	–	64,000	–	64,000	–	64,000
			2.00	–	64,000	–	64,000	–	64,000
			2.50	–	64,000	–	64,000	–	64,000
			3.00	–	64,000	–	64,000	–	64,000
			3.50	–	64,000	–	64,000	–	64,000
			4.00	–	64,000	–	64,000	–	64,000
Employees									
22 September 2023	Note (b)	22 September 2024 to 21 September 2033	1.00	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			1.50	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			2.00	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			2.50	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			3.00	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			3.50	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
			4.00	–	2,008,000	(104,000)	1,904,000	(392,000)	1,512,000
				–	27,304,000	(1,288,000)	26,016,000	(3,304,000)	22,712,000
Weighted average exercisable price per share				–	2.68	2.50	–	2.50	2.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

27. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

SHARE OPTION SCHEME (CONTINUED)

Note:

- (a) The vesting period of the share options (i) 25% of the share options to be vested on 21 July 2024; (ii) 25% of the share options to be vested on 21 July 2025; (iii) 25% of the share options to be vested on 21 July 2026; and (iv) 25% of the share options to be vested on 21 July 2027.
- (b) The vesting period of the share options (i) 25% of the share options to be vested on 22 September 2024; (ii) 25% of the share options to be vested on 22 September 2025; (iii) 25% of the share options to be vested on 22 September 2026; and (iv) 25% of the share options to be vested on 22 September 2027.

During the year ended 31 March 2025, the Group recognised the total expense of HK\$1,111,000 (2024: HK\$1,075,000) in relation to share options granted by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. RETIREMENT BENEFIT SCHEMES

The Group participates in the MPF Scheme for all its qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. The total amounts contributed by the Group to the schemes and costs charged to the profit or loss amounted to HK\$1,489,000 (2024: HK\$1,504,000) for the year ended 31 March 2025.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of net debt, which includes lease liabilities disclosed in note 24, net of short term bank deposits, pledged bank deposits and cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of the review, the directors of the Company consider the cost and the risks associated with each class of the capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL INSTRUMENTS

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost	209,349	255,045
Financial liabilities at amortised cost	41,775	55,403

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments include trade receivables, other receivables and deposits, bank balances, short-term bank deposits, pledged bank deposits, trade payables and other payables.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk and impairment assessment

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

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (Continued)

Trade receivables

In order to minimise the credit risk on trade receivables, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivable.

The Group applies simplified approach and always recognises lifetime ECL for trade receivables. To measure the ECL, the Group performs impairment assessment under the ECL model on trade receivables individually.

The Group applied internal credit rating for its individually assessed debtors, by reference to the debtor's background, past default experience and current past due exposure of the debtor. As at 31 March 2025 and 2024, the Group assessed that the ECL for trade receivables was insignificant.

The Group's concentration of credit risk on the top five largest debtors accounted for 57% (2024: 49%) of the total trade receivables as at 31 March 2025.

Other receivables and deposits

The management of the Group make periodic individual assessment on the recoverability of significant balances based on historical settlement records (if any), past experience, and also available reasonable and supportive forward-looking information. The management of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits due to the major outstanding balances are short term in nature. As at 31 March 2025 and 2024, the Group assessed that the ECL for other receivables and deposits was insignificant.

Bank balances/Short term bank deposits/Pledged bank deposits

The credit risk for bank balances, short term bank deposits and pledged bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no history of default in relation to these banks.

The Group performs impairment assessment on the bank balances under 12-month ECL model. The management of the Group considers the risk of default is regard as low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. As at 31 March 2025 and 2024, the Group assessed that the ECL for bank balances were insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (Continued)

Bank balances/Short term bank deposits/Pledged bank deposits (Continued)

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

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit – impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit – impaired	12-month ECL
Doubtful	Amount is > 30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit – impaired	Lifetime ECL – not credit-impaired
Loss	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (Continued)

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

					Gross carrying amounts	
					As at 31 March	
Financial assets	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 HK\$'000	2024 HK\$'000
The Group						
Amortised cost						
Trade receivables	18	N/A	Low risk	Lifetime ECL	3,192	6,633
			Watch list	Lifetime ECL	3,526	3,152
Other receivables and deposits	19	N/A	Low risk	12-month ECL	11,375	14,530
Short term bank deposits	20	A3 – Aa3	N/A	12-month ECL	155,461	101,647
Pledged bank deposits	20	Aa2	N/A	12-month ECL	1,358	1,300
Bank balances	20	A2 – Aa2	N/A	12-month ECL	34,437	127,783

Liquidity risk

In management of the liquidity risk, the Group monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have 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 rates are floating rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

Liquidity tables

	Weighted average interest rate %	Repayable on demand or less than 3 months HK\$'000	3 months to 1 year HK\$'000	1 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
As at 31 March 2025						
Trade payables	N/A	33,605	–	–	33,605	33,605
Other payables	N/A	8,170	–	–	8,170	8,170
		41,775	–	–	41,775	41,775
Lease liabilities	5.15	3,967	12,295	12,682	28,944	27,954
As at 31 March 2024						
Trade payables	N/A	49,974	–	–	49,974	49,974
Other payables	N/A	5,429	–	–	5,429	5,429
		55,403	–	–	55,403	55,403
Lease liabilities	4.70	2,715	7,307	18,444	28,466	26,795

FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. RECONCILIATION OF GROUP'S 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.

	Lease liabilities	Dividend payables	Total
	HK\$'000	HK\$'000	HK\$'000
Financing cash flows	(10,179)	(11,824)	(22,003)
Finance cost	1,211	–	1,211
Commencement of new leases	5,750	–	5,750
Dividends	–	12,000	12,000
At 31 March 2024	26,795	176	26,971
Financing cash flows	(13,583)	(21,699)	(35,408)
Finance cost	1,408	–	1,408
Commencement of new leases	13,334	–	13,334
Dividends	–	22,344	22,344
At 31 March 2025	27,954	821	28,649

32. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group has repurchased a total of 178,000 shares through the Stock Exchange at total consideration of HK\$111,000, the shares have not been cancelled up to the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Investment in a subsidiary	75,955	75,955
Amount due from a subsidiary	168,518	73,302
	244,473	149,257
Current assets		
Prepayments	–	1,095
Amount due from a subsidiary	14,500	25,317
Short term bank deposits	–	13,000
Cash and cash equivalents	76	83,099
	14,576	122,511
Current liability		
Accrued expenses	1,129	1,204
Net current assets	13,447	121,307
Net assets	257,920	270,564
Capital and reserves		
Share capital	385	388
Reserves	257,535	270,176
	257,920	270,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

RESERVES

	Share premium HK\$'000	Other reserve HK\$'000	Share-based payment reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2023	177,575	77,802	–	12,979	268,356
Profit and total comprehensive income for the year	–	–	–	14,178	14,178
Dividend declared	–	–	–	(12,000)	(12,000)
Recognition of equity-settled share-based expenses	–	–	1,075	–	1,075
Repurchase of ordinary shares	(1,433)	–	–	–	(1,433)
At 31 March 2024	176,142	77,802	1,075	15,157	270,176
Profit and total comprehensive income for the year	–	–	–	11,394	11,394
Dividend declared	–	–	–	(22,344)	(22,344)
Recognition of equity-settled share-based expenses	–	–	1,111	–	1,111
Transfer upon lapse of share options	–	–	(78)	78	–
Repurchase of ordinary shares	(3,710)	–	–	–	(3,710)
Issue of shares	908	–	–	–	908
At 31 March 2025	173,340	77,802	2,108	4,222	257,535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. INVESTMENT IN A SUBSIDIARY AND PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiaries	Place and Date of incorporation	Principal place of operation	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group as at 31 March		Principal activities
				2025 %	2024 %	
Directly held:						
Yoho Holdings (BVI) Limited	BVI 17 March 2021	Hong Kong	HK\$146,000,000	100	100	Investment holding
Indirectly held:						
Yoho E-Commerce Holdings Limited	Hong Kong 3 October 2018	Hong Kong	HK\$182,195,122	100	100	Investment holding
Yoho Hong Kong Limited	Hong Kong 20 February 2014	Hong Kong	HK\$10,000	100	100	Provision of both online and offline Hong Kong e-commerce retail services
Globiz Company (Hong Kong) Limited	Hong Kong 6 August 2008	Hong Kong	HK\$10,000	100	100	Offline wholesale and trading of consumer electronics and home appliances
One Percent Brands Limited	Hong Kong 31 May 2024	Hong Kong	HK\$1	100	–	Retail Trade
J Select Limited	Hong Kong 21 June 2024	Hong Kong	HK\$1	100	–	Offline wholesale of consumer electronics
深圳市友和電商有限公司	The PRC 26 November 2024	The PRC	Renminbi 10,000,000	100	–	Online PRC e-commerce retail services

None of the subsidiaries had issued any debt securities at 31 March 2025 and 2024.

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	2025 HK\$'000	Year ended 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	753,795	841,148	855,076	790,054	523,029
Profit before taxation	24,131	26,368	9,796	4,500	33,737
Income tax expense	(3,665)	(4,064)	(3,493)	(4,725)	(5,004)
Profit and total comprehensive income for the year	20,466	22,304	6,303	(225)	28,733

CONSOLIDATED ASSETS AND LIABILITIES

	2025 HK\$'000	As at 31 March			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets					
Total non-current assets	39,954	35,583	43,174	28,554	21,949
Total current assets	315,942	337,069	303,761	211,733	120,308
Total assets	355,896	372,652	346,935	240,287	142,257
Liabilities					
Total current liabilities	72,220	79,995	59,070	148,581	50,478
Total non-current liabilities	12,443	17,852	23,004	12,960	12,808
Total liabilities	84,663	97,847	82,074	161,541	63,286
Net assets	271,233	274,805	264,861	78,746	78,971
Total equity	271,233	274,805	264,861	78,746	78,971