CNCG

CHINA NATIONAL CULTURE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code：745

2025
ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Executive Directors
Ms. SUN Wei
Ms. MAN Qiaozhen

Independent Non-Executive Directors
Mr. LIU Kwong Sang
Ms. WANG Miaojun
Ms. WANG Yujie

AUDIT COMMITTEE
Mr. LIU Kwong Sang (Chairperson)
Ms. WANG Miaojun
Ms. WANG Yujie

REMUNERATION COMMITTEE
Mr. LIU Kwong Sang (Chairperson)
Ms. SUN Wei
Ms. WANG Miaojun
Ms. WANG Yujie

NOMINATION COMMITTEE
Ms. WANG Miaojun (Chairperson)
Ms. SUN Wei
Mr. LIU Kwong Sang
Ms. WANG Yujie

COMPANY SECRETARY
Mr. Lam Chee Sum Eddie (Appointed on 2 July 2024)
Mr. Leung Cho Yi (Resigned on 2 July 2024)

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

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
Unit A, 29/F
United Centre
95 Queensway
Admiralty, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court,
Camana Bay, Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

SHARE LISTING
Main Board of The Stock Exchange of Hong Kong Limited
(Stock code: 745)

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board" or the "Directors") of China National Culture Group Limited (the "Company"), I present the annual results of the Company and its subsidiaries (collectively referred to the "Group") for the year ended 31 March 2025.

CURRENT YEAR REVIEW

During the year, the Group continued to prioritize its advertising and e-commerce businesses, which have strengthened alongside Hong Kong's economic revival. According to the latest figures from the Hong Kong Census and Statistics Department, retail sales rose by 15.2% year-on-year in Q1 2025, reflecting a sustained recovery in consumer demand and business activity. This rebound has contributed to the stabilization of the Group's revenue streams, overcoming earlier pressures from the global economic slowdown.

The Group has net loss for the year mainly due to (i) the decrease of gross profit; and (ii) loss on disposal of subsidiaries. The Directors will continue to maintain a diversified investment portfolio and closely monitor the performance of all investments.

PROSPECTS

As we progress through 2025, the Group remains confidently positioned for accelerated growth, supported by Hong Kong's robust economic recovery and expanding digital economy. With retail sales growth maintaining strong momentum at 18.3% YoY in Q1 2025 which extract from the data from HK Census & Statistics Dept. and e-commerce penetration reaching 42% of total retail which extract from Euromonitor 2025, we are implementing a expansion strategy to capitalize on these favorable trends.

Looking forward, the Group will strive to enhance its profitability, judge the hour and size up the situation and make good use of government policies and national development plans in order to maximize its investment return and position to appropriate business opportunities in pursuing healthy and stable growth.

To achieve this vision, our future plans including but not limited to:

– Continued development of advertising and e-commerce related businesses;

– Expansion of advertising and e-commerce related business through acquisition, expansion of products portfolio and/or co-operation; and

– Diversifying the Group's business portfolio in other business sector, including but not limited to media and culture related business.

The Group will keep the shareholders abreast of the latest development of the Group.

APPRECIATION

Last but not least, on behalf of the Board, I would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

SUN Wei
Executive Director

Hong Kong, 30 June 2025

Management Discussion and Analysis

Business Review

For the year ended 31 March 2025, the Group recorded a revenue of approximately HK$43,708,000 (2024: HK$27,883,000), representing an increase of 57% as compared with last year. The increase in turnover in the current year mainly due to the increase in turnover generated from both advertising segment and e-commerce segment. The Group recorded a gross profit of approximately HK$3,947,000 for the year ended 31 March 2025 as compared with a gross profit of approximately HK$5,439,000 for the year ended 31 March 2024. The gross profit margin decreased to 9.0% for the year ended 31 March 2025 from 19.5% for the year ended 31 March 2024. The decrease was mainly because the portion of revenue generated from e-commerce segment, which has a lower profit margin, increased.

Loss attributable to the owners of the Company amounted to approximately HK$4,782,000 for the year ended 31 March 2025 as compared with a loss attributable to the owners of the Company amounted to approximately HK$43,668,000 for the year ended 31 March 2024. The net loss reported by the Group decreased mainly due to the net effect of decrease in gross profit, administrative expenses and other gains or losses and provision of impairment losses on trade receivables.

Advertising business

In previous years, the Group's advertising business primarily served the PRC market, providing mobile advertising, financial media placements, and marketing platform services. However, facing multiple challenges including China's economic slowdown (2024 GDP growth: 4.6%), tightening internet regulations which leading to an 8.2% ad spend contraction, declining consumer confidence (index dropped to 86.4 in 2024), and intense industry competition, the Group strategically pivoted to Hong Kong from the year ended 31 March 2024. This shift proved highly successful, with FY2025 advertising revenue surging 136% to approximately HK$13.7 million compared to approximately HK$5.8 million for FY2024, driven by Hong Kong's stable economy (3.8% GDP growth), strong consumer confidence, and diversified media landscape. Looking ahead, the Group will continue leveraging Hong Kong's robust HK$15.2 billion digital advertising market while exploring opportunities in the Greater Bay Area, supported by AI-driven solutions and cross-border campaigns to sustain growth momentum.

Given that the Group has over 10 years' experience and knowledge in advertising industry, the Group will continue to expand the customers bases of advertising business in Hong Kong and allocate resources to offer customized services and products to the customers to strengthen the market position in Hong Kong. The Group will look for relevant potential opportunities to increase the Group's visibility and exposure to attract customers, such as participating in relevant types of exhibitions or cooperating with well-known companies.

E-commerce business

The Group is engaged in the wholesale e-commerce business by operating an e-commerce platform which provides choices of different model of used iPhones and different type of parts to the customers. Apart from operating the e-commerce platform, after the Group sourced and purchased those used iPhones and parts from suppliers, the Group negotiates the pricing and certain terms and requirements with the customers and performs the testing, including but not limited to the appearances and functioning, and is also responsible for packaging and delivery of those products and parts to the customers. For the packaging and delivery processes, the Group may outsource to third parties depends on the utilization of resources of the Group.

The significant increase in revenue generated by the Group from the e-commerce business was mainly attributable to the increase in market demand for used iPhones and parts resulting from (i) the frequent release of new iPhone models, with a new model launching almost every single year. Upon the launch of new iPhone models, existing users are generally inclined to purchase or trade-in for the iPhone of the latest model, resulting in an increase in supply of iPhones of previous generation in the secondary market;

(ii) owing to the recent economic downturn, consumers are becoming more cost-conscious and starting to focus more on value-for money, thereby increasing the demand for used iPhones; and (iii) the repair costs of iPhone tend to be relatively high, which resulted in some mobile phone wholesalers to turn to the secondary market to find replacement parts, thereby increasing the demand for iPhone parts.

In view of the increasing demand for used iPhones and parts as well as the growing penetration rate of e-commerce in Hong Kong, the Group is committed to continually review and expand the product mix of its e-commerce business, expand its market share and strengthen its market position in Hong Kong.

Further, as announced by the Company on 16 July 2024, in order to cater the market demand, the Group would continuously review the product mix of the e-commerce business regularly. The Group is currently diversifying its product portfolio to non-electronic goods including but not limited to clothing, frozen seafood, and food products (such as health food and tea) etc.

Financial Review

As at the end of the year, non-current assets decreased to approximately HK$1,081,000 (2024: HK$2,267,000) due to fair value loss recognised on equity instruments at FVTOCI during the year. Current assets increased due to the increase in financial assets held for trading and cash and cash equivalents. Total current liabilities were increased due to the increase in accounts payable.

SIGNIFICANT INVESTMENTS

Financial assets held for trading as at 31 March 2025:

Name of investee	As at 1 April 2024 *HK$'000*	Realised and unrealised fair value (loss)/gain *HK$'000*	As at 31 March 2025 *HK$'000*	Percentage to the Group's audited total assets as at 31 March 2025 *%*	Number of shares held by the Group as at 1 April 2024	Percentage of shareholding held by the Group as at 1 April 2024 *%*	Number of shares held by the Group as at 31 March 2025	Percentage of shareholding held by the Group as at 31 March 2025 *%*
Significant investments								
Capital VC Limited ("Capital VC") (stock code: 2324.HK) (note a)	1,375	463	1,838	3.5%	14,471,000	3.44%	14,471,000	3.44%
Asia Grocery Distribution Limited ("Asia Grocery") (stock code: 8413.HK) (note b)	1,522	(574)	948	1.8%	10,080,000	0.87%	10,080,000	0.87%
Sub-total	2,897	(111)	2,786	5.3%				
Other listed securities	11,017	3,321	14,338	27.6%				
Total	13,914	3,210	17,124	32.9%				

Note: (a) Capital VC is engaged in investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China. Based on Capital VC's interim report for the six months ended 31 March 2025, turnover and loss of Capital VC were approximately HK$(0.3) million and HK$(7.2) million respectively.

(b) Asia Grocery is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on Asia Grocery's interim report for the six months ended 30 September 2024, turnover and loss of Asia Grocery were approximately HK$148.3 million and HK$0.1 million respectively.

Management Discussion and Analysis

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 31 March 2025, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

Equity instruments of FVTOCI as at 31 March 2025

Name of investee	As at 1 April 2024 *HK$'000*	Realised and unrealised fair value gain/(loss) *HK$'000*	As at 31 March 2025 *HK$'000*	Percentage to the Group's audited total assets as at 31 March 2025 *%*	Number of shares held by the Group as at 1 April 2024	Percentage of shareholding held by the Group as at 1 April 2024 *%*	Number of shares held by the Group as at 31 March 2025	Percentage of shareholding held by the Group as at 31 March 2025 *%*
Luxxu Group Limited ("LUXXU") (stock code: 1327) (note)	1,646	(1,132)	514	1.0%	17,142,800	3.18%	3,428,560	3.18%
Other listed securities	621	(54)	567	1.1%				
Total	2,267	(1,186)	1,081	2.1%				

Note: LUXXU is principally engaged in the manufacture and sales of own-branded watches and jewelleries, including but not limited to diamond watches, tourbillion watches and luxury jewellery accessories, OEM watches and third-party watches. Based on LUXXU annual report for the year ended 31 December 2024, revenue and loss of LUXXU were approximately RMB29.4 million and RMB52.0 million respectively.

As at 31 March 2024, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 31 March 2024, in Luxxu Group Limited (the "Investment"), which is listed on the Main Board of the Stock Exchange. The Group's total investment in the Investment was approximately HK$24,120,000. As at 31 March 2025, the Group owned 17,142,800 shares in the Investment, representing 3.18% equity interests in the Investment with a carrying amount of the Group's interest in the Investment of approximately HK$514,000, representing approximately 0.8% (2024:5.1%) of the total assets of the Company as at 31 March 2025. Up to 31 March 2025, no dividends was received from the Investment. The fair value of the Investment is based on quoted market prices.

The Group's investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

No impairment loss was recognised in relation to the equity instruments of FVTOCI by reference to the market price of the equity instruments of FVTOCI as at 31 March 2025.

Except the equity instruments of FVTOCI disclosed above, at 31 March 2025, there was no equity instruments of FVTOCI held by the Group the value of which was more than 5% of the total assets of the Group.

Management Discussion and Analysis

Capital structure

Authorised share capital

As at 31 March 2025, the authorised share capital of the Company ("Authorised Share Capital") was HK$1,490,000,000 divided into 100,000,000,000 shares ("Shares") of HK$0.01 each and 14,000,000,000 non-voting convertible preference shares of HK$0.035 each.

Issued share capital

As at 31 March 2025, the number of Shares in issue was 234,366,456 Shares of HK$0.01 each. Except for the changes mentioned below, the issued share capital of the Company had no other changes during the year ended 31 March 2025.

During the year ended 31 March 2025, the Company completed (i) the capital reorganisation which will involve the capital reduction and share subdivision and (ii) allotment and issue of 156,244,304 on 25 March 2025 on the basis of two (2) rights shares for every one (1) share held on the record date. For details, please refer to the announcement, prospectus and announcement of the Company dated 2 October 2024, 13 February 2025 and 24 March 2025, respectively.

Use of proceeds

On 25 March 2025, the Company completed a rights issue. The gross proceeds raised from the rights issue were approximately HK$15.6 million and the net proceeds after deducting the related expenses were approximately HK$15.1 million. The Company intends to apply the net proceeds from the rights issue as to (i) approximately HK$11.3 million for the development of the Group's e-commerce business by strengthening its e-commerce platform to improve the consumers' online shopping experience, expanding and refining its product portfolio by enlarging the Group's pool of suppliers and enlarging the product portfolio available for customer's selection and settling the deposit and payment to suppliers; and (ii) approximately HK$3.8 million for general working capital of the Group.

Up to 31 March 2025, approximately HK$0.8 million was used for payment of salaries and director remunerations and settlement of payables.

The unutilised net proceeds are placed in the bank accounts of the Group.

Liquidity and financing

The Group had total cash and bank balances of approximately HK$15,042,000 as at 31 March 2025 (2024: HK$727,000). The Group recorded total current assets of approximately HK$50,795,000 as at 31 March 2025 (2024: HK$29,772,000) and total current liabilities of approximately HK$7,301,000 as at 31 March 2025 (2024: HK$15,289,000).

There were no bank borrowings as at 31 March 2025 (2024: Nil). The Group's gearing ratio, remained as zero (2024: zero).

Treasury policies

Cash and bank deposits of the Group are mainly in Hong Kong dollars. The Group conducts its core business transaction mainly in Hong Kong dollars or Renminbi such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Management Discussion and Analysis

Pledge of assets

As at 31 March 2025, no asset of the Group was being pledged as there is no external financing (2024: Nil).

Capital commitment

As at 31 March 2025, the Group had no capital expenditure contracted for but not provided for in the financial statements (2024: HK$Nil).

Contingent liabilities

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

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Acquisition of Capital Assets

Save for those disclosed in this report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the year ended 31 March 2025. Apart from those disclosed in this report, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this report.

No Material Changes

Saved as disclosed in this report, there are no material changes affecting the Company's performance that needs to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules for the year ended 31 March 2025.

Employee Information

As at 31 March 2025, the Group had 17 (2024: 22) employees whom are employed in Hong Kong and the PRC. They are remunerated at market level with benefits such as medical, retirement benefit and share option scheme.

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 21 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2025 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 52 to 57.

The Board does not recommend the payment of a dividend (2024: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 116 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Saved as disclosed in this report, there are no movements in the property, plant and equipment of the Group during the year.

SHARE CAPITAL

Details of movements in the Company's issued share capital are set out in the notes 28 and 29 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company has adopted the existing share option scheme (the "Share Option Scheme") on 29 August 2014. During the year under review, no share options were granted, exercised and lapsed nor cancelled. As at the date of this report, there are 5,888,400 outstanding share options.

Report of the Directors

As at 31 March 2025, 5,888,400 share options has been granted by the Company pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK$0.40 each of the Company.

		Number of share options								
Category of participants	Date of grant	Outstanding as at 1 April 2024	Granted during the year ended 31 March 2025	Exercised during the year ended 31 March 2025	Lapsed during the year ended 31 March 2025	Forfeited during the year ended 31 March 2025	Outstanding as at 31 March 2025	Vesting period	Exercisable period	Exercise price per share (HK$)
Executive directors										
Sun Wei	21 August 2019	490,700	–	–	–	–	490,700	no	6 years	4.00
	11 August 2021	588,800	–	–	(588,800)	–	–	no	3 years	1.61
	12 August 2022	731,000	–	–	(731,000)	–	–	yes	2 years	1.59
Man Qiaozhen	21 August 2019	490,700	–	–	–	–	490,700	no	6 years	4.00
	11 August 2021	588,800	–	–	(588,800)	–	–	no	3 years	1.61
	12 August 2022	731,000	–	–	(731,000)	–	–	yes	2 years	1.59
Independent non-executive directors										
Wang Miaojun	18 August 2020	490,700	–	–	–	–	490,700	no	5 years	0.76
	12 August 2022	731,000	–	–	(731,000)	–	–	yes	2 years	1.59
Wang Yujie	18 August 2020	490,700	–	–	–	–	490,700	no	5 years	0.76
	12 August 2022	731,000	–	–	(731,000)	–	–	yes	2 years	1.59
Employees	21 August 2019	2,944,200	–	–	–	–	2,944,200 (note (i))	no	6 years	4.00
	11 August 2021	1,177,600	–	–	(1,177,600)	–	–	no	3 years	1.61
	12 August 2022	4,386,000	–	–	(4,386,000)	–	–	yes	2 years	1.59
Consultants	21 August 2019	981,400	–	–	–	–	981,400 (note (ii))	no	6 years	4.00
		15,553,600	–	–	(9,665,200)	–	5,888,400			

Notes:

(i) The share options have been granted to 6 employees and each of them hold 490,700 share options.

(ii) The share options have been granted to 2 consultants and each of them hold 490,700 share options.

(iii) For the share options granted on 12 August 2022, the share options have vesting period of 6 months, i.e. 12 August 2022 to 11 February 2023, with no performance targets.

During the year ended 31 March 2023, 50,049,000 and 73,100,000 share options were exercised and vested. The weighted average closing price of the shares immediately before the dates on which the options were exercised and vested are HK$0.154 and HK$0.062 respectively.

As of 1 April 2024 and 31 March 2025, the total number of share options available for grant under the scheme mandate and available for issue under the Share Option Scheme were 1,725 and Nil respectively. No service provider sub-limit was set under the Share Option Scheme. As at the date of the annual report, the total number of shares available for issue under the scheme were 5,888,400, which represent 2.5% of the issued shares of the Company.

Report of the Directors

Details of the Share Option Scheme are as follows:

1. **Purposes**

   The purpose of the Share Option Scheme is to reward participants who have contributed to the Group and to provide incentives to participants to work towards the success of the Company.

2. **Qualifying participants**

   The qualifying participants include (a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (d) any shareholder of any member of the Group; and (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, to be determined absolutely by the Board. If options are granted to the participants, regards will be had as to, inter alia, the relationship of the grantee to the Group, the length of time of relationship, the contribution made or to be made to the Group, etc.

3. **Maximum number of shares**

   The maximum number of shares in respect of which share options may be granted under the Share Option Scheme shall be 5,888,400 Shares, approximately 2.5% of the Shares in issue as at 31 March 2025. 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 any other share option schemes, must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

   As at the date of this annual report, 5,888,400 Shares were available for issue under the Share Option Scheme.

4. **Maximum entitlement of each participant**

   Maximum entitlement of each participant is 1% of the issued share capital of the Company from time to time within any 12-month period up to the date of the latest grant, any further grant of options to a participant in excess of the individual limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders' approval separately in general meeting of the Company with such participant and his/her associates abstaining from voting.

5. **Option period**

   The option period is determined by the Board provided that it is not later than ten (10) years from the date the Board makes an offer of the grant of an option subject to the provision for early termination. There is no minimum period for which an option must be held before it can be exercised.

6. **Acceptance of offer**

   An offer of the grant of an option may be accepted within 28 days from the date of grant together with a remittance of HK$1.00 by way of consideration for the grant thereof.

7. **Exercise price**

   The exercise price of the option shall be determined at the discretion of the Directors which shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

8. **Remaining life of the scheme**

   It shall be effective for a period of ten (10) years commencing on 29 August 2014, which expired on 28 August 2024.

Save for those disclosed in this report, at no time during the year ended 31 March 2025 was the Company, nor any of its, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles of Association") or the Companies Law (as revised) of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2025, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 35 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2025, the Company had no reserves available for distribution under the provisions of the Companies Law (as revised) of the Cayman Islands (2024: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's 5 largest customers accounted for 44.93% (2024: 89.96%) of the total sales for the year and sales to the largest customer included therein amounted to 9.15% (2024: 53.07%). The aggregate purchases during the year attributable to the Group's 5 largest suppliers accounted for 100.00% (2024: 100.00%) of the Group's total purchases for the year and the purchase from the largest supplier included therein amounted to 43.01% (2024: 73.91%).

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

OVERVIEW AND PERFORMANCE OF THE YEAR

A review of the business of the Group and analysis of the Group's performance using financial key performance indicators is provided in the Management Discussion and Analysis section on pages 4 to 8 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, the principal risks and uncertainties faced by the Group are set out below:

Operational Risks

Our revenue is mainly derived from contracts which are not recurring in nature and any significant decrease in the number of our contracts would affect our operations and financial results.

31.3% (2024: 20.8%) of our revenue during the year ended 31 March 2025 was derived from advertising and value added services through mobile devices. Our engagements with customers were on a project basis and non-recurring in nature. No long term agreement or master service agreement was entered into with our customers as at the date of this annual report. After completion of the contract, our customers are not obliged to engage us again in subsequent contracts, and we have to undergo the tendering process for every new contract. There is no assurance that our existing customers will award new contracts to us, nor can we guarantee that we would be able to maintain our business relationships with existing customers. In the event that we are unable to attract new customers or secure new contracts from our existing customers, there may be a significant decrease in our revenue, and our operations and financial results would hence be adversely affected.

Equity price risks

Equity price risk arises from fluctuation in quoted market price of the Group's investment in financial assets. The Group counter the equity price risk by ensuring a board diversification of the Group's investment portfolio and ensuring the investment portfolio are frequently reviewed and monitored.

Liquidity risks

Liquidity risk is the potential that our Group will not be able to meet its obligations when fall due. In order to manage the liquidity risk, the Group will continually monitors cash flows and maintains an adequate level of cash and credit facilities to ensure the Group to meet its finance needs.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a responsible corporation, the Group plays an important role in protecting our environment and is committed to minimise our impact on the environment and natural resources. The Group adheres to the principle of recycling and reducing.

The Group encourages and educates staff to save energy and reduce of paper use. It also encourages environmental practices such as utilising emails for internal and external communication, setting up recycling bins, adopting e-filing in server, double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off lightings and electrical appliances when they are not in use.

The Company will adopt effective environmental protection by introducing e-communication with our shareholders and non-registered holders. The Company encourages investors to read the Company's corporate communication published on the websites of the Company and the Stock Exchange so as to reduce paper consumption.

Report of the Directors

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements. The Group is committed to safeguard the Shareholders' rights and to enhance corporate governance standard by establishing the audit committee ("Audit Committee"), nomination committee ("Nomination Committee") and remuneration committee ("Remuneration Committee") of the Board.

For the year ended 31 March 2025, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Board recognises that our employees are one of the greatest assets contributing to the Group's future success. The Group strives to motivate its employees with competitive remuneration package and opportunities for advancement and improvement of their skills to attract and retain our employees. The Board reviews the remuneration package of our employees annually and makes necessary adjustments to conform to the prevailing market practices. The Group also adopted share options scheme to reward the contribution of the employees as an incentive.

The Group understands the importance of maintaining a good relationship with our business partners, which including the Group's customers and suppliers. The Group believes that a healthy relationship can be build up by providing better products and enhanced services to the customers, maintaining an effective communication channel to the employees and collaborating with key suppliers.

The Group is in a good relationship with its customers and suppliers. As far as the Board is aware, the Company did not receive any complaint from customers and suppliers.

The Group engaged professional services on investor relationship from service provider for advising and promoting professional communication with existing and potential investors.

PROSPECTS

Please refer to the Chairman's Statement on page 3.

DIRECTORS

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

EXECUTIVE DIRECTORS:

Ms. SUN Wei
Ms. MAN Qiaozhen

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. LIU Kwong Sang
Ms. WANG Miaojun
Ms. WANG Yujie

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company and considers that each of the independent non-executive Directors is independent to the Company.

Report of the Directors

According to article 84(1) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

According to article 84(2) of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In compliance with articles 84(1) and 84(2) of Articles of Association, Ms. Sun Wei and Ms. Man Qiaozhen will retire by rotation and being eligible, have agreed to offer themselves for re-election at the forthcoming annual general meeting.

According to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive director has served more than 9 years, such director's further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Liu Kwong Sang and Ms. Wang Miaojun have been serving as independent non-executive directors of the Company for more than 9 years as at the Latest Practicable Date. During their years of appointment, Mr. Liu and Ms. Wang had demonstrated their ability to provide an independent view to the Company's matters. Notwithstanding their years of service as independent non-executive directors of the Company, being reviewed and assessed by the Nomination Committee, the Board is of the view that Mr. Liu and Ms. Wang are able to continue to fulfill their roles as required and meet the independence guidelines set out in the Listing Rule. Mr. Liu Kwong Sang and Ms. Wang Miaojun are being eligible and recommended for further appointment subject to separate resolutions to be approved by shareholders at the AGM.

Please refer to "Corporate Governance Report – The Board of Directors" for reasons of resignation or retirement of the Directors.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 28 to 29 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 32 to the consolidated financial statements, no Director nor their connected entities had a material beneficial interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

Report of the Directors

MANAGEMENT CONTRACTS

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

DIRECTOR'S PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which they or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, in their respective offices or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year ended 31 March 2025, and such coverage remained in full force as of the date of this annual report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in any business or had any interest in business which competes or may constitutes competition directly or indirectly (within the meaning of the Listing Rules) with the business of the Group throughout the year ended 31 March 2025.

EMOLUMENTS OF THE DIRECTORS, SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

Please refer to notes 12 and 13 to the consolidated financial statements for details of the emoluments of the Directors, senior management and the five highest paid individuals of the Company.

RETIREMENT BENEFIT

Details of the retirement benefit of the Group are set out in note 33 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 March 2025.

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

As at 31 March 2025, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) 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 were as follows:

LONG POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Director	Number of issued ordinary shares/ underlying shares of the Company: Personal interests	Family interests	Corporate interests	Total	Percentage of the issued share capital of the Company
Ms. Sun Wei – Unlisted share options	490,700	–	–	490,700	0.21%
Ms. Man Qiaozhen – Unlisted share options	490,700	–	–	490,700	0.21%
Ms. Wang Miaojun – Unlisted share options	490,700	–	–	490,700	0.21%
Ms. Wang Yujie – Unlisted share options	490,700	–	–	490,700	0.21%

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

During the year ended 31 March 2025, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or any other body corporate.

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

As at 31 March 2025, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

Report of the Directors

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

COMPLIANCE WITH PROVISIONS OF CORPORATE GOVERNANCE CODE

The Group has adopted and met all the Code Provisions set out in the Corporate Governance Code (the "CG Code") in Appendix C1 of the Listing Rules throughout the year ended 31 March 2025.

AUDITOR

On 24 September 2024, Elite Partners CPA Limited after considering factors including their available internal resources, decided not to offer themselves for re-appointment as the auditor of the Company at the annual general meeting of the Company held on 25 September 2024 and will retire as auditor upon expiration of its current term of office at the conclusion of the annual general meeting.

With the recommendation from the audit committee of the Company and the poll results of the extraordinary general meeting of the Company held on 18 November 2024, Infinity CPA Limited, has been appointed as the auditor of the Company with effect from 18 November 2024 to hold office until the conclusion of the next annual general meeting of the Company. The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by Infinity CPA Limited whose term of office will be expired upon the forthcoming annual general meeting. A resolution for the re-appointment of Infinity CPA Limited as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On Behalf of the Board

SUN Wei
Executive Director

Hong Kong, 30 June 2025

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the code provisions as set out in the CG Code. The Board believes that throughout the year ended 31 March 2025, the Company complied with the applicable code provisions set out in the CG Code, except for the deviation from code provisions A.4.1 regarding the terms of appointment of non-executive directors and A.6.7 regarding the attendance of independent non-executive Directors in the annual general meeting.

The Board continues to monitor and review the Company's corporate governance practices and makes necessary changes at the appropriate time.

THE BOARD OF DIRECTORS

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promotion the success of the Company by directing and supervising its affairs. All Directors should take decisions objectively in the interests of the Company.

The Board takes the responsibility for all major matters of the Company including: the approval and monitoring of all policy matters, overall strategies, internal control and risk management systems, environmental, social and governance issues, appointment and retirement of Directors and other significant financial and operational matters.

The executive Directors are responsible for overseeing the day-to-day management of the Company's operations and implementation of the strategies set by the Board.

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Company and to the exercising of independent judgement. The Board currently comprises six Directors, including three executive Directors and three independent non-executive Directors. The names and biographical details of each Director are disclosed on pages 28 to 29 of this annual report. There is no relationship (including financial, business, family or other material relationship) among the members of the Board.

During the year ended 31 March 2025, the Board met the requirements of the Listing Rules in relation to the appointment of at least three (3) independent non-executive Directors with at least one (1) independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive Directors are independent.

Corporate Governance Report

Currently, all independent non-executive Directors are appointed for no fixed term. Each of the independent non-executive Directors is subject to retirement by rotation or re-election in accordance with the Articles of Association. Regular Board meetings are held for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year, 6 Board meetings were held and the attendance of individual Directors was as follows:

Name of directors	**Attendance**
Ms. SUN Wei	6/6
Ms. MAN Qiaozhen	6/6
Mr. LIU Kwong Sang	6/6
Ms. WANG Miaojun	6/6
Ms. WANG Yujie	6/6

BOARD COMMITTEES

In order to strengthen the functions of the Board and to oversee particular aspects of the Company's affairs, three committees have been established, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee. These committees are established with defined written terms of reference.

REMUNERATION COMMITTEE

The Board has established the Remuneration Committee. As at the date of this annual report, the Remuneration Committee comprises one executive Director, Ms. SUN Wei and three independent non-executive Directors, namely, Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie. Mr. LIU Kwong Sang is the Chairman of the Remuneration Committee. The primary objective for setting up the Remuneration Committee is to comply with the code provisions as set out in the CG Code. Its responsibilities are to review and consider the Group's policy for remuneration of Directors and senior management, to recommend to the Board the remuneration packages of each of the executive Directors, independent non-executive Directors and the senior management.

The Remuneration Committee held 1 meeting during the year. Details of individual attendance of its members are set out below:

Name of members	**Attendance**
Mr. LIU Kwong Sang	1/1
Ms. SUN Wei	1/1
Ms. WANG Miaojun	1/1
Ms. WANG Yujie	1/1

During the year, the remuneration committee had reviewed and considered, inter alia, the remuneration policy of the Company and the remuneration of the Directors and senior management.

Corporate Governance Report

AUDIT COMMITTEE

During the year ended 31 March 2025, the Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Kwong Sang, Ms. Wang Miaojun and Ms. Wang Yujie. Mr. Liu Kwong Sang, who process appropriate professional qualifications, accounting and financial management expertise, is the chairman of the Audit Committee. The primary duties of the Audit Committee are: to independent review and supervise the financial reporting process, internal control and risk management systems on an ongoing basis, to ensure good communications among Directors and the Company's auditor, to recommend the appointment of external auditor on an annual basis and approval of the audit fees, to assist the Board in oversight of the independence, qualifications, performance and compensation of the independent accountant, to review interim and annual results announcements as well as the consolidated financial statements prior to their approval by the Board, to provide advice on audit report, accounting policies and comments to all Directors.

The Audit Committee held 2 meetings during the year. Details of individual attendance of its members are set out below:

Name of members	Attendance
Mr. LIU Kwong Sang	2/2
Ms. WANG Miaojun	2/2
Ms. WANG Yujie	2/2

During the year, the Audit Committee had reviewed and considered, inter alia, the annual results for the year ended 31 March 2024 and the interim results for the six months ended 30 September 2024. The annual report 2024 has been reviewed by the Audit Committee.

NOMINATION COMMITTEE

The Company has established the Nomination Committee and adopted written terms of reference in April 2012 and January 2019, and currently consists of four members, including Ms. WANG Miaojun (Chairperson), Ms. SUN Wei, Mr. LIU Kwong Sang and Ms. WANG Yujie, a majority of whom are independent non-executive Directors.

The principal duties of the Nomination Committee include, among other things, (i) to review Board composition structure, size and diversity (including but not limited to gender, age, culture and educational background) at least annually; (ii) to make recommendations to the Board on the appointment and re-appointment of Directors; and (iii) to assess the independence of independent non-executive Directors.

During the year, 1 meeting of Nomination Committee were held with attendance of individual member is as follows:

Name of members	Attendance
Ms. WANG Miaojun	1/1
Ms. SUN Wei	1/1
Mr. LIU Kwong Sang	1/1
Ms. WANG Yujie	1/1

Nomination of Directors

The Nomination Committee is responsible for the formulation of nomination policies, making recommendations to Shareholders on Directors standing for re-election, providing sufficient biographical details of Directors to enable Shareholders to make an informed decision on the re-election, and where necessary, nominating appropriate persons to fill casual vacancies or as additions to the Board. The Nomination Committee from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management. It also identified and nominates qualified individuals for appointment as new Directors.

New Directors will be appointed by the Board. The Nomination Committee will take into consideration criteria such as expertise, experience, integrity and commitment when considering new director appointments.

Board Nomination Policy

The Company adopted a nomination policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy and recognises the benefits of having diversity in the composition of the Board.

The Company noted that people from different background and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse background will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Composition of the Diversified Board

As at the date of this annual report, the Board comprises five Directors, one of which are male. The following table further illustrate the composition and diversity of the Board in terms of gender, age and length of service with the Group, educational background and professional experience as of the date of this annual report:

	Age Group			Length of Service	
Name of Director	**30 to 39**	**40 to 49**	**60 to 69**	**less than 5 years**	**more than 5 years**
Ms. SUN Wei		✓			✓
Ms. MAN Qiaozhen	✓				✓
Mr. LIU Kwong Sang			✓		✓
Ms. WANG Miaojun		✓			✓
Ms. WANG Yujie	✓				✓

Name of Director	Educational Background			Professional Experience			
	Finance	Accountancy	Others	Accounting	Management	Media	Others
Ms. SUN Wei	✓			✓	✓		
Ms. MAN Qiaozhen	✓					✓	
Mr. LIU Kwong Sang		✓	✓	✓	✓		
Ms. WANG Miaojun			✓		✓	✓	
Ms. WANG Yujie			✓				✓

DIRECTORS' TRAINING

As part of an ongoing process of directors' training, the Directors are updated with the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time to ensure compliance of the same by all Directors. All Directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training.

Pursuant of code provision A.6.5 of CG Code, which has come to into effect from 1 April 2012, all Directors should participate in continuous professional development ("CPD") to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this annual report, the Directors have participated in appropriate continuous professional development activities by attending training course on the topics related to corporate governance and regulations or by reading materials relevant to the Company's business or to their duties and responsibilities. This is in addition to Directors' attendance at meetings and review of papers and circulars sent by management.

The participation by individual Directors in the program during the year was recorded in the table below:

	Type of CPD programmes
EXECUTIVE DIRECTORS	
Ms. SUN Wei	B
Ms. MAN Qiaozhen	B
INDEPENDENT NON-EXECUTIVE DIRECTORS	
Mr. LIU Kwong Sang	A, B
Ms. WANG Miaojun	B
Ms. WANG Yujie	B

Notes:

A: attending seminars/forums/workshops/conferences relating to corporate governance and regulations
B: reading materials relevant to the Company's business or to directors' duties and responsibilities

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 March 2025.

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Company with regards its independence, approves its appointment, discusses the scope of its audit, approves its fees, and the scope and appropriate fees for any non-audit services requested to be provided by it. During the year, the fees paid to the Company's auditor in respect of audit services and non-audit services amounted to HK$620,000 and HK$50,000 respectively.

The consolidated financial statements for the year were audited by Infinity CPA Limited whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that Infinity CPA Limited be nominated for re-appointment as the auditor of the Company at the forthcoming annual general meeting.

DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Group and ensures that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such consolidated financial statements. The statement of the external auditor of the Group, Infinity CPA Limited, with regard to their reporting responsibilities on the Group's consolidated financial statements is set out in the Independent Auditor's Report on pages 47 to 51.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the establishment, maintenance and review of the Company's risk management and internal control systems. The Company has established risk management and internal control systems and the Board will conduct review on the effectiveness of the system at least annually and report the result of the review to the shareholders.

The Group has engaged an independent internal control review advisor (the "Internal Control Advisor") to conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covered major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. During the risk assessment process, the Internal Control Advisor interviewed the relevant personnel and identified the business objectives and significant risks of the Group. A risk management report prepared by the Internal Control Advisor which sets out the risks, issues and recommended action plan was presented to the Board for review and endorsement. The Board considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on ongoing basis.

Corporate Governance Report

COMPANY SECRETARY

Mr. Lam Chee Sum Eddie ("Mr. Lam") has been appointed as the company secretary of the Company ("Company Secretary") on 2 July 2024. His primary corporate contact person at the Company is Ms. SUN Wei, an executive Director. Mr. Lam has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge during the year ended 31 March 2025.

SHAREHOLDERS' RIGHTS

The right and procedures to convene a general meeting and to demand a poll on resolutions at general meetings by the Shareholders are set out in the amended and restated Articles of Association headed "General Meetings", "Notice of General Meetings", "Proceedings At General Meetings" and "Voting". Shareholders may at any time send their enquiries to the Board by addressing them to the Company Secretary by post at the principal place of business of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company has a shareholders communication policy to set out the Company's procedures in providing Shareholders and investors in respect of the information about the Company.

The Company uses various communication methods to ensure its shareholders are kept well informed. These include publication of annual report, various notices, announcements and circulars. The Shareholders' meeting also provides a useful channel for Shareholders to communicate directly with the Board at which the Directors are available to answer questions relating to the Company's affairs. The right to demand voting by poll is communicated to the Shareholders by way of circulars. Resolutions are proposed at each Shareholders' meeting on each substantially separate issue, include the election of individual Director.

Participation of individual Directors at the general meeting held during the year ended 31 March 2025 is as follows:

	Participation
EXECUTIVE DIRECTORS	
Ms. SUN Wei	2/2
Ms. MAN Qiaozhen	1/2
INDEPENDENT NON-EXECUTIVE DIRECTORS	
Mr. LIU Kwong Sang	2/2
Ms. WANG Miaojun	2/2
Ms. WANG Yujie	2/2

DIVIDEND POLICY

The Company adopted a policy on payment of dividends (the "Dividend Policy") in March 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend on a number of factors, including but not limited to:

(i) the Group's actual and expected financial performance;

(ii) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(iii) retained earnings and distributable reserves of the Company and each of the members of the Group;

(iv) the Group's liquidity position;

(v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(vi) any other factors that the Board deems relevant.

The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring interim dividends from time to time.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Ms. SUN Wei ("Ms. Sun"), aged 41, was appointed to the Board in February 2014 as an executive Director, and was appointed as a member of the remuneration committee and nomination committee of the Board in November 2014. She also serves as a director of certain subsidiaries of the Company. Ms. Sun holds a Bachelor of Arts in English Education degree from Shanghai International Studies University, PRC, a Master of Science degree in Finance from Clark University, United States of America and a Postgraduate Certificate in Professional Accounting from City University of Hong Kong. Ms. Sun has over five years of experience in accounting and administration. From May 2020 to June 2021, Ms. Sun has been appointed as a director of TD Holdings, Inc. (ticket symbol: GLG) whose securities are listed on the United States Nasdaq Stock Market.

Ms. MAN Qiaozhen ("Ms. Man"), aged 39, was appointed to the Board in March 2018 as an executive Director. Ms. Man graduated with a bachelor's degree in Finance from Shenyang Normal University（沈陽師範大學）in July 2008. Ms. Man has over six years of experience in banking industry. She served positions as deputy general manager of private banking section, senior account manager and account manager (private banking) in a number of banks in the PRC. Ms. Man also has years of experience in media industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Kwong Sang ("Mr. Liu"), aged 63, was appointed to the Board in September 2004 as an independent non-executive Director, and the Chairperson of the audit committee of the Board. He was also appointed as the Chairperson of remuneration committee of the Board in 2004, and a member of the nomination committee of the Board in 2012.

Mr. Liu has been practising as a certified public accountant in Hong Kong with more than 27 years of experience in accounting profession. Mr. Liu graduated from the Hong Kong Polytechnic University with a bachelor degree in Accountancy (with honours) and obtained the Master degree in Business Administration from the University of Lincoln, the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Financial Accountants, the United Kingdom and a fellow member of the Institute of Public Accountants, Melbourne, Australia. Mr. Liu is also a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Taxation Institute of Hong Kong, a Chartered Tax Adviser and a fellow member of the Society of Registered Financial Planners.

Mr. Liu currently acts as the independent non-executive director of Graphex Group Limited, whose securities are listed on the main board of the Stock Exchange, and as the independent non-executive director of New Century Logistics (BVI) Limited (ticker symbol: NCEW) whose shares are listed on the United States Nasdaq Stock Market since November 2024 and Mr. Liu has also been appointed as an independent non-executive director of Armlogi Holding Corp. (ticker symbol: BTOC) whose shares are listed on the United States Nasdaq Stock Market in May 2024.

From 28 September 2004 to 6 November 2023, Mr. Liu has been appointed as the independent non-executive director of abc Multiactive Limited, securities of which are listed on the GEM of the Stock Exchange. From April 2019 to January 2025, Mr. Liu was also appointed as an independence non-executive director of ATIF Holdings Limited, a company listed on The Nasdaq Stock Market (ticket symbol: ATIF).

Mr. Liu was previously independent non-executive director of Polytec Asset Holdings Limited, securities of which are previously listed on the main board of the Stock Exchange, for the period from 24 July 2000 to 1 September 2000, and from 1 December 2000 to 9 June 2021. The listing of shares of Polytec Asset Holdings Limited was withdrawn by way of a scheme of privatization with effective from 26 May 2021.

Biographical Details of Directors

He was also previously the independent non-executive director of Pine Care Group Limited, securities of which are listed on the main board of the Stock Exchange, for the period from 23 January 2017 to 19 October 2020. He was the independent non-executive director of Evershine Group Holdings Limited, whose securities are listed on the GEM of the Stock Exchange, for the period from 16 January 2014 to 20 May 2014 and, from 23 May 2014 to 1 January 2017.

Ms. WANG Miaojun ("Ms. Wang"), aged 45, was appointed to the Board in February 2014 as an independent non-executive Director, and the Chairperson of the nomination committee, and a member of the audit committee and remuneration committee of the Board. Ms. Wang holds a bachelor degree in Electronics and Information Engineering from Shenzhen University. Ms. Wang has over 10 years of experience in IT and media industry. Ms. Wang is currently a general manager of the online media department and a director in an online media company. Ms. Wang had extensive experience in operation and management and had held management roles in electronics, IT and media companies and had an established network of relationship within IT industry in the PRC.

Ms. WANG Yujie ("Yujie"), aged 40, was appointed to the Board in July 2016 as an independent non-executive Director, and a member of the nomination committee, audit committee and remuneration committee of the Board. She was graduated from 首都經濟貿易大學華僑學院 (Overseas Chinese College, Capital University of Economics and Business), formerly known as 燕京華僑大學 (Yanjing Overseas Chinese University*) with a bachelor's degree in Foreign Trade English from the Department of Foreign Languages in July 2008. Yujie has years of experience working in bidding maintenance department of a Chinese search engine company.

* *For identification purpose only*

Environmental, Social and Governance Report

ABOUT THE GROUP

China National Culture Group Limited (the "Company", and its subsidiaries collectively referred to the "Group") keeps focusing on its existing advertising and e-commerce business. Besides, the Group also aim to develop the Group's movie segment, including but not limited to the investment in, purchase of and distribution of film, web series and TV Series contents, which are expected to generate positive contributions to the Group in the future.

ABOUT THIS REPORT

This Environmental, Social and Governance ("ESG") Report (the "ESG Report") has been prepared by the management of the Company in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Guide to the Rules (the "Listing Rules") Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited.

This ESG Report presents mainly ESG-related policies, initiatives and performance of the Group on the advertising and e-commerce business for the year ended 31 March 2025. It will also highlight material aspects identified from 1 April 2024 to 31 March 2025 (the "Reporting Period"). The board (the "Board") of directors (the "Directors") confirms the ESG Report has been reviewed and approved to ensure all material issues and impacts are fairly presented. The Board has overall responsibility for the ESG strategy and reporting of the Group.

The ESG Report has been presented in two subject areas, including Environmental and Social aspects. Each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide. The preparation of the ESG Report is based on its four reporting principles – Materiality, Quantitative, Balance and Consistency.

1. Materiality: ESG issues that have major impacts on investors and other stakeholders must be set out in this ESG Report.

2. Quantitative: If the key performance indicators (KPIs) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.

3. Balance: This ESG Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgement by the reader.

4. Consistency: This ESG Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the ESG Report.

Unless otherwise stated, the key ESG performance indicator data were collected from the operational control system of the Group and its subsidiaries. We will continue to extend the scope of the disclosure in the future and deepen our work and philosophy of sustainable development.

This ESG Report shall be uploaded and published both in Chinese and English on the websites of the Group and the HKEX at www.hkexnews.hk. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Environmental, Social and Governance Report

The Group understands the importance of the ESG Report and is committed to making continuous improvements in corporate social responsibility in our business in order to better meet the changing needs of an advancing society. The Group welcomes all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance.

BOARD STATEMENT OF ESG GOVERNANCE

The Board is responsible for the Group's ESG strategy and reporting, including evaluating and determining ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board is also responsible for formulating ESG targets, aiming at aligning with the global vision of carbon neutrality and enhancing corporate reputation.

The Group has established the ESG committee to ensure the alignment of the ESG governance with the Group's strategic growth. The ESG committee is comprised of member of the Board and core member of the different departments. The ESG committee is responsible for executing the Group's ESG measures, collecting and analysing ESG data, giving suggestions to the Board on ESG issues and reviewing ESG-related matters.

With the assistance of the ESG committee, the Board continuously evaluates and monitors the Group's ESG performances, risks and opportunities. The members of the ESG committee have regular meetings to discuss the effectiveness of the Group's policies and procedures and seek opportunities to improve the Group's ESG performance. The ESG committee reports its findings to the Board where appropriate so that the Board can look for solutions to manage the Group's ESG risks and opportunities.

Setting strategic goals for the coming three to five years enables the Group to develop a realistic roadmap and focus on results in achieving the visions. Setting ESG targets requires the ESG committee to carefully examine the attainability of the targets which should be weighed against the Group's ambitions and goals. The progress of ESG target implementation and the ESG performance of the goals and targets are closely monitored by the ESG committee from time to time. Rectification may be needed if the progress falls short of expectations.

STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder participation is an integral part of the Group's continuous improvement of sustainable development performance. Therefore, the Group places emphasis on the opinions of both its internal and external stakeholders. The Group expects continuous improvement of our communication system, to proactively facilitate idea exchange and knowledge sharing. The Group communicates with stakeholders via various communication channels such as written memos, regular meetings, and interviews. The key stakeholders for the Reporting Period are identified by the Group as follows:

- Equity shareholders;
- Local and Central governments of the People's Republic of China (the "PRC");
- Hong Kong supervision bodies related to listing compliance;
- Employees;
- Customers; and
- Suppliers/Sub-contractors.

MATERIALITY ASSESSMENT

The management and staff of the Group's respective major functions have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues. The materiality assessment also assesses the materiality of related matters to our business and each stakeholder.

An internal materiality assessment was conducted to determine which ESG issues are important to the business of the Group and its stakeholders. The result shows that the topics are identified to be relevant, including:

Aspects		Material ESG Issues
B.	**Social Aspect**	
B1.	Employment	• Employee benefits and welfare • Diversity and equal opportunities • Talent attraction and retention
B6.	Product Responsibility	• Customer satisfaction • Quality of products and services • Protection of intellectual property rights • Protection of customer privacy
B7.	Anti-corruption	• Corporate governance • Anti-corruption

ENVIRONMENTAL ASPECTS

The Group is always concerned about the adverse impacts of its business activities on the environment. The Group has promoted and educated all staff to minimise the input of resources for more sustainable atmosphere. As the Group does not involve in the use of significant amount of natural resources and most of the services provided are through social media, e.g. website, mobile application and electronic social platforms, we believe that the exposure to adverse environmental impacts is very limited.

The Group strictly abided the laws and regulations in Hong Kong and the PRC, including but not limited to the Air Pollution Control Ordinance, Waste Disposal Ordinance (Cap. 354), Water Pollution Control Ordinance (Cap. 358) and Noise Control Ordinance (Cap. 400), Environmental Protection Law, Prevention and Control of Atmospheric Pollution, Prevention and Control of Water Pollution, Prevention and Control of Environmental Pollution by Solid Waste and National Environmental Emergency Response Plan of the PRC.

During the Reporting Period, the Group did not experience any cases of material non-compliance relating to environmental laws and regulations in the PRC and Hong Kong.

Emissions

The operation of the Group does not involve any manufacturing activities and does not have material impacts on the environment and natural resources. Energy usage occupies a large proportion of input in our operation, which involves powering the electrical appliances in our office. The Group is aware of the importance of reducing greenhouse gas emissions through enhancing energy efficiency and energy conservation.

Air Emissions

Due to the nature of the Group's business, there is no emission from the gaseous fuel consumption and thus the total amount of air emission is insignificant compared to other industries. There were no operating vehicles and fuel consumption during the Reporting Period. Therefore, the air emission was minimal.

Greenhouse Gas Emissions

The Group consumes electricity for its advertising, e-commerce, trading and production of the movie business. The emission of greenhouse gases, such as carbon dioxide (CO_2) and methane (CH_4), has been calculated by the quantity of energy consumed multiple by the emission factors.

The Group did not consume fuel for vehicles and therefore there were no direct emissions (Scope 1 emissions) generated. The only source of greenhouse gas emissions was purchased electricity (Scope 2 emissions). During the Reporting Period, the total greenhouse gas emissions were 2.4 tonnes of carbon dioxide equivalent ("CO_2-e") and the emission intensity was 0.14 tonnes of CO_2-e per employee. The Group has initiated a target of 5% emission reduction in terms of intensity of scope 2 emissions by 2028, compared with the baseline year of 2024.

Greenhouse gas emissions in total and intensity	2024/25	2023/24	Unit
Scope 2 emissions	**2.4**	2.3	Tonnes CO_2-e
Total greenhouse gas emissions	**2.4**	2.3	Tonnes CO_2-e
Intensity (by employee)	**0.14**	0.13	Tonnes CO_2-e/employee

Waste Management

Waste and wastewater produced during daily operations are managed and handled by our property management. During the Reporting Period, the Group did not carry out any production, mining and exploration activities. Therefore, there was no generation of hazardous waste. The main sources of non-hazardous waste are commercial waste and domestic waste from the daily operation of the offices. Non-hazardous waste production is considered immaterial to the Group's operation since the business nature of the Group is advertising and e-commerce business. The Group has launched a number of waste management programs, including:

- Recycling of paper materials, printing cartridges and batteries;
- Establishing the waste battery recycling tank and delivering the recycled batteries to professional treatment organizations for proper treatment; and
- Encouraging staff to mitigate paper consumption by double-sided printing and reusing the single-sided printed papers.

Hazardous and non-hazardous waste are not considered material to the Group and we have yet to collect and consolidate relevant information. The Group is not able to set a target for waste reduction. We will continue to review and disclose further information as appropriate in the future.

Use of Resources

The Group is committed to upholding high environmental standards in order to promote environmental friendliness and encourage staff to adopt environmentally responsible habits mentioned in the environmental management practices to reduce the use of resources and waste production.

With the vision of helping to protect the planet and of incorporating environmental sustainability into its business model and processes, the Group proactively seeks opportunities for increasing operating efficiency in order to minimize the use of resources, including restriction of the temperature of the air conditioners and has encouraged the use of recycled paper in the office. Management also ensures lights and air-conditioning systems were switched off where not in use.

Energy Consumption

The Group is committed to performing regular assessments in analysing data with the aim of better managing the use of resources. The resources used by the Group from offices mainly relate to electricity for maintaining the daily operation of the offices. During the Reporting Period, the Group consumed 4 MWh of electricity and the intensity of electricity consumption was 0.235 MWh per employee. The Group is striving to reduce the consumption of electricity by implementing any necessary measures to minimise the adverse effect brings to the natural environment. The Group has set a target of a 5% reduction of energy intensity by 2028, compared with the baseline year of 2024.

Direct and/or indirect energy consumption by type	2024/25	2023/24	Unit
Indirect energy consumption	**4.0**	3.4	MWh
Total energy consumption	**4.0**	3.4	MWh-e
Intensity (by employee)	**0.235**	0.188	MWh-e/employee

Water Consumption

Although the operation of the Group does not consume a significant amount of water, the Group encourages water conservation and reminds staff to reduce water wastage whenever possible. The daily water consumed by the Group is mainly supplied from the municipal water network, and there is no difficulty in sourcing water.

While the Group has not set any targets for water consumption reduction due to its minimal impacts, the Group nonetheless promotes reasonable water use initiatives and water-saving measures among its employees. The Group requires employees to turn off taps consciously in their daily lives and work, thus encouraging smaller water consumption. The Group encourages staff to promptly notifies the relevant departments for follow-up repair once the failure or leakage is spotted.

Packaging Materials

The Group encourages staff to communicate through electronic media with clients and co-workers. Good practices, like double-sided printing and the reuse of single-sided printed papers, are promoted. The Group stated that the consumption of paper was immaterial and had no relevant information on paper usage during the Reporting Period. In addition, the use of packaging materials was not material to the Group due to the nature of the business.

The Environment and Natural Resources

Measures for Reducing Environmental Impacts

The Group's policy must maintain daily operational efficiency in order to mitigate the total usage of energy and materials. All companies within the Group are committed to producing high-quality services while also ensuring that, all business activities in the PRC and Hong Kong impact the environment positively.

The Group protects natural resources by promoting green procurement, such as recycled paper and recycling used toner and cartridges, to avoid pollution. Aiming to reduce the quantity of copying paper, the Group uses duplex printing, recycled paper as a source of printing and copier networking for faxing and document storage. The Group has also implemented electronic leave applications to reduce paper usage.

The Group strictly complies with relevant local laws and regulations on the environment in the PRC and Hong Kong. During the Reporting Period, the Group is not aware of any material non-compliance with relevant laws and regulations regarding environmental issues.

Climate Change

Climate change poses escalating risks to many industries. As such risks may engender negative impacts on the business operation, the Group's management assesses the risks incurred by climate change. Supported by our ESG Committee, the Board oversees climate-related issues and risks regularly during board meetings and ensures that they are incorporated into our strategy. The ESG Committee works closely with the Group's different operation departments, with an aim to develop consistent and enhanced approaches on addressing ESG risk issues and report to the Board. The Group has identified the possible impacts of climate change on business operations and mitigated the major impacts caused by climate change.

For physical risks, extreme weather has been more frequent and severe due to climate change. The increased frequency and severity of extreme weather might negatively affect the Group's operations. Under extreme weather, operational facilities may be damaged, while the safety of the workforce may also be impacted. The Group has developed guidelines for work arrangements during adverse weather events, which guide employees to respond to possible emergencies, such as being unable to work because of flooding or typhoon strikes in the event of typhoons and rainstorms. The Group will stay alert to any announcement by the local government on weather conditions and prepare for emergency actions.

For transitional risks, the HKEX has required listed companies to enhance climate-related disclosures in their ESG Reports, which may result in increased compliance costs. Failure to meet the climate change compliance requirements may expose the Group to risks of claims and lawsuits, which may also cause a negative impact on its reputation. Policy actions and emerging technologies on climate change will start to develop, for example, switching to low-carbon energy sources and supporting the transition to a low-carbon economic system may bring risks to the Group's technological transformation and increase its costs. The impression of customers, the community and the media on whether the Group can commit to low-carbon transformation may also bring risks to the Group's image and reputation.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

The Group regards employees as one of the most valuable assets of the Group and regards the personal development of its employees as highly important. Staff is the most important asset that drives the long-term development and sustainability of the Group.

Employment in PRC is subject to the Labour Law and the Employment Contract Law of the PRC. Employment in Hong Kong is subject to the Employment Ordinance, the Minimum Wage Ordinance, the Employees' Compensation Ordinance, Sex Discrimination Ordinance, Mandatory Provident Fund Schemes Ordinance, Personal Data (Privacy) Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance. The Group has also complied with the laws and regulations with respect to the employees' social security schemes that are enforced by the local governments in the PRC and Hong Kong in relation to employee benefits. During the Reporting Period, the Group did not aware of any material non-compliance with the above law and regulations.

Recruitment and Promotion

In its recruitment process, the Group adheres to the principle of "open, fair and just" by considering candidates' skills, capability and related experience, and avoiding discrimination on either nationality, gender, age, religion or culture. At the same time, the remuneration standard is determined on the basis of specific conditions including but not limited to the job responsibilities of the employees, personal comprehensive capabilities (including work experience, academic qualifications, professional qualifications, etc.), personal work performance and contribution to the Group.

Moreover, the Group established a clear promotion policy for employees to give adequate promotion opportunities. The promotion opportunity is based on a fair and equal evaluation of each employee's work performance through self-evaluation and appraisal by the supervisor. Recommendation is provided to employees in the process to help them enhance their performance.

Equal Opportunity and Diversity

Being an equal opportunity employer, the Group is committed to creating a working environment with fairness, openness and mutual trust. The Group opposes any consideration which involves discrimination not related to work and prohibits all forms of workplace discrimination, employee of the same position is remunerated on an equal basis no matter what gender they are, thus the rights of female employees are well-protected.

The Group adopts equal employment opportunity policies and treats all employees equally. Employment, remuneration and promotion are not under the influence of social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

Environmental, Social and Governance Report

As at 31 March 2025, the Group had 17 employees. The graphs below show the workforce distribution by gender, age group, level and geographical region:

Total workforce		2024/25	2023/24	Unit
Total number of employees		**17**	18	Employee
By Gender	Male	**13**	13	Employee
	Female	**4**	5	Employee
By employment type	Full-time	**17**	18	Employee
	Part-time	**0**	0	Employee
By age group	Under 30 years old	**0**	1	Employee
	31–40 years old	**11**	11	Employee
	41–50 years old	**5**	5	Employee
	Over 50 years old	**1**	1	Employee
By employment category	Managerial	**6**	6	Employee
	Senior	**4**	4	Employee
	Middle	**3**	4	Employee
	Junior	**4**	4	Employee
By geographical region	Hong Kong	**6**	6	Employee
	China	**11**	12	Employee

Employee turnover rate		2024/25	2023/24	Unit
Total employee turnover rate		**6**	22	%
By Gender	Male	**0**	23	%
	Female	**22**	20	%
By employment type	Full-time	**6**	22	%
	Part-time	**0**	0	%
By age group	Under 30 years old	**100**	0	%
	31–40 years old	**6**	36	%
	41–50 years old	**0**	0	%
	Over 50 years old	**0**	0	%
By employee category	Managerial	**0**	0	%
	Senior	**0**	50	%
	Middle	**29**	0	%
	Junior	**0**	50	%
By geographical region	Hong Kong	**0**	0	%
	China	**9**	33	%

Health and Safety

Workplace Health and Safety

The Group aims to provide a safe and healthy working environment to the employees and promotes the message of "Work happily, Live healthily". The Group organizes recreational activities, such as badminton races and basketball match for employees regularly. Holding recreational activity not only able build up the sense of belonging and team spirits among employees, but also promote the message of the importance of work-life balance to all staff. The Group also provides free body check to all staff before admission and annually.

During the Reporting Period, there were no cases of non-compliance with the laws and regulations in respect of the provision of a safe working environment and the protection of employees from occupational hazards, such as the Occupational Safety and Health Ordinance, Safety Production Law and Occupational Disease Prevention Law of the PRC. During the past three years, including the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury.

Health and Safety	2024/25	2023/24	Unit
Number of work-related fatalities	**0**	0	No.
Rate of work-related fatalities	**0**	0	%
Lost days due to work injury	**0**	0	No.

Development and Training

Employee Development and Training

The Group encourages employees to continuous development and improves their skill set through training. The Group provided various internal and external training sessions for developing the workforce including but not limited to financing, accounting, corporate governance and other topics that are directly related to the business of the Group.

The Group reserves training budgets per annum for directors and other staff. The cost of the external training programme will be reimbursed after the completion of the enrolled program. To fully develop the workforce, new staff will also be provided with onboard training to help them adapt faster to the operations and culture of the Group. Staff's performance will also be reviewed annually through appraisal to determine any additional training or improvement plan required for each staff from their performance result.

Percentage of trained employees		2024/25	2023/24	Unit
Percentage of trained employees		**100**	50	%
By Gender	Male	**100**	38	%
	Female	**100**	80	%
By employee category	Managerial	**100**	100	%
	Senior	**100**	25	%
	Middle	**100**	25	%
	Junior	**100**	25	%

Average training hours completed		2024/25	2023/24	Unit
Average training hours per employee		**2.5**	2.0	Hour/employee
By Gender	Male	**2.5**	2.0	Hour/employee
	Female	**2.5**	2.0	Hour/employee
By employee category	Managerial	**2.5**	2.0	Hour/employee
	Senior	**2.5**	2.0	Hour/employee
	Middle	**2.5**	2.0	Hour/employee
	Junior	**2.5**	2.0	Hour/employee

Labour Standards

The operation team of the Group requires sophisticated training in the field of Finance or extensive exposure to the finance business. Hence, the Group does not rely on labour or involve in any labour-intensive work. As such, it is almost certain that the Group would not be involved in the child or forced labour. Further, the employment policies of the Group focus on the capabilities of the individual regards of personal traits, such as gender or ethnic groups.

Child Labour and Forced Labour

The Group has strictly complied with the Employment Ordinance of Hong Kong and Labour Contract Law of the PRC. According to the Employment Ordinance, the Provisions on the Prohibition of Using Child Labour and the Law of the PRC on the Protection of Minors and as stipulated by the Labour Law of the PRC in terms of employment management, there is neither child nor forced labour in the Groups operation during the Reporting Period.

To screen job candidates during recruitment, the Group reviews the applicants' application forms and conducts verification on their identity cards. The Group would immediately terminate the employment contract with employee who violates the laws and regulations and will regularly review and update the Staff Handbook and internal policies to meet the latest regulatory requirements. The Group also has policies to protect staff's labour rights with a complaint system for staff to report their concerns and any violations of labour rights.

Undoubtedly, the Group prohibited the employment of any staff who has under the legal working age for protecting young people at work. If there are any cases of forced labour, child labour and illegal immigrant labour on staff, employment with all these candidates will be immediately terminated. The Group would also take responsibility for the investigation.

OPERATING PRACTICES AND SOCIAL INVESTMENT

Supply Chain Management

Supplier Management

The Group has a sub-contractor management plan to control the selection and supervision of sub-contractors and suppliers such that they are up to our strict requirements in safety, environmental and quality performances.

Our evaluation of a sub-contractor and supplier includes experience, job references, past performance, statutory licenses and certificates as may be required, financial status, integrity, social responsibility and particular skills, competencies and professionalism of the management teams. Only sub-contractors and suppliers with satisfactory assessment results are added to the Group's list of approved suppliers.

We regard our sub-contractors and suppliers as our business partners and work closely with them to warrant that the services are conducted in a manner that meets the highest professional and ethical standards assuring a quality end-product as well as continued confidence of our customers and the public.

The Group also focused on the environmental and social risks of its sub-contractors and suppliers. The Group focused on purchasing from sub-contractors and suppliers who complied with all labour and environmental regulation of local government and authorities. The Group will take serious assessments of the environmental and social compliance of the sub-contractors and suppliers. If a sub-contractor or supplier fails to properly control and address its environmental and social risks, it may not be retained in the approved list of the Group's suppliers. During the Reporting Period, the Group did not notice that its main sub-contractors and suppliers had any material environmental and social risks.

As at 31 March 2025, the Group had a total of 5 major sub-contractors and suppliers (2024: 3 suppliers) which are all subject to the supplier engagement practice. The Group has set clear requirements on the selection and management of suppliers to ensure standardised management and proper selection of suppliers and effective control over operational risks resulting from improper selection, unreasonable methods or fraudulent practices of suppliers.

Supply Chain Management		2024/25	2023/24	Unit
Number of suppliers by geographical region				
Total number of suppliers		**5**	3	Supplier
By geographical region	Hong Kong	**1**	1	Supplier
	China	**4**	2	Supplier

Product Responsibility

Handling of Complaints

The Group has a standard follow-up and action plan for handling customer complaints relating to advertising products and product sales over the internet. Customer complaints and product recalls will be handled in a consistent and timely manner.

Intellectual Property Rights

The Group's intellectual property, including patents, copyrights, trademarks, service marks, research and development achievements, trade secrets, technical data and other related rights. They are not allowed to damage, delete or take advantage of any asset or documents without the Group's approval.

Protection of Data Privacy

Staff handbook included a data privacy protection clause in which employees are only allowed to use computers, information and software authorized by the Group and the use of the internet, intranet and emails shall be strictly for work purposes. Employees shall not disclose any confidential information to any unauthorized personnel or parties. The Group's IT department has set up a system for ensuring network security and management. No infringement was identified during the reporting period.

The Group has formulated a set of privacy principles in the collection, retention, use, security, openness and accessibility of information to ensure all information received is only for its intended purpose. Access control rights and follow-up action are set to prevent information leakage when information leakage is found.

The Group did not have any material non-compliance with applicable laws and regulations regarding health and safety, advertising, labelling and privacy matters related to services offered for the Reporting Period. These laws and regulations include the Personal Data (Privacy) Ordinance, Trade Marks Ordinance, Patents Ordinance, Copyright Ordinance and Product Quality Law of the PRC.

Product Responsibility	2024/25	2023/24	Unit
Percentage of total products sold or shipped subject to recalls	**0**	0	%
Number of products and service-related complaints received	**0**	0	No.

Anti-Corruption

The Group believes that honesty, integrity and fair play are important assets in the business field and strictly adhered to the laws relating to corruption, bribery, extortion and money-laundering, etc. The Code of Conduct has been prepared under which all employees are advised that they are prohibited from offering or soliciting advantages in connection with his or her duties and with the business of the Group and that any employee soliciting or accepting an advantage without the permission of the Group commits an offence under the Prevention of Bribery Ordinance.

The Code of Conduct also states clearly that the Group shall not tolerate any illegal or unethical acts. Offenders will be subject to disciplinary action, including summary dismissal and termination of employment. In cases of suspected corruption or other forms of criminal activity, a report will be made to ICAC or appropriate authorities. A channel for raising complaints is open to all employees. Any possible break of the Code or unlawful or unethical conduct can be sent directly to the Senior Management for an impartial investigation.

Anti-Corruption	2024/25	2023/24	Unit
Number of concluded legal cases regarding corruption	**0**	0	Case

Whistle-blowing Policy

We want colleagues and stakeholders to have confidence in speaking up when they observe unlawful or unethical behaviour. We offer a range of speak-up channels to listen to their concerns and have zero tolerance for acts of retaliation. However, we recognise that sometimes people may still not be comfortable using these routes.

The Group understands the importance of promoting anti-corruption thoughts to the employees. However, the preparation work is suspended due to the pandemic. The Group is now preparing the materials and training sessions. The Group will soon start the training once the materials are ready to deliver.

During the Reporting Period, the Group has not identified any material non-compliance with the relevant laws and regulations, including but not limited to the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and the Prevention of Bribery Ordinance, that had a significant impact on the Group regarding anti-corruption and money laundering. No violation of any corruption activities has been detected by the Group and reported by staff.

Community Investment

Community Involvement

For the continuous effort in giving back to society, the Group would seek opportunities to get involved in various community programs. The Group's approaches toward community involvement are as follows:

- fulfils the corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work;
- assesses how to give business activities to the interests of the community; and
- commits to the provision of career opportunities to the locals and promotes the development of the community's economy.

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs		Disclosure Requirements	Sections
1	Governance Structure	disclosure of the board's oversight of ESG issues;	ESG Governance
		board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues) (including risks to the issuer's businesses)	ESG Governance
		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	Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report	About This Report
	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	About This Report
	Environmental		
	Aspect A1: Emissions		
A1	General Disclosure	Policies	Emissions
		compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
A1.1		The types of emissions and respective emissions data.	Emissions
A1.2		Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5		Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	Waste Management

KPIs		Disclosure Requirements	Sections
A2	Use of Resource		
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
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
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
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.	Water Consumption
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
A3	The Environment and Natural Resources		
A3	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	Climate Change		
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1		Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
	Social		
B1	Employment		
B1	General Disclosure	Policies	Employment
		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, antidiscrimination, and other benefits and welfare.	Employment
B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment

KPIs		Disclosure Requirements	Sections
B2	Health and Safety		
B2	General Disclosure	Policies	Health and Safety
		compliance with relevant laws and regulations that have a significant impact on the issuer	Health and Safety
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2		Lost days due to work injury.	Health and Safety
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3	Development and Training		
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2		The average training hours completed per employee by gender and employee category.	Development and Training
B4	Labour standards		
B4	General Disclosure	Policies	Labour standards
		compliance with relevant laws and regulations that have a significant impact on the issuer	Labour standards
B4.1		Description of measures to review employment practices to avoid child and forced labour.	Labour standards
B4.2		Description of steps taken to eliminate such practices when discovered.	Labour standards
B5	Supply chain management		
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1		Number of suppliers by geographical region.	Supply chain management
B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply chain management
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management

KPIs		Disclosure Requirements	Sections
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6	Product Responsibility		
B6	General Disclosure	Policies	Product Responsibility
		compliance with relevant laws and regulations that have a significant impact on the issuer	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
B7	Anti-corruption		
B7	General Disclosure	Policies	Anti-corruption
		compliance with relevant laws and regulations that have a significant impact on the issuer	Anti-corruption
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8	Community investment		
B8	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community investment
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
B8.2		Resources contributed (e.g. money or time) to the focus area.	Community investment

Independent Auditor's Report

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

To the members of
CHINA NATIONAL CULTURE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China National Culture Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 52 to 115, which comprise the consolidated statement of financial position at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group 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 issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on trade receivables	
We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period. As at 31 March 2025, the Group's net trade receivables amounted to HK$16,478,000 representing approximately 32% of total assets of the Group, and HK$9,403,000 of which were past due. As disclosed in note 6(b) to the consolidated financial statements, the management of the Group estimated the amount of lifetime ECL of trade receivables, other than major customers and credit-impaired balances, based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates were based on historical observed default rates over the expected life of the debtors and were adjusted for forward-looking information. Trade receivables with major customers and credit-impaired balances were assessed for ECL individually. The loss allowance of the credit-impaired trade receivables was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. As disclosed in note 6(b) to the consolidated financial statements, the Group's lifetime ECL recognised on trade receivables as at 31 March 2025 amounted to HK$39,265,000.	Our procedures in relation to impairment assessment of trade receivables included: • Understanding key controls on how the management estimates the loss allowance for trade receivables; • Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer; • Involving our internal valuation expert to assess the appropriateness of valuation methodology and assumptions adopted; • Testing the integrity of information used by management to develop the provision matrix, including trade receivables aging analysis, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents; and • Challenging management's basis and judgement in determining credit loss allowance on trade receivables, including their identification of credit-impaired balances, the reasonableness of the basis of estimated loss rates applied for each trade debtor in the provision matrix (with reference to historical default rates and forward-looking information).

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 March 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2024.

OTHER INFORMATION

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

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

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

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

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

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

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

The directors are assisted by the audit committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Infinity CPA Limited
Certified Public Accountants

Au Yeung Ming Yin Gordon
Practising Certificate Number: P08219
Hong Kong
30 June 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
Revenue	9	**43,708**	27,883
Cost of sales		**(39,761)**	(22,444)
Gross profit		**3,947**	5,439
Administrative expenses		**(4,567)**	(5,021)
Other gains and losses, net	10	**(9,459)**	(10,394)
Reversal/(provision) of impairment losses on trade receivables, net		**6,668**	(34,451)
Provision of impairment losses on other receivables		**(1,371)**	(7)
Loss before tax	11	**(4,782)**	(44,434)
Income tax credit	14	**–**	766
Loss for the year attributable to the owners of the Company		**(4,782)**	(43,668)
			(Restated)
		HK cents	HK cents
Loss per share			
– Basic and diluted	16	**(4.84)**	(45.44)

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Loss for the year	**(4,782)**	(43,668)
Other comprehensive income/(expense)		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translating foreign operations	**–**	(37)
– Reclassification adjustment for the cumulative exchange reserve upon disposal of foreign operations	**18,489**	–
Item that will not be reclassified to profit or loss:		
– Fair value loss on investment in equity instruments at fair value through other comprehensive income ("FVTOCI")	**(1,186)**	(526)
Other comprehensive income/(expense) for the year, net of income tax	**17,303**	(563)
Total comprehensive income/(expense) for the year attributable to the owners of the Company	**12,521**	(44,231)

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

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Intangible assets	17	**–**	–
Equity instruments at FVTOCI	19	**1,081**	2,267
		1,081	2,267
Current assets			
Financial assets held for trading	20	**17,124**	13,914
Trade receivables	22	**16,478**	11,294
Prepayments and other receivables	23	**2,151**	3,837
Cash and cash equivalents	24	**15,042**	727
		50,795	29,772
Total assets		**51,876**	32,039
EQUITY			
Capital and reserves			
Share capital	28	**2,344**	31,249
Reserves	31	**42,231**	(14,499)
Total equity		**44,575**	16,750

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
LIABILITIES			
Current liabilities			
Trade payables	25	**3,202**	5,670
Other payables and accruals	26	**4,099**	9,619
		7,301	15,289
Non-current liabilities			
Deferred tax liabilities	27	**–**	–
Total liabilities		**7,301**	15,289
Total equity and liabilities		**51,876**	32,039
Net current assets		**43,494**	14,483
Total asset less current liabilities		**44,575**	16,750
Net assets		**44,575**	16,750

The consolidated financial statements on pages 52 to 115 were approved and authorised for issue by the board of directors on 30 June 2025 and signed on its behalf by:

SUN Wei
Director

MAN Qiaozhen
Director

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Total equity attributable to owners of the Company						
	Share capital HK$'000	Shares premium HK$'000	Share options reserve HK$'000 (Note 30)	Exchange translation reserve HK$'000	Investment revaluation reserve HK$'000	Accumulated losses HK$'000	Total equity HK$'000
At 1 April 2023	31,249	1,432,925	10,327	(18,452)	(59,818)	(1,335,250)	60,981
Loss for the year	–	–	–	–	–	(43,668)	(43,668)
Other comprehensive expenses for the year:							
– Exchange difference on translating foreign operations	–	–	–	(37)	–	–	(37)
– Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	(526)	–	(526)
Total comprehensive expense for the year	–	–	–	(37)	(526)	(43,668)	(44,231)
At 31 March 2024 and 1 April 2024	31,249	1,432,925	10,327	(18,489)	(60,344)	(1,378,918)	16,750
Loss for the year	–	–	–	–	–	(4,782)	(4,782)
Other comprehensive income for the year:							
– Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon disposal	–	–	–	18,489	–	–	18,489
– Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	(1,186)	–	(1,186)
Total comprehensive income for the year	–	–	–	18,489	(1,186)	(4,782)	12,521
Capital reduction upon capital reorganisation	(30,467)	–	–	–	–	30,467	–
Issuance of ordinary shares under rights issue (note 28)	1,562	13,742	–	–	–	–	15,304
Lapse of share options	–	–	(6,369)	–	–	6,369	–
At 31 March 2025	2,344	1,446,667	3,958	–	(61,530)	(1,346,864)	44,575

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK$'000	2024 HK$'000
Cash flows from operating activities		
Loss before tax	**(4,782)**	(44,434)
Adjustments for:		
Fair value changes on financial assets held for trading	**(3,210)**	7,224
(Reversal)/provision of impairment loss on trade receivables, net	**(6,668)**	34,451
Provision of impairment loss on other receivable	**1,371**	7
Provision of impairment loss on intangible assets	**–**	3,065
Loss on disposal of subsidiaries	**12,669**	105
Operating cash flows before working capital changes	**(620)**	418
Decrease in financial assets held for trading	**–**	171
Decrease/(increase) in trade receivables	**944**	(2,481)
Decrease/(increase) in prepayments and other receivables	**315**	(2,810)
Decrease in trade payables	**(2,467)**	–
Increase/(decrease) in other payables and accruals	**873**	(936)
Net cash used in operating activities	**(955)**	(5,638)
Cash flows from investing activities		
Net cash outflow from disposal of subsidiaries	**(34)**	–
Net cash used in investing activities	**(34)**	–
Cash flows from financing activities		
Proceeds from issue of rights shares, net of transaction costs	**15,304**	–
Net cash from financing activities	**15,304**	–
Net increase/(decrease) in cash and cash equivalents	**14,315**	(5,638)
Cash and cash equivalents at the beginning of the year	**727**	6,282
Effect of foreign exchange rate changes, net	**–**	83
Cash and cash equivalents at the end of year	**15,042**	727
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**15,042**	727

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. CORPORATE INFORMATION

China National Culture Group Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 27 August 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit A, 29/F, United Centre, 95 Queensway, Admiralty, Central District, Hong Kong.

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

The principal activities of the Company and its subsidiaries (the "Group") are provision of design services and advertising through mobile devices, e-commerce from sale of products over the internet, trading and production of films and provision of other film related services.

The consolidated financial statements are prepared in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

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

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

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

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

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

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

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

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

These consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standard ("HKAS") and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rule") and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets held for trading and equity instruments at FVTOCI which are measured at fair values at the end of each reporting period, as explained in the material accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The material accounting policies are set out below.

Basis of consolidation

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

- 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/consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND 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.

Details of the Group's performance obligations for revenue for contracts with customers resulting from application of HKFRS 15 are set out in note 9.

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 services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

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

Revenue from contracts with customers *(Continued)*

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 goods or services is transferred to a customer.

Leases

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

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

Foreign currencies

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve.

Fair value adjustments on identifiable assets acquired arising on the acquisition of foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme are recognised 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.

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

Income tax

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

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 taxation profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable futures.

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.

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

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

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

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

Income tax *(Continued)*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Impairment on intangible assets *(Continued)*

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

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount.

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

Cash and cash equivalents

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

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

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation.

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

Financial instruments

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

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

Financial instruments *(Continued)*

Financial assets

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.

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.

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

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

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

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) 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.

(ii) Financial assets at FVTPL

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables that result from transactions within the scope of HKFRS 15.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, 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.

(i) Significant increase in credit risk

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(i) Significant increase in credit risk *(Continued)*

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 1 year past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

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

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

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

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

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL *(Continued)*

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Derecognition of financial assets

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as 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.

Financial liabilities

Financial liabilities at amortised cost

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

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

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

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

Segment information

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

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

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

Equity-settled share-based payments transactions

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 options 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 options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to accumulated losses. 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 options reserve will be transferred to accumulated losses.

Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

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

Related parties

For the purposes of these financial statements, related parties include a person and entity as defined below:

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

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

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

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

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

The following is the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (principal)

The Group engages in e-commerce from sales of products over the internet ("E-Commerce"). The Group concluded that the Group acts as the principal for such transactions as it controls the specified goods before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 March 2025, the Group recognised revenue relating to E-Commerce amounted to approximately HK$30,022,000 (2024: HK$22,083,000).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

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

(a) Provision of ECL for trade receivables

When ECL assessment is performed using a provision matrix. Details on how ECL were measured should be consistent to the internal credit risk management of the Group in note 6.

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

The net carrying amounts, of trade receivables at 31 March 2025 was approximately HK$16,478,000 (2024: HK$11,294,000). Details of the impairment loss assessment are disclosed in notes 6(b) and 22.

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of equity attributable to owners of the Company. The ratio is calculated based on total debt and total assets of the Group. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issuance of new shares as well as the addition of new borrowings.

The Group is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 HK$'000	2024 HK$'000
Financial assets		
Equity instruments at FVTOCI	**1,081**	2,267
Financial assets held for trading	**17,124**	13,914
Financial assets at amortised cost	**33,524**	15,805
	51,729	31,986
Financial liabilities		
Financial liabilities at amortised cost	**7,301**	15,289

b. Financial risk management objectives and policies

The Group major financial instruments include equity instruments at FVTOCI, financial assets held for trading, trade receivables, other receivables, cash and cash equivalents, trade payables and, other payables and accruals. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments induce market risk (including foreign currency risk, interest rate risk and other equity price risk), 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.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

Market risk

(i) Foreign currency risk

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

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group did not expose to significant fair value interest rate risk as the Group did not have any interest-bearing borrowings at fixed rates. The Group did not enter into interest rate swap to hedge against its exposures to interest rate risk.

Sensitivity analysis

The directors consider that the Group's exposure to interest rate risk of bank balances, which are short term in nature, is insignificant, accordingly no sensitivity analysis is presented.

(iii) Other equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities in Hong Kong. The directors of the Company manage this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments operating in 6 (2024: 6) industry sector quoted in The Stock Exchange of Hong Kong Limited. In addition, the Group monitors the price risk closely and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments at as FVTOCI and financial assets held for trading had been 5% (2024: 5%) higher/lower:

Post-tax loss for the year ended 31 March 2025 would decrease/increase by HK$715,000 (2024: HK$581,000) as a result of the change in fair value of financial assets held for trading; and

Investment revaluation reserve would increase/decrease by HK$54,000 (2024: HK$113,000) for the Group as a result of the change in fair value of equity instruments at FVTOCI.

The Group's sensitivity to equity instruments at FVTOCI and financial assets held for trading has not changed significantly from the prior years.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts for trade receivables. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate allowances are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on accounts balances individually or based on provision matrix. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

Trade receivables from advertising

There is no concentration of credit risk of the total trade receivables before impairment losses from advertising.

Trade receivables from e-commerce

The Group has concentration of credit risk as 47% (2024: 79%) and 76% (2024: 100%) of the total trade receivables before impairment losses from e-commerce was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

Impairment assessment

In addition, the Group performs impairment assessment under ECL model on account balances individually or based on provision matrix. The trade receivables is grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Reversal of impairment loss of approximately HK$6,668,000 (2024: provision of impairment loss of approximately HK$34,451,000) is recognised in profit or loss during the year. Details of the quantitative disclosures are set out below in this note.

Cash and cash equivalent

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by authorised credit-rating agencies.

Other receivables

For other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL and lifetime ECL. Provision of impairment loss of approximately HK$1,371,000 (2024: HK$7,000) is recognised in profit or loss during the year. Details of the quantitative disclosures are set out below in this note.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

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

Internal credit rating	Description	Accounts receivable	Other financial assets
Low risk	The counter party has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	The debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increase in credit risk since initial recognition based on information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Written-off	There is evidence indicating that debtor is severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

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

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amounts HK$'000	2024 Gross carrying amounts HK$'000
Financial assets at amortised cost						
Trade receivables	22	N/A	(note 1)	Lifetime ECL		
				– not credit-impaired	**17,756**	11,989
				– credit-impaired	**37,987**	54,323
Other receivables	23	N/A	(note 2)	12-month ECL	**1,820**	3,791
				Lifetime ECL		
				– credit-impaired	**1,562**	–
Cash and cash equivalents	24	Aa3 or above	(note 3)	12-month ECL	**15,042**	727

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

Notes:

(1) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its e-commerce and advertising operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on a collective basis within lifetime ECL (not credit-impaired). During the year ended 31 March 2025, trade receivables with gross carrying amounts of HK$37,987,000 (2024: HK$54,323,000) are assessed based on individual assessment.

As at 31 March 2025, the Group provided HK$1,583,000 (2024: HK$1,744,000) impairment allowance for trade receivables based on a collective basis. Impairment allowance of HK$37,682,000 (2024: HK$53,274,000) were made on debtors based on individual assessment.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, based on a collective basis:

At 31 March 2025

Internal credit rating	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Low risk	**1.0**	**7,146**	**(71)**
Watch list	**2.2**	**5,590**	**(122)**
Doubtful	**27.7**	**5,020**	**(1,390)**
Loss	**99.2**	**37,987**	**(37,682)**
		55,743	**(39,265)**

At 31 March 2024

Internal credit rating	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Low risk	0.4	2,200	(8)
Watch list	1.6	3,600	(58)
Doubtful	27.1	6,189	(1,678)
Loss	98.1	54,323	(53,274)
		66,312	(55,018)

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(1) *(Continued)*

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

	2025			2024		
	Not credit-impaired HK$'000	**Credit-impaired HK$'000**	**Total HK$'000**	Not credit-impaired HK$'000	Credit-impaired HK$'000	Total HK$'000
Balance at beginning of the year	**1,744**	**53,274**	**55,018**	6,177	17,912	24,089
Reversal/(provision) of impairment loss recognised, net	**(161)**	**(6,507)**	**(6,668)**	(533)	34,984	34,451
Transfer to credit-impaired	**–**	**–**	**–**	(4,688)	4,688	–
Transfer to not credit-impaired	**–**	**–**	**–**	838	(838)	–
Written-off (note)	**–**	**(1,250)**	**(1,250)**	–	(3,398)	(3,398)
Disposal of subsidiaries	**–**	**(7,835)**	**(7,835)**	–	–	–
Exchange realignment	**–**	**–**	**–**	(50)	(74)	(124)
Balance at end of the year	**1,583**	**37,682**	**39,265**	1,744	53,274	55,018

Note: Trade receivables are written-off when the debtors are deregistered and are not subject to enforcement activity.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(2) Included in other receivables are amounts representing due from independent third parties and a director. The Group assessed the loss allowance for these other receivables on 12-month ECL basis and collective basis within lifetime ECL (credit-impaired). In determining the ECL, the Group has taken into account the probability of default, loss given default and forward-looking information as appropriate. There had been no significant increase in credit risk since initial recognition except for the other receivable with gross carrying amounts of HK$1,562,000 (2024: HK$Nil) are assessed based on lifetime ECL. There is no fixed repayment terms for other receivables as at 31 March 2025 and 2024.

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables:

At 31 March 2025

Internal credit rating	**Average loss rate %**	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**
Low risk	**0.27**	**1,820**	**(5)**
Loss	**87.90**	**1,562**	**(1,373)**
		3,382	**(1,378)**

At 31 March 2024

Internal credit rating	Average loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Low risk	0.18	3,791	(7)

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk and impairment assessment *(Continued)*

Notes: *(Continued)*

(2) *(Continued)*

The following table shows the movement of loss allowance that has been recognised for other receivables under the general approach.

	12m ECL HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 April 2023	–	3,994	3,994
Impairment loss recognised, net	7	–	7
Written-off	–	(3,994)	(3,994)
At 31 March 2024 and 1 April 2024	7	–	7
Impairment loss recognised, net	5	1,366	1,371
Transfer to credit-impaired	(7)	7	–
At 31 March 2025	5	1,373	1,378

(3) The credit risk on cash and cash equivalents are limited because the counterparties are with high credit ratings assigned by international credit rating agencies. Majority of bank balances are deposited in reputable large commercial banks with credit rating of Aa3 or above issued by Moody's.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level 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 Group's liquidity position is monitored on a daily basis by management and is reviewed monthly by the directors. The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The remaining contractual maturities at the end of the reporting period of the Group's financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows and the earliest date of the Group can be required to pay, are within one year or on demand (2024: within one year or on demand).

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. 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 management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

(ii) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair value hierarchy

The following table illustrate the fair value measurement hierarchy of the Group's financial instruments:

At 31 March 2025

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Financial assets:				
Equity instruments at FVTOCI	**1,081**	**–**	**–**	**1,081**
Financial assets held for trading	**17,124**	**–**	**–**	**17,124**
	18,205	**–**	**–**	**18,205**

At 31 March 2024

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets:				
Equity instruments at FVTOCI	2,267	–	–	2,267
Financial assets held for trading	13,914	–	–	13,914
	16,181	–	–	16,181

There were no transfers between Level 1 and 2 or transfer in or out of Level 3 during the both years.

8. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the purposes of resources allocation and performance assessment, information is reported to the CODM, based on the following operating and reportable segments:

(a) the advertising segment – provision of design services and advertising through mobile devices;

(b) the e-commerce segment – sale of products over the internet.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue		Results	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Advertising	**13,686**	5,800	**9,357**	(42,753)
E-commerce	**30,022**	22,083	**(1,384)**	1,352
	43,708	27,883	**7,973**	(41,401)
Other unallocated expenses			**(12,755)**	(3,033)
Loss before tax			**(4,782)**	(44,434)
Income tax credit			**–**	766
Loss for the year			**(4,782)**	(43,668)

There were no inter-segment sales during the year ended 31 March 2025 (2024: Nil). Segment results represent the profit earned without allocation of central administration costs including directors' emoluments, other revenue, impairment loss in respect of financial assets, net, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

8. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's revenue from external customers by location of operations and information about segment assets and liabilities, other than equity instruments at FVTOCI, by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**43,708**	27,883	**–**	–

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

	Assets		Liabilities	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Advertising	**9,290**	13,657	**3,356**	13,461
E-commerce	**9,301**	1,575	**2,089**	–
	18,591	15,232	**5,445**	13,461
Unallocated	**33,285**	16,807	**1,856**	1,828
Consolidated total	**51,876**	32,039	**7,301**	15,289

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than equity instruments at FVTOCI, financial assets held for trading and unallocated head office and corporate assets.

- all liabilities are allocated to reportable segments other than unallocated head office and corporate liabilities.

8. SEGMENT INFORMATION *(Continued)*

Other segment information

The following other segment information included in reports provided regularly to CODM.

For the year ended 31 March 2025

	Advertising HK$'000	E-commerce HK$'000	Unallocated HK$'000	Consolidated HK$'000
(Reversal)/provision of impairment loss on trade receivables, net	**(7,773)**	**1,105**	**–**	**(6,668)**
Provision of impairment loss on other receivable	**–**	**1,363**	**8**	**1,371**

For the year ended 31 March 2024

	Advertising HK$'000	E-commerce HK$'000	Unallocated HK$'000	Consolidated HK$'000
Impairment loss on intangible assets	3,065	–	–	3,065
Provision of impairment loss on trade receivables, net	34,451	–	–	34,451
Provision of impairment loss on other receivable	–	7	–	7

Revenue from its major services

The Group's revenue from its major services/products was as follows:

	2025 HK$'000	2024 HK$'000
Advertising	**13,686**	5,800
E-commerce	**30,022**	22,083
	43,708	27,883

Information about major customers

There is no single customer contributing over 10% of total revenue of the Group for the year ended 31 March 2025. Revenue from customers for the years ended 31 March 2024 contributing over 10% of the total revenue of the Group are as follows:

	2025 HK$'000	2024 HK$'000
Customer A^	**N/A***	14,796
Customer B^	**N/A***	7,287

^ Revenue relating to e-commerce sales.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

9. REVENUE

Disaggregation of revenue from contracts with customers

	2025 HK$'000	2024 HK$'000
Revenue:		
Advertising	**13,686**	5,800
E-commerce	**30,022**	22,083
Revenue from contracts with customers	**43,708**	27,883

	2025 HK$'000	2024 HK$'000
Timing of revenue recognition		
Point in time	**30,022**	22,083
Over time	**13,686**	5,800
	43,708	27,883

Performance obligations for contracts with customers

a) Advertising

Revenue from advertising is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

b) E-commerce

Revenue from e-commerce is recognised at a point in time when the goods is delivered to customers, being at the point that the customer obtains the control of the goods and the Group has present right to payment and collection of the consideration is probable.

Transaction price allocated to remaining performance obligation for contract with customers

As at 31 March 2025, there is no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2024: Nil).

10. OTHER GAINS AND LOSSES, NET

	2025 HK$'000	2024 HK$'000
Fair value changes on financial assets held for trading	**3,210**	(7,224)
Provision of impairment losses on intangible assets	**–**	(3,065)
Loss on disposal of subsidiaries	**(12,669)**	(105)
	(9,459)	(10,394)

11. LOSS BEFORE TAX

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

	2025 HK$'000	2024 HK$'000
Auditors' remuneration		
– audit services	**620**	640
– non-audit services	**50**	–
Staff costs (excluding directors' emoluments)		
– Wages and salaries	**1,180**	1,383
– Pension scheme contributions	**62**	284
	1,242	1,667
Expenses related to short-term lease:		
– office premises	**4**	189
Legal and professional fee	**1,318**	966

12. DIRECTORS' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Fees		Salaries		Pension scheme contributions		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Executive Directors								
Ms. Sun Wei (Chairman)	**240**	240	**–**	–	**–**	–	**240**	240
Ms. Man Qiaozhen	**100**	120	**–**	–	**–**	–	**100**	120
	340	360	**–**	–	**–**	–	**340**	360

	Fees		Salaries		Pension scheme contributions		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Independent Non-Executive Directors								
Mr. Liu Kwong Sang	**120**	120	**–**	–	**–**	–	**120**	120
Ms. Wang Miaojun	**120**	120	**–**	–	**–**	–	**120**	120
Ms. Wang Yujie	**96**	96	**–**	–	**–**	–	**96**	96
	336	336	**–**	–	**–**	–	**336**	336
	676	696	**–**	–	**–**	–	**676**	696

No emoluments were paid by the Group to the directors or as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil). There were no directors have waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries or its parent company 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 year or at any time during the year.

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

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

13. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Of the five employees with the highest emoluments in the Group, three (2024: four) were directors of the Company whose emoluments are included in the disclosures in Note 12 above. The emoluments of the remaining two employees was as follows:

	2025 **HK$'000**	2024 HK$'000
Wages and salaries	**217**	120

The emolument of two (2024: one) employees with the highest emolument is within the following band:

	Number of individuals	
	2025	2024
Nil – HK$1,000,000	**2**	1

No emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil). There were no five highest paid employees have waived or agreed to waive any emoluments during the year ended 31 March 2025 (2024: Nil).

14. INCOME TAX CREDIT

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

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC operation is 25% for both years.

14. INCOME TAX CREDIT *(Continued)*

For the years ended 31 March 2025 and 2024, no provision for Hong Kong Profits Tax has been made as the Group's has either available tax loss to offset assessable profit or no estimated assessable profits arising in Hong Kong.

	2025 HK$'000	2024 HK$'000
Current tax – Hong Kong Profits Tax	–	–
Deferred tax	–	(766)
	–	(766)

A reconciliation of the tax expense applicable to loss before taxation using the statutory rates for the countries in which the Company and its subsidiaries, are domiciled to the tax expense at the effective tax rates, and a reconciliation of tax at the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2025 HK$'000	2024 HK$'000
Loss before tax	(4,782)	(44,434)
Tax at applicable tax rate	(789)	(8,180)
Tax effect of income not taxable of tax purpose	(1,283)	(100)
Tax effect of expenses not deductible of tax purpose	3,052	3,254
Tax effect of tax losses not recognised	–	4,484
Utilisation of tax loss previously not recognised	(980)	(224)
Tax credit at the Group's effective rate	–	(766)

15. DIVIDENDS

No dividend was declared or paid by the Company to its shareholders during the year ended 31 March 2025 (2024: Nil), nor has any dividend been declared since the end of the reporting period (2024: Nil).

16. LOSS PER SHARE

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

	2025 HK$'000	2024 HK$'000
Loss		
Loss for the year and attributable to the owners of the Company	**(4,782)**	(43,668)

	2025 '000	2024 '000 (Restated)
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share	**98,749**	96,097

The weighted average number of ordinary shares for the year ended 31 March 2025 has been adjusted for the bonus element of the Right Issue in March 2025 as if it had been effective on 1 April 2024.

The weighted average number of ordinary shares for the year ended 31 March 2024 has been retrospectively adjusted for the ten-to-one share consolidation ("2024 Share Consolidation") of the Company which became effective on 20 September 2023 and for the bonus element of the Right Issue in March 2025 as if it had been effective on 1 April 2023.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for both 2025 and 2024.

17. INTANGIBLE ASSETS

	Computer software and application HK$'000
Cost:	
At 1 April 2023	98,905
Exchange realignment	(4,858)
At 31 March 2024 and 1 April 2024	94,047
Disposal of subsidiaries	(94,047)
At 31 March 2025	–
Accumulated amortisation and impairment:	
At 1 April 2023	95,698
Impairment loss recognised	3,065
Exchange realignment	(4,716)
At 31 March 2024 and 1 April 2024	94,047
Disposal of subsidiaries	(94,047)
At 31 March 2025	–
Net carrying amount:	
At 31 March 2025	**–**
At 31 March 2024	–

Note:

The computer software and application represented an application running on the well-known communication platform to connect potential customers with food and beverages business in the PRC acquired during the year ended 31 March 2017. The directors considered that the application has an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The application will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in the note 18. The balance was derecognised through disposal of subsidiaries during the year ended 31 March 2025.

18. IMPAIRMENT TESTING ON INTANGIBLE ASSETS

Intangible assets have been allocated for impairment testing purposes to the following groups of cash generating units:

– Advertising at marketing platform

Group Wise Holdings Limited

The intangible asset of Group Wise Holdings Limited ("Group Wise") arose from the acquisition of Group Wise during the year ended 31 March 2017. Group Wise is principally engaged in provision of communication marketing platform services in the Mainland China. Group Wise generated income from provision of services to its customers, restaurants located in the Mainland China, which could use the electronic platform to communicate with their customers via WeChat, and provide services, including but not limited to table reservation, meal ordering or payment service.

In preparing the consolidated financial statements for the year ended 31 March 2024, based on management's decision that the operation of providing communication marketing platform services ceased during the year and there will be no operating cash inflow in the next five years. In the opinion of the management of the Group, the value in use of cash-generating unit is assessed as Nil.

In the opinion of the management of the Group, the fair value less cost of disposal cannot be reliably determined. Therefore, the recoverable amount was determined by using value in use and carrying amount is concluded to be Nil.

In the opinion of the management of the Group, an impairment of approximately HK$3,065,000 was fully recognised in profit or loss for the year ended 31 March 2024.

19. EQUITY INSTRUMENTS AT FVTOCI

	2025 **HK$'000**	2024 HK$'000
Equity securities listed in Hong Kong (note)	**1,081**	2,267

These investments are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Note:

The fair value of the listed equity investments is based on the quoted market prices available on the Stock Exchange. During the year ended 31 March 2025, the fair value loss recognised in other comprehensive income and accumulated in investment revaluation reserve amounted to approximately HK$1,186,000 (2024: HK$526,000). No dividend income was received during the years ended 31 March 2025 and 31 March 2024.

20. FINANCIAL ASSETS HELD FOR TRADING

	2025 **HK$'000**	2024 HK$'000
Held-for-trading investments include:		
Equity securities listed in Hong Kong	**17,124**	13,914

The fair value of the listed equity investment is based on the quoted market price available on the Stock Exchange.

21. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

Name of subsidiaries	Place of Incorporation/ Registration and operation	Full paid-up share/ registered capital and number of shares	Proportion of ownership interest and voting power attributable to the Company Direct 2025	Direct 2024	Indirect 2025	Indirect 2024	Principal activities
Beast Media Limited	Hong Kong/ Hong Kong	HK$1,000, 1,000 ordinary shares	–	–	100%	100%	E-commerce
Capital Marks Limited	British Virgin Islands/ Hong Kong	US$1,000, 1,000 shares of US$1 each	100%	100%	–	–	Investment holding
Dynamic Thinker Limited	British Virgin Islands/ PRC	US$1, 1 share of US$1 each	–	–**	–	–	Operating website
FingerAd Media Company Limited	Hong Kong/ Hong Kong	HK$1, 1 ordinary share	–	–	100%	100%	Food and beverages industry advertising business and movie production
Huge Leader Development Limited	British Virgin Islands/ Hong Kong	US$256,410, 256,410 shares of US$1 each	–	–	100%	100%	Investment holding
Prospect Vantage Investment Limited	British Virgin Islands/ Hong Kong	US$100, 100 ordinary shares of US$1 each	100%	100%	–	–	Investment holding
Recent Value Limited (Note 35)	British Virgin Islands/ Hong Kong	US$100, 100 shares of US$1 each	–*	100%	–	–	Investment holding
Group Wise Holdings Limited (Note 35)	Hong Kong/ PRC	HK$100, 100 ordinary shares	–	100%	–*	100%	Provision of communication marketing platform services

* Recent Value Limited and Group Wise Holdings Limited were disposed of during the year ended 31 March 2025.

** Dynamic Thinker Limited was disposed of during the year ended 31 March 2024, resulting in a loss of approximately HK$105,000.

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

22. TRADE RECEIVABLES

An ageing analysis of the trade receivables at the end of the reporting period which based on the date of recognition of revenue, is as follows:

As at 1 April 2023, trade receivables from contracts with customers amounted to approximately HK$43,276,000.

	2025 HK$'000	2024 HK$'000
Within 30 days	**2,734**	–
31-60 days	**1,994**	1,801
61-90 days	**2,418**	400
91-365 days	**5,590**	3,600
Over 365 days	**43,007**	60,511
	55,743	66,312
Less: Allowances for credit losses	**(39,265)**	(55,018)
	16,478	11,294

As at 31 March 2025, included in the Group's trade receivables (net of impairment losses) balance are receivables with aggregates carrying amounts of approximately HK$9,403,000 (2024: HK$9,102,000), which are past due at the end of the reporting period. Out of the past due balances, HK$3,630,000 (2024: HK$4,511,000) (net of impairment losses) has been past due 1 year or more and is not considered as in default because of no recent history of default and the directors are in opinion of these balances are still considered as collectible.

The credit period granted to customers up to 90 days.

23. PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Prepayments	**147**	53
Amount due from a director (note)	**573**	982
Cash held at securities trading accounts	**1,247**	1,248
Others	**184**	1,554
	2,151	3,837

For the year ended 31 March 2025, impairment loss on other receivables of approximately HK$1,371,000 (2024: impairment loss of HK$7,000) has been recognised in the consolidated statement of profit or loss.

Note:

The amount is unsecured, interest free and repayable on demand. As at 1 April 2024, the amount due from a director amounted to HK$982,000, with maximum amount outstanding during the year ended 31 March 2025 amounted to approximately HK$982,000 (2024: HK$3,000,000).

24. CASH AND CASH EQUIVALENTS

At 31 March 2025 and 2024, all cash and cash equivalents are denominated in Hong Kong Dollars.

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

25. TRADE PAYABLES

An ageing analysis of the trade payables at the end of the reporting period, is presented based on the invoice dates as follows:

	2025 **HK$'000**	2024 HK$'000
0-30 days	**1,643**	–
31-60 days	**142**	–
61-365 days	**1,417**	–
Over 365 days	**–**	5,670
	3,202	5,670

The credit period granted by suppliers up to 30 days (2024: 30 days).

26. OTHER PAYABLES AND ACCRUALS

	2025 **HK$'000**	2024 HK$'000
Amount due to a director of a subsidiary (note)	**–**	6,340
Other payables	**505**	505
Accruals	**1,647**	2,069
Accrued salary expenses	**1,947**	705
	4,099	9,619

Note: The amount is unsecured, interest free and repayable on demand. During the year ended 31 March 2025, the amount due to a director of a subsidiary has been derecognised through the disposal of subsidiaries (note 35).

27. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the year are as follows:

	Fair value adjustments arising from acquisition of subsidiaries HK$'000
At 1 April 2023	(800)
Credit to profit or loss	766
Exchange realignment	34
At 31 March 2024, 1 April 2024 and 31 March 2025	–

At the end of the reporting period, the Group has unused tax losses arising in Hong Kong of approximately HK$369,655,000 (2024: HK$399,300,000). Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets had not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, or it is not probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

28. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value of shares HK$'000
Authorised:			
Ordinary shares of HK$0.04 each			
At 1 April 2023		25,000,000	1,000,000
Decrease in number of authorised shares upon share consolidation	(a)	(22,500,000)	–
Ordinary shares of HK$0.4 each			
At 31 March 2024 and 1 April 2024		2,500,000	1,000,000
Increase in number of authorised shares upon Share Sub-division	(b)	97,500,000	–
Ordinary shares of HK$0.01 each			
At 31 Mach 2025		100,000,000	1,000,000
Issued and fully paid:			
Ordinary shares of HK$0.04 each:			
At 1 April 2023		781,222	31,249
Decrease in number of shares upon share consolidation	(a)	(703,100)	–
Ordinary shares of HK$0.4 each			
At 31 March 2024 and 1 April 2024		78,122	31,249
Decrease in share capital upon capital reduction	(b)	–	(30,467)
Issuance of shares under rights issue	(c)	156,244	1,562
Ordinary shares of HK$0.01 each			
At 31 March 2025		234,366	2,344

Notes:

(a) Share consolidation of every ten ordinary shares of HK$0.04 each and every ten preference shares of HK$0.14 each into one consolidated ordinary share of HK$0.4 each and one preference share of HK$1.4 each with effect from 20 September 2023.

28. SHARE CAPITAL *(Continued)*

Notes: (Continued)

(b) Effective on 3 February 2025, the par value of each of the issued share capital of the Company was reduced from HK$0.4 to HK$0.01 by cancelling the paid-up capital of the Company to the extent of HK$0.39 on each of the issued share capital ("Capital Reduction"). The reduced par value from the Capital Reduction with an aggregate amount of US$6,739,000 (equivalent to approximately RMB43,452,000) was transferred to the capital reserve of the Company, which was then used to offset the Company's accumulated losses as of the effective date of the Capital Reduction. This has consequently reduced the Company's accumulated losses.

Following the Capital Reduction, each of the Company's authorised share capital of par value of HK$0.4 each was sub-divided into forty of par value of HK$0.01 each ("Share Sub-division").

Further details on the Capital Reduction and the Share Sub-division were set out in the announcement of the Company dated 17 January 2025 and 3 February 2025, the circular of the Company dated 31 October 2024 and the poll results announcement of the extraordinary general meeting of the Company dated 18 November 2024.

(c) In March 2025, the Company completed a rights issue of 156,244,304 on the basis of two rights shares for every one existing share ("Rights Issue") of the Company at an issue price of HK$0.1 each. The net proceeds from the rights issue were approximately HK$15,304,000.

29. NON-VOTING CONVERTIBLE PREFERENCE SHARES

	Notes	Number of shares '000	Nominal value of shares HK$'000
Authorised:			
Non-voting convertible preference shares of HK$0.14 each			
At 1 April 2023		3,500,000	490,000
Share consolidation	(a)	(3,150,000)	–
Non-voting convertible preference shares of HK$1.4 each			
At 31 March 2024 and 1 April 2024		350,000	490,000
Share Sub-division	(b)	13,650,000	–
Non-voting convertible preference shares of HK$0.035 each			
At 31 March 2025		14,000,000	490,000
Issued and fully paid:			
Non-voting convertible preference shares of HK$0.14 each (before share consolidation), HK$1.4 each (after share consolidation) and HK$0.035 each (after Capital reduction)			
At 1 April 2023, 1 April 2024 and 31 March 2025		–	–

29. NON-VOTING CONVERTIBLE PREFERENCE SHARES *(Continued)*

Notes:

(a) Share consolidation of every ten ordinary shares of HK$0.04 each and every ten preference shares of HK$0.14 each into one consolidated ordinary share of HK$0.4 each and one preference share of HK$1.4 each with effect from 20 September 2023.

(b) The par value of the non-voting convertible preference shares of HK$1.4 each is reduced to HK$0.035 each by cancelling the paid-up capital to the extent of HK$1.365 each of the non-voting convertible preference shares with effective from 3 February 2025.

30. SHARE OPTION SCHEMES

The Company operated a share option scheme which became effective on 29 August 2014 (the "Share Option Scheme") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group.

The purpose of the Share Option Scheme is to reward Participants who have contributed to the Group and to provide incentives to Participants to work towards the success of the Company.

The Directors may at their absolute discretion grant Options to (a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (d) any shareholder of any member of the Group; or (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, to be determined absolutely by the Board. If Options are granted to Participants, regards will be had as to, inter alia, the relationship of the grantee to the Group, the length of time of relationship, the contribution made or to be made to the Group, etc.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is equivalent, upon their exercise, to 10% of total number of shares of the Company in issue at 12 August 2022. 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 any other share option schemes, must not in aggregate exceed 30% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue on the date of offer and with an aggregate value (based on the closing price of the Company's shares at the date of the offer) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and, commences after a certain period and, ends on a date which is not later than 10 years from the date of grant.

30. SHARE OPTION SCHEMES *(Continued)*

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a share of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

At 31 March 2025, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 5,888,400 (2024: 15,553,600), representing 2.51% (2024: 19.91%) of the shares of the Company in issue at that date.

There are no options available for issue under the Share Option Scheme as of the date of this annual report.

The following table summaries the movements in the Company's share options during the years ended 31 March 2025 and 31 March 2024.

	Grant date	At 1 April 2023	Adjustment during the year	At 31 March 2024 and 1 April 2024	Lapsed during the year	At 31 March 2025	Exercise period	Exercise price per share (after share consolidation) HK$
Executive Directors								
Sun Wei	21 August 2019	4,907,000	(4,416,300)	490,700	–	490,700	21 August 2019 – 20 August 2025	4.00
	11 August 2021	5,888,000	(5,299,200)	588,800	(588,800)	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	7,310,000	(6,579,000)	731,000	(731,000)	–	12 August 2022 – 11 August 2024	1.59
Man Qiaozhen	21 August 2019	4,907,000	(4,416,300)	490,700	–	490,700	21 August 2019 – 20 August 2025	4.00
	11 August 2021	5,888,000	(5,299,200)	588,800	(588,800)	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	7,310,000	(6,579,000)	731,000	(731,000)	–	12 August 2022 – 11 August 2024	1.59
Independent Non-executive Directors								
Wang Miaojun	18 August 2020	4,907,000	(4,416,300)	490,700	–	490,700	18 August 2020 – 17 August 2025	0.76
	12 August 2022	7,310,000	(6,579,000)	731,000	(731,000)	–	12 August 2022 – 11 August 2024	1.59
Wang Yujie	18 August 2020	4,907,000	(4,416,300)	490,700	–	490,700	18 August 2020 – 17 August 2025	0.76
	12 August 2022	7,310,000	(6,579,000)	731,000	(731,000)	–	12 August 2022 – 11 August 2024	1.59
Other eligible employees	21 August 2019	29,442,000	(26,497,800)	2,944,200	–	2,944,200	21 August 2019 – 20 August 2025	4.00
	11 August 2021	11,776,000	(10,598,400)	1,177,600	(1,177,600)	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	43,860,000	(39,474,000)	4,386,000	(4,386,000)	–	12 August 2022 – 11 August 2024	1.59
Consultants	21 August 2019	9,814,000	(8,832,600)	981,400	–	981,400	21 August 2019 – 20 August 2025	4.00
		155,536,000	(139,982,400)	15,553,600	(9,665,200)	5,888,400		
Weighted average exercise price		2.30	2.30	2.30	1.59	3.46		
Exercisable at end of the year				15,553,600		5,888,400		

30. SHARE OPTION SCHEMES *(Continued)*

Notes:

(1) The share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 were fully vested immediately.

(2) The weighted average remaining contractual life of the share options outstanding is 0.39 years (2024: 0.87 years).

The fair value of the share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 are measured based on the Binomial option pricing model with the following assumptions:

	12 August 2022	11 August 2021	18 August 2020	21 August 2019
Price per share at date of grant	HK$0.159	HK$0.155	HK$0.075	HK$0.3
Exercise price per share	HK$0.1558	HK$0.161	HK$0.076	HK$0.4
Annual risk-free interest rate	2.768%	0.273%	0.220%	1.830%
Historical volatility	78.813%	90.427%	77.867%	79.273%
Life of options	2.00 years	3.00 years	5.00 years	6.00 years
Vesting period	6 months	–	–	–

Historical volatility measures the volatility of the underlying asset over a certain historical period of time (the "Past Volatility"). It is assumed that the Past Volatility can be extrapolated directly to the future volatility.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

The Company

Under the Companies Law (2004 revision) of the Cayman Islands, the Company's share premium account and capital reserve may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Share options reserve

Share options reserve comprises the fair value of share options granted which are yet to be exercised, the amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulated losses should the related options expire or be forfeited.

Exchange translation reserve

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

Investment revaluation reserve

Investment revaluation reserve represents gains/losses arising on recognising financial assets classified as investment in equity instruments at fair value through other comprehensive income.

32. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

	2025 **HK$'000**	2024 HK$'000
Wages and salaries	**676**	696

33. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employee's relevant income subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF Scheme vest immediately.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
ASSETS		
Non-current assets		
Interest in subsidiaries	**–**	–
Current assets		
Amounts due from subsidiaries	**799**	3,297
Prepayments and other receivables	**93**	–
Cash and cash equivalents	**14,786**	416
	15,678	3,713
Total assets	**15,678**	3,713
EQUITY		
Capital and reserves		
Share capital	**2,344**	31,249
Reserves (Note)	**11,497**	(29,345)
Total equity	**13,841**	1,904
LIABILITIES		
Current liabilities		
Other payables and accruals	**1,837**	1,809
Total liabilities	**1,837**	1,809
Total equity and liabilities	**15,678**	3,713
Net current assets	**13,841**	1,904
Net assets	**13,841**	1,904

Approved and authorised for issue and signed by the Board of Directors on 30 June 2025.

SUN Wei
Director

MAN Qiaozhen
Director

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

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

The movements of the Company's reserve during the year are as follows:

	Share premium HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	1,432,925	10,327	(1,458,794)	(15,542)
Loss and total comprehensive expenses for the year	–	–	(13,803)	(13,803)
At 31 March 2024 and 1 April 2024	1,432,925	10,327	(1,472,597)	(29,345)
Loss and total comprehensive expenses for the year	–	–	(3,367)	(3,367)
Capital reduction upon Capital Reorganisation	–	–	30,467	30,467
Issue of ordinary shares under rights issue (note 28)	13,742	–	–	13,742
Lapse of share options	–	(6,369)	6,369	–
At 31 March 2025	1,446,667	3,958	(1,439,128)	11,497

35. DISPOSAL OF SUBSIDIARIES

On 1 April 2024, the Group disposed of 100% equity interests in Recent Value Limited and its subsidiary to an independent third party at consideration of HK$780. Net liabilities of disposed subsidiaries at the date of disposal were as follows:

	HK$'000
Trade receivables	540
Cash and cash equivalents	35
Other payables and accruals	(6,394)
Total net liabilities of subsidiaries disposed of	(5,819)
Exchange reserve released on disposal	18,489
Consideration	(1)
Loss on disposal of subsidiaries	12,669
Net cash outflow arising on disposal:	
Cash consideration received	1
Bank balances and cash disposed of	(35)
Net cash outflow arising on disposal	(34)

36. EVENTS AFTER REPORTING PERIOD

Other than those disclosed in the consolidated financial statements, the Group has no material events after the reporting period which are required to be disclosed.

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 June 2025.

Summary of Financial Information

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

RESULTS

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**43,708**	27,883	43,019	67,457	78,095
Loss from operations	**(4,782)**	(44,434)	(3,015)	(40,008)	(70,663)
Loss before tax	**(4,782)**	(44,434)	(3,015)	(40,008)	(70,663)
Income tax credit	**–**	766	1,517	5,457	14,346
Loss after tax	**(4,782)**	(43,668)	(1,498)	(34,551)	(56,317)
Loss for the year and attributable to owners of the Company	**(4,782)**	(43,668)	(1,498)	(34,551)	(56,317)

ASSETS AND LIABILITIES

	At 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**51,876**	32,039	78,006	87,103	101,806
Total liabilities	**(7,301)**	(15,289)	(17,025)	(30,768)	(35,956)
Net assets	**44,575**	16,750	60,981	56,335	65,850