

澳至尊 AUSupreme

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2024-2025 ANNUAL REPORT



澳至尊國際控股有限公司
AUSUPREME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

HKEx Stock Code : 2031.HK

澳至尊 AUSupreme



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Choy Chi Fai (*Chairman and Co-Chief Executive Officer*)
Ms. Ho Ka Man (*Vice Chairman and Co-Chief Executive Officer*)
Mr. Ho Chun Kit, Saxony (resigned on 20 September 2024)
Mr. Au Chun Kit (resigned on 20 September 2024)

Independent Non-executive Directors

Prof. Luk Ting Kwong
Ms. Pang Sin Mei Ada
Dr. Wan Cho Yee

AUDIT COMMITTEE

Ms. Pang Sin Mei Ada (*Chairman*)
Dr. Wan Cho Yee
Prof. Luk Ting Kwong

NOMINATION COMMITTEE

Prof. Luk Ting Kwong (*Chairman*)
Dr. Wan Cho Yee
Mr. Choy Chi Fai

REMUNERATION COMMITTEE

Dr. Wan Cho Yee (*Chairman*)
Ms. Pang Sin Mei Ada
Mr. Choy Chi Fai

COMPANY SECRETARY

Ms. Tang Wing Shan

AUTHORISED REPRESENTATIVES

Mr. Choy Chi Fai
Ms. Tang Wing Shan

INDEPENDENT AUDITOR

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

SOLICITOR

CLKW LAWYERS LLP

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
CMB Wing Lung Bank Limited

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office E, 30/F., EGL Tower
83 Hung To Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F.
148 Electric Road
North Point
Hong Kong

LISTING INFORMATION

Place of Listing: The Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 2031
Board Lot: 5,000 shares

COMPANY WEBSITE

www.ausupreme.com



AUSupreme Website



AUSupreme TMALL.HK



AUSupreme WeChat



AUSupreme facebook

Glossary

In the sections headed “Chairman’s Statement”, “Management Discussion and Analysis”, “Directors and Senior Management”, “Corporate Governance Report”, “Report of the Directors”, “Environmental, Social and Governance Report” and “Particulars of Investment Properties” in this annual report, unless the context requires otherwise, the following expressions shall have the following respective meanings:

“AGM”	the annual general meeting of the Company
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Ausupreme” or “Company”	Ausupreme International Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 2031)
“Beatitudes”	Beatitudes International Ltd., a company incorporated in the British Virgin Islands with limited liability, a controlling shareholder of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Co-CEO”	the co-chief executive officer of the Company
“Company Secretary”	the company secretary of the Company
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company
“GMP”	Good Manufacturing Practice — a quality assurance approach used by the drug manufacturing industry worldwide to ensure that products are consistently produced and controlled according to appropriate quality standards

Glossary

"Group"	the Company and its subsidiaries
"HACCP"	Hazard Analysis and Critical Control Points — a scientific and systematic approach to identify, assess and control hazards in the food production process. With the HACCP system, food safety control is integrated into the design of the process rather than relying on end-product testing
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"INED(s)"	the independent non-executive Director(s)
"Listing"	the listing of the issued Shares on the Main Board of the Stock Exchange
"Listing Date"	12 September 2016, the date on which the issued Shares were initially listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Choy"	Mr. Choy Chi Fai, an executive Director, the Chairman and a Co-CEO, and spouse of Ms. Ho
"Ms. Ho" or "Mrs. Choy"	Ms. Ho Ka Man, an executive Director, the Vice Chairman, a Co-CEO, and spouse of Mr. Choy
"M&A"	the memorandum of association and the Articles of Association of the Company
"Nomination Committee"	the nomination committee of the Board
"PRC" or "Mainland China"	the People's Republic of China
"Prospectus"	the prospectus of the Company dated 30 August 2016
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC

Glossary

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"SGS"	SGS Systems & Services Certification Pty Ltd., a company which provides services of inspection, verification, testing and certification
"Share(s)"	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"TGA"	Therapeutic Goods Administration of Australia
"treasury share"	has the meaning ascribed to it under the Listing Rules
"Truth & Faith"	Truth & Faith International Limited, a principal wholly-owned subsidiary of the Company engaged in the retail and wholesale of health and personal care products
"Vice Chairman"	the vice chairman of the Board
"Year" or "year under review"	the year ended 31 March 2025
"Year 2024"	the year ended 31 March 2024
"%"	percent

This annual report is prepared in both English and Chinese. In the event of any inconsistency, the English text of this annual report will prevail.

AUSupreme International Holdings Limited (stock code 2031.HK)

specialises in providing health supplements and personal care products. Our products have obtained international accreditation such as the Therapeutic Goods Administration of Australia (TGA)'s certification and are produced in international Good Manufacturing Practice (GMP) manufacturing plants, which also passed the testing and certification of SGS and local third-party authority. We have obtained the prize of "The Hong Kong Top Brand Ten Year Achievement Award" and have been recognised as Quality Tourism Services Scheme Merchants by the Hong Kong Tourism Board for 20 consecutive years. AUSupreme's business has seen steady development and our products have been widely supported by the markets including Hong Kong and other Asian regions.



VISION

With adherence to the belief of truth, justice and care, AUSupreme has established an excellent and outstanding team, striving to provide quality healthcare and personal care products and professional services to people who care for their health, and to be an industry leader in Asia-Pacific region.

MISSION

- Truth** : With integrity and good conscience as our operating principles, all of our staff members play by the book and works to establish a good model for the commercial sector.
- Justice** : We create an operating environment with justice and fairness. All of our staff monitor and guide each other in order to create a reasonable corporate system.
- Care** : We foster a caring and loving corporate culture. All of our staff support each other and build a caring culture for the society.



Sales Channels

Offline Sales – Specialty Stores, Consignment Counters and Experience Store

With outstanding quality, professional service and caring corporate culture, the Group has successfully laid a solid foundation for its development in Hong Kong. As at 31 March 2025, the Group had 19 specialty stores and 69 consignment counters in Hong Kong and Macau, we also established a cross-border e-commerce experience store in Shenzhen and established subsidiaries in Mainland China and Macau. AUSupreme, as a well-known health supplement brand in Asia, has continued to promote existing products and introduce new products and has been favoured by consumers in Asia-Pacific region.



Online Sales – E-commerce Platforms

In recent years, consumers have become more and more accustomed to the “online shopping” model, and their trust and dependence on AUSupreme’s online shopping have also increased. Therefore, our sales data are breaking new highs every year. As the business develops, AUSupreme continues to expand and cultivate talents, and has established its own e-commerce operation teams in Shenzhen and Hainan. E-commerce operation teams use data to formulate exclusive e-commerce strategies and development plans according to their own needs, in order to accurately grasp market demand and channel marketing, and promote business from consumer perspective.

AUSupreme has deepened cooperation with well-known online shopping platforms around the world continuously, which include: HKTVmall, YOHO, AlipayHK eShop, Neigbuy, Lionmart, HK Mall, Strawberry.net, The Club and Black & White Beauty in Hong Kong; Tmall.com, JD.com, Pinduoduo.com, xiaohongshu.com, Douyin.com, WeChat Mall and Youzan.com in Mainland China. These increase our brand’s market penetration rate extensively.



Active Promotion of Sports to Encourage Healthy Living



Championing a culture of sports, AUSupreme is committed to organising various fitness activities for its employees. The Company also sponsors community sports projects to support sports development and encourage a healthy lifestyle in the community.

In May 2024, elite athletes from the Truth & Faith Karate Dojo, founded by the AUSupreme Group, competed on the international stage, showcasing their outstanding performance at the 11th EAKF Karate Championships and the World Karate Championships in Spain (西班牙空手道世界賽).

In June 2024, to promote the sport of karate, AUSupreme title-sponsored the “LAU Mo Sheung Grace Kata Technique Seminar”.

In January 2025, AUSupreme Truth & Faith Karate Dojo Team triumphed at the Hong Kong Youth Karate Team Open.

In March 2025, in his capacity as the Vice President of the Karatedo Federation of Hong Kong, China, Mr. Choy helped launch the “Hong Kong International Karate Kumite Training Camp 2025” as a ribbon-cutting guest at its opening ceremony. Co-hosted by the Karatedo Federation of Hong Kong, China and the Hong Kong Sports Institute, with Dr. Cheung Kwok-kwan, Deputy Secretary for Justice, serving as the chief guest, this prestigious event brought together over 70 athletes from 10 countries to learn, grow and share experiences, embodying the spirit of unity and international friendship.

Over the past year, the Ausupreme banner flew high once again on the major marathon circuit. The AUSupreme running team successfully completed the 19th Gobi Desert Challenge, the Hong Kong Three-runway System 10km International Race, the Suzhou Taihu Marathon, as well as the two China's grand slam marathons: the Chongqing Marathon and the Wuhan Marathon.



Fostering a Caring Culture and Giving Back to the Community

AUSupreme helped those in need through employee volunteering, donations and material aid, demonstrating its core value of caring for the community and inspiring wider public involvement.



Xianyang Herald Children's Home in celebrating its 10th Anniversary and its Herald Foundation scholarship donation ceremony, communicating with the students.

In November 2024, Ausupreme attended the "Let Love Take Flight (讓愛飛揚)" Charity Party and made a donation to support the Love Foundation in providing scholarships to hundreds of students in Mainland China and Hong Kong.



Enjoying a Wise Life and Loving to Share

From under-privileged backgrounds and environments, Mr. Choy started a small business with his wife and built up their business from scratch, developed from a two-person micro-enterprise to a listed company on the Main Board, and won the Outstanding Young Chinese Entrepreneur of the World, the Asia Pacific Outstanding Entrepreneurship Award, and the Outstanding Entrepreneurship Award of the Greater Bay Area.

Over the past year, Mr. Choy has been invited by various business organisations, chambers of commerce, universities, secondary schools, and social groups to serve as a guest speaker at special lectures. He has attended the 5th Greater Bay Area Inter-School Youth Forum, the HKU Business School to speak at the "Unlocking the Potential of New Retail with GenAI" Seminar, the 13th Junzi Corporation Awards Presentation Ceremony at The Hang Seng University of Hong Kong, and was invited by GLS to participate in the 2025 Global Leadership Summit. Through these events, he has infused society with positive energy, shared his wisdom on life and business management, and promoted the inspiring and motivating spirit of Hong Kong's entrepreneurial endeavours.



Supporting Youth Affairs for a Better Future

Over the past four years, the Leadership Institute on Narcotics has successfully trained hundreds of youth anti-drug leaders for society, by offering extensive professional training in knowledge and skills and broadening their perspectives. The Institute delivered anti-drug activities and education to tens of thousands of secondary school students, university students, and the public. Through learning and exchange tours in Mainland China, Singapore, Australia, and New Zealand, it fostered ties with anti-drug enforcement agencies worldwide. The Institute has made significant contributions to combating drug abuse and nurturing the youth.

AUSupreme is actively engaged in youth affairs. It is committed to providing a supportive environment that nurtures a new generation of talents for Hong Kong who are responsible, aspirational and dedicated to community services, enabling them to play a role in creating a bright future for both the nation and Hong Kong.

In December 2024, members of the Junior Police Call and participants of the Project Torch of Mong Kok District visited Moko Specialty Store of Ausupreme in Mong Kok. The group was personally welcomed by Mr. Choy Chi Fai (hereinafter referred to as “Mr. Choy”), co-founder and Chairman of AUSupreme Group and also the honorary president of the Junior Police Call of Mong Kok District. Mr. Choy shared insights into the Group’s business operations and retail market with the participants and drew on his personal experiences to inspire and guide them on their career planning.



In January 2025, Mr. Choy received his certificate of re-appointment as honorary president from Ng Chi-chung, the Chief Superintendent, Commander of Mong Kok District, in recognition of his hands-on efforts in helping the youth develop a positive outlook on life.

In March 2025, Mr. Choy received a certificate of appointment to the Leadership Institute on Narcotics from Mr. Siu Chak-ye, the Commissioner of Police, for the fourth consecutive years. He will work with distinguished advisors and mentors from across society to nurture the next generation of talents for the future of Hong Kong.



Serving Hong Kong, Contributing to the Nation

Mr. Choy, the Chairman of the AUSupreme Group, has made substantial contributions to society with his long-standing commitment to public service. He has held numerous appointments in Hong Kong government departments, disciplinary forces, chambers of commerce, various charitable organisations, and universities.



In June 2024, Mr. Choy received the certificate of appointment as a Senior Advisor to the Hong Kong Auxiliary Medical Service (AMS) jointly issued by the Director of the Hong Kong Department of Health and the Commissioner of AMS.

In August 2024, Mr. Choy was appointed as Vice President of the Federation of Liaoning Associations, to help foster the economic, trade, cultural, and interpersonal exchanges and cooperation between Liaoning and Hong Kong.



Upholding Our Mission and Promoting Public Health

Safeguarding public health is a primary mission of Ausupreme. With its unique expertise, Ausupreme educates the public on nutrition and health, persistently empowering the community with nutritional information to raise the public's awareness of physical health and healthy dietary practices.



In March 2025, AUSupreme hosted a well-received health seminar at the Hong Kong Central Library titled “A Talk on Gut Health with Senior Doctor”. The seminar featured a top-tier physician with years of research in gut health and immunity and senior nutritionists who shared insights on healthy dietary practices.

Industry Leader with Numerous Awards and Honors



The dedication, efforts, and achievements of the AUSupreme Group have been recognised and praised by various parties. Over the years, the group has received commendations from all sectors of society. Each award and certification validates the strength of the brand.

Over the years, the AUSupreme Group has received numerous awards and honors, injecting greater motivation into the brand. We will continue to uphold our mission, safeguarding the health and beauty of our customers and working towards establishing a healthy body, mind, and spirit community.

- Listed Company Awards of Excellence
- ListCo Excellence Awards
- Asia Excellence Brand Award
- Hong Kong Premier Brand Awards
- The Hong Kong Top Brand Ten Year Achievement Award
- Consumers' Most Favorable Hong Kong Brands
- Hong Kong Star Brand Award
- PRO Choice
- The Most Popular Brand Award
- The Most Popular Health Brand Award for Healthcare Workers
- Hong Kong Institute of Marketing Market Leadership Award
- Parents' Favorite (Mother and Infant) Supplement Brand
- Hong Kong Top Ten E-Commerce Award
- Asia's Best E-commerce Award
- Greater Bay Area Outstanding Entrepreneur Award
- Outstanding Businesswomen Award
- The First Manpower Developer Award By Employees Retraining Board
- Super Manpower Developer Award
- Quality Tourism Service Scheme Merchants for 20 Consecutive years
- Labour Department Good Employer Charter
- Family-Friendly Employers Commendation
- Hong Kong Most Valuable Corporate Excellent Enterprise Awards
- People Caring Award
- Caring Company
- Community Engagement Award - Certificate of Excellence

Quality Products Guaranteed with Confidence



Listed Company
Awards of Excellence



ListCo Excellence Awards



The Hong Kong Top Brand
Ten Year Achievement Award



Hong Kong
Premier Brand Awards



Quality Tourism Service
Scheme Merchants
for 20 Consecutive Years



Made in Australia



Good Manufacturing Practice



Tested for
Main Heavy Metals



Consumers' Most Favorable
Hong Kong Brands



Hong Kong
Star Brand Award



PRO Choice



Asia
Excellence Brand Award



Parents' Favorite
(Mother and Infant)
Supplement Brand

Chairman's Statement



DEAR SHAREHOLDERS,

On behalf of the Board, I am pleased to present the annual report on the results of Ausupreme International Holdings Limited and its subsidiaries for the financial year ended 31 March 2025.

The year under review was marked by economic challenges in both the global environment and the domestic retail market. Macro-economic externalities such as tariffs and regional conflicts brought uncertainties to international economic growth. Evolving consumption patterns posed challenges in the local retail landscape. Nevertheless, driven by our unwavering commitment to growth and bolstered by the enduring support of long-term customers, Shareholders, partners, and the dedication of our staff and management, we are delighted to announce that the Group achieved a revenue of HK\$269,567,000 and a profit of HK\$27,911,000 for the Year. This echoes the sentiment of a Bible verse quoted in last year's annual report, "Those who sow with tears will reap with songs of joy!". The Board is pleased to recommend a final dividend of HK\$0.02 per Share in appreciation for the ongoing support of the Shareholders.

Chairman's Statement

The development of products with superior quality has long been a core pillar of the Group. Through collaborations with research institutions, new products infused with natural herbs and patented ingredients are carefully developed and launched to meet the evolving consumer preferences. From clinically research and study, placing site visits and conducting due diligence to source ingredients and suppliers, monitoring each development and production step of the product and the packaging, launching of the new product with a strategic and effective marketing scheme and enhancing store image and the health knowledge of the staff, every step is carefully crafted and meticulously made to enhance overall customer experience and brand desirability.

Furthermore, the Group consistently strengthens its planning process and operational management systems with the latest technology. In the ever-changing environment, the Group strives to constantly innovate and improve productivity and competitiveness with a positive attitude. Additionally, through collaborations with emerging social platforms, strengthening private traffic, and enhancing its online and offline integration with quality customer services, the Group aims to establish solid foothold in the international health industry.

In a bid to shape a prosperous future through social responsibility, the Group has organised seminars in conjunction with nutritional professional and medical expert to disseminate the latest health information to elevate public health awareness. The Group also nurtures a culture of care within the organisation, extending it to the broader community. Apart from monetary donations, volunteer teams have been established within the Group to participate in various volunteer activities, aiming at providing support, guidance and encouragement to children and students in need in their growth and development journey. To promote a healthy lifestyle in the community, the Group has organised and supported various sports events and competitions to underscore the importance of health and well-being.

On behalf of the Board, I would like to express my utmost gratitude to all Shareholders, customers, and business partners for their continued support, and extend my heartfelt appreciation to all management and staff for their ongoing contributions. With a forward-thinking vision, perseverance, and a strong commitment to continuous self-improvement, the Group remains dedicated to fostering business development and achieving promising growth to reward investors for their unwavering support.

Choy Chi Fai

Chairman

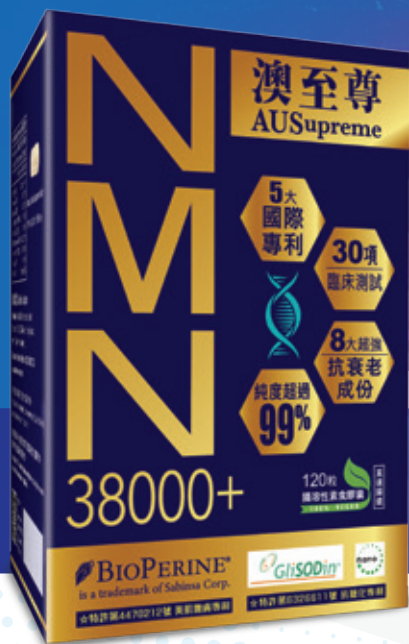
Hong Kong, 26 June 2025

澳至尊 AUSupreme

Leslie CHOY

Founder and Chairman of AUSupreme

Completed the 121km Gobi Desert Challenge and five full marathons (42km each), including two World Marathon Majors (Tokyo and London), two China Marathon Majors (Wuhan and Chongqing), and the Wuxi Marathon since 2023.



*The key to
health and vitality*
AUSupreme



The Hong Kong Top Brand
Ten Year Achievement Award



Asia
Excellence Brand Award



Listed Company
Awards of Excellence



Good Manufacturing Practice

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the development, marketing, sales and distribution of the branded products. The major brands developed and managed by the Group include “Ausupreme”, “Organic Nature”, “Superbee”, “Top Life” and “ACHealth”, which are sold under our well-established “澳至尊” sales and distribution network.

Market Overview

With the impact of outbound spending behaviour of Hong Kong residents as well as various geopolitical tensions and global economic uncertainties, the overall retail market in Hong Kong continued to face operational challenges during the Year. According to the statistics from the Census and Statistics Department of Hong Kong, the overall retail sales in Hong Kong recorded a drop of 8.6% during the period from April 2024 to March 2025 as compared to the corresponding period in the previous year. Besides, the overall retail sales in Hong Kong during the first quarter of 2025 recorded a decline of 2.7% as compared to the last quarter of 2024. This indicated that the retail market in Hong Kong has continued to be sluggish.

Overall Performance

For the year ended 31 March 2025, the Group’s revenue amounted to HK\$269,567,000, representing a slight increase of 0.2% from HK\$269,022,000 for Year 2024. Meanwhile, the Group recorded a profit of HK\$27,911,000 for the Year, representing a decrease of 9.0% as compared to a profit of HK\$30,674,000 for Year 2024.

With the Group’s effective marketing campaigns and sales channel reallocation, the Group’s sales improved steadily which outperformed the overall performance of the Hong Kong retail market. The decrease in the Group’s profit was mainly due to the increase in various expenses. The Group has been closely monitoring the market conditions and adopting cautious approaches to cope with the challenging economic environment.

As at 31 March 2025, the Group had 19 specialty stores and 69 consignment counters in Hong Kong and Macau (2024: 18 specialty stores and 63 consignment counters). The Group will continue to identify carefully suitable locations for the specialty stores and other sales channels to maximise its exposure to the target customers.

Management Discussion and Analysis

FINANCIAL REVIEW

The Group generated revenue primarily from sales channels of specialty stores, consignment counters and e-commerce etc. The main types of goods are health supplement products, personal care products and honey and pollen products. For the year under review, the Group recorded the revenue for the Year amounted to HK\$269,567,000 (2024: HK\$269,022,000) and profit for the Year amounted to HK\$27,911,000 (2024: HK\$30,674,000). The gross profit margin remained stable for the Year at 86.5% (2024: 87.1%).

During the Year, the Group's revenue for (i) health supplement products slightly increased by 0.1% to HK\$257,232,000 (2024: HK\$256,941,000); (ii) personal care products increased by 2.7% to HK\$11,386,000 (2024: HK\$11,092,000); and (iii) honey and pollen products decreased by 4.0% to HK\$949,000 (2024: HK\$989,000). The Group's revenue for sales channels of (i) specialty stores decreased by 2.2% to HK\$42,603,000 (2024: HK\$43,546,000); (ii) consignment counters gently rose by 0.5% to HK\$191,261,000 (2024: HK\$190,305,000); (iii) e-commerce rose by 9.2% to HK\$22,469,000 (2024: HK\$20,583,000); and other sales channels dropped by 9.3% to HK\$13,234,000 (2024: HK\$14,588,000). In this challenging economic environment, the overall sales performance of the Group still maintained a stable performance similar to Year 2024, which demonstrated the solid foundation of the Group and constructive marketing strategies were applied.

The following table sets forth the breakdown of the Group's revenue by types of goods for the years ended 31 March 2025 and 2024:

	For the year ended 31 March			
	2025		2024	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Health supplement products	257,232	95.4%	256,941	95.5%
Personal care products	11,386	4.2%	11,092	4.1%
Honey and pollen products	949	0.4%	989	0.4%
Total	269,567	100.0%	269,022	100.0%

Management Discussion and Analysis

The table below sets forth the breakdown of the Group's revenue by sales channels for the years ended 31 March 2025 and 2024:

	For the year ended 31 March			
	2025		2024	
	HK\$'000	% of total revenue	HK\$'000	% of total revenue
Specialty stores	42,603	15.8%	43,546	16.2%
Consignment counters	191,261	71.0%	190,305	70.7%
E-commerce	22,469	8.3%	20,583	7.7%
Other sales channels	13,234	4.9%	14,588	5.4%
Total	269,567	100.0%	269,022	100.0%

The other income of the Group rose by 103.2% to HK\$2,426,000 for the Year (2024: HK\$1,194,000). The increase in other income were mainly due to (i) the significant rise in bank interest income derived from increased bank fixed deposits; (ii) the grant of approximately HK\$751,000 from "The Dedicated Fund on Branding, Upgrading and Domestic Sales (The BUD Fund) — Mainland Programme" launched by the Government of the Hong Kong Special Administrative Region of People's Republic of China.

The selling and distribution expenses of the Group increased by 3.7% to HK\$165,325,000 for the Year (2024: HK\$159,450,000), while the general and administrative expenses of the Group decreased by 2.8% to HK\$34,485,000 for the Year (2024: HK\$35,466,000). These two major expenses of the Group totally increased HK\$4,894,000 or 2.5% compared with Year 2024. The rise in expenses was primarily driven by an increase in staff costs. In order to enhance employee morale, attract and retain talent, the Group made a favorable adjustment to the salaries of employees for the Year. Besides, due to new openings of specialty stores and consignment counters, the Group hired more staff resulting in a growth in staff costs. However, due to the Group's strict control of expenditures in various aspects, expenses in other areas have decreased, thus offsetting the effect of the increase in staff costs.

During the Year, the Group's finance costs represented interest on bank borrowing amounting to HK\$71,000 (2024: HK\$89,000), interest on lease liabilities amounting to HK\$1,081,000 (2024: HK\$1,011,000) and interest on long service payment amounting to HK\$31,000 (2024: HK\$24,000).

Management Discussion and Analysis

The Group's revenue was mainly derived in Hong Kong, Mainland China, Macau and Singapore during the Year. For the Year, income tax expense was HK\$5,027,000 (2024: HK\$6,845,000). The provision for Hong Kong Profits Tax has been provided in accordance with the two-tiered profits tax rates regime; the first HK\$2,000,000 of assessable profits of a qualifying corporation of the Group is taxed at 8.25% and the assessable profits above HK\$2,000,000 are taxed at 16.5%. The assessable profits of group entities not qualified for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

As a result of the above factors, the Group recorded a profit for the Year of HK\$27,911,000 (2024: HK\$30,674,000).

For the year ended 31 March 2025, the Group recorded a basic earnings per share of HK3.66 cents as compared to the basic earnings per share of HK4.03 cents for Year 2024, the calculation of which is based on the profit for the Year of HK\$27,911,000 (2024: HK\$30,674,000) and the weighted average number of 762,000,000 ordinary shares in issue during the Year (2024: 762,000,000 ordinary shares). No diluted earnings per share for both years ended 31 March 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years ended 31 March 2025 and 2024.

LIQUIDITY, FINANCIAL RESOURCES, FOREIGN EXCHANGE RISK EXPOSURE AND CAPITAL COMMITMENTS

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The main objective is to utilise the funding efficiently and to manage the financial risks effectively. The Group generally meets its working capital requirements from its internally generated funds, and maintains a healthy financial position.

As at 31 March 2025, the Group had net current assets and net assets of HK\$110,807,000 (2024: HK\$97,519,000) and HK\$191,206,000 (2024: HK\$178,210,000) respectively. As at 31 March 2025, the current ratio calculated based on current assets divided by current liabilities of the Group was approximately 4.7 (2024: 4.1).

Cash and Cash Equivalents/Time Deposits

Cash and cash equivalents and time deposits held by the Group amounted to HK\$88,719,000 as at 31 March 2025 (2024: HK\$75,362,000), of which HK\$78,723,000 (2024: HK\$69,844,000) was cash and cash equivalents and HK\$9,996,000 (2024: HK\$5,518,000) was non-pledged time deposits with original maturity of over three months. They were mainly denominated in Hong Kong dollars, Japanese yen, Australian dollars, Renminbi and United States dollars.

Management Discussion and Analysis

Other Financial Resources and Gearing

As at 31 March 2025, the total outstanding bank borrowing of the Group amounted to HK\$2,057,000 (2024: HK\$2,486,000) and it is a secured bank mortgage loan. The bank mortgage loan was repayable based on scheduled repayment dates set out in the loan agreement and the last payment is on 21 August 2029.

Interest on bank borrowing is charged at floating rates. The bank borrowing of the Group is denominated in Hong Kong dollars. No financial instruments for hedging purposes were employed by the Group for the Year.

As at 31 March 2025, the bank borrowing was secured by the Group's certain leasehold land and building with aggregate net carrying value of approximately HK\$27,586,000 (2024: HK\$28,542,000).

As at 31 March 2025, the Group's gearing was considered to be at a reasonable level, as the debt to equity ratio was only 1.1% (2024: 1.4%), expressed as a percentage of total bank borrowings to total net assets.

Foreign Exchange Exposure

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Japanese yen, Australian dollars and Renminbi. The Group currently does not have any foreign currency hedging policy. However, the Group maintains a conservative approach in treasury management by constantly monitoring foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise. The management will continue to monitor the foreign exchange exposure and will take prudent measures when needed.

Capital Commitments

As at 31 March 2025, the Group did not have any capital commitment (2024: Nil).

MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group had no material investment, acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

CONTINGENT LIABILITIES

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

Management Discussion and Analysis

EMPLOYEE INFORMATION

As at 31 March 2025, the Group had 220 (2024: 210) employees, including part-time staff. The Group remunerates employees based on their performance and experience, the Group's results as well as prevailing market condition. In addition to salary and commission payment to staff, other staff benefits include a share option scheme, discretionary bonus, staff discount on purchases and internal training.

DIVIDEND

The Board has resolved to recommend a final dividend of HK2 cents per ordinary share for the year ended 31 March 2025, totalling HK\$15,240,000 (2024: HK2 cents, totalling HK\$15,240,000). Such payment of dividend will be subject to the approval of Shareholders at the forthcoming AGM. If the resolution for the proposed final dividend is passed at the AGM, the final dividend will be payable on or around 8 October 2025.

CLOSURE OF REGISTER OF MEMBERS

(i) To qualify for attending and voting at the AGM

The AGM will be held on Friday, 12 September 2025. For the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied with the relevant Share certificates must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 8 September 2025.

(ii) To qualify for receiving the proposed final dividend for the year ended 31 March 2025

Subject to Shareholders' approval at the forthcoming AGM, the proposed final dividend will be distributed to the Shareholders on or around Wednesday, 8 October 2025 whose names appear on the register of members of the Company on Wednesday, 24 September 2025. The register of members of the Company will be closed from Monday, 22 September 2025 to Wednesday, 24 September 2025 (both days inclusive). In order to qualify for receiving the proposed final dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Friday, 19 September 2025.

Management Discussion and Analysis

FUTURE OUTLOOK AND PROSPECTS

In a world of constant change, shifts in the global and domestic economic environments occur frequently. At the beginning of 2025, the forecast for global economic growth stood at a steady 2.7% for the year, as reported by the World Bank's Global Economic Prospects. However, by June 2025, this estimate had already been revised down to 2.3%. International discord over tariffs, geopolitical tensions, and regional conflicts have introduced uncertainties into the global economic landscape. On the domestic front, factors such as high operating costs, the northbound spending trend of local residents and evolving spending patterns among inbound tourists continue to present significant challenges to the Hong Kong retail market.

The Group has faced numerous challenges in the past, yet its determination to navigate difficult times and seize every growth opportunity remains unwavering. In 2025, efforts have been made to enhance the brand image. This includes a revamped store display featuring products arranged elegantly by function. Besides, product packaging and marketing materials are upgraded with enhanced details and a more appealing style. Every aspect of the consumer experience has been meticulously reconsidered and redesigned to convey a fresh and upscale image to customers, thereby boosting sales.

Furthermore, ongoing product development initiatives have been implemented. New products, aligning with market trends and featuring patented ingredients supported by scientific research, are being launched with strategic marketing and promotional campaigns targeting a diverse customer base. The Group is also providing enhanced training sessions, offering the latest health information to empower its health consultants. This equips them to provide quality service and professional health advice to consumers.

Online channels will continue their rapid expansion, driven by convenience, a wider selection, and ease of comparison. The Group will strengthen investments in the digital infrastructure. Additionally, the Group has participated in the Hong Kong Shopping Festival 2025 organised by the Hong Kong Trade Development Council to showcase premium products of the Group on mainland e-commerce platforms, aiming to deepen market penetration into the vast mainland market through e-commerce.

The long-term fundamentals for the health supplements industry remain exceptionally strong, irrespective of current external market conditions. The Group will continue to uphold its core value of pursuing excellence and seize compelling opportunities to achieve sustainable business growth.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Choy Chi Fai (蔡志輝), aged 51, one of the founders of the Group, was appointed as a Director on 17 April 2015 and is currently an executive Director, the Chairman and a Co-CEO. He is also a member of each of the Remuneration Committee and the Nomination Committee. In addition, Mr. Choy is a director of all of the subsidiaries of the Company and a director and shareholder of Beatitudes, a substantial shareholder of the Company. Mr. Choy is responsible for the overall direction and management of the Group. Before founding the Group in 2001, Mr. Choy (together with Mrs. Choy) had been engaged in the business of trading and distribution in Hong Kong. Mr. Choy has more than 20 years' experience in marketing, distribution, wholesale and retail of health supplement products in Hong Kong, which he gained from the operation of the Group.

Mr. Choy obtained a Bachelor of Arts degree from the Hong Kong Baptist University in December 2000. He received a Diploma of Food and Nutritional Sciences from The Chinese University of Hong Kong in May 2010 and a Master of Arts degree in Comparative and Public History from the same university in December 2010, a Master of Christian Studies by Evangel Seminary in June 2018. In 2023, he obtained a degree of Executive Master of Business Administration from the University of Hong Kong and Peking University. Mr. Choy has also received the "Outstanding Entrepreneur Awards" from Capital Entrepreneur in February 2017.

Mr. Choy has been active in Hong Kong's business circles. He has served as an Honourable Career Advisor of Hong Kong Baptist University Career Mentorship Programme since 2009, a honorary advisor for Health & Applied Sciences Division of the School of Continuing and Professional Studies of The Chinese University of Hong Kong since September 2013 and a Mentor of Hong Kong Science and Technology Parks Corporation Mentorship Programme since 2019. Mr. Choy has also been a mentor of Small and Medium-sized Enterprises Mentorship Programme of the Employees Retraining Board since 2015, Hong Kong Trade Development Council Mainland Business Advisory Committee since 2019 and Expert Group Member of HKSAR Commerce and Economic Development Bureau E-commerce Development Task Force since 2024. He has been appointed as a member of the Dalian Committee of Chinese People's Political Consultative Conferences since 2023.

In addition to the above achievements, Mr. Choy has taken active participation in Hong Kong's education, social activities and development. Mr. Choy has been appointed to the public positions below:

- Chief President of the Leadership Institute on Narcotics organised by Narcotics Bureau of Hong Kong Police Force since 2021;
- Honorary President for Hong Kong Police Force Honorary President Council of MongKok District Junior Police Call since 2018;
- Scholarship committee member of the Future Stars — Upward Mobility Scholarship organised by HKSAR Commission on Poverty since 2019;
- Mentor of Future Stars — the Future Stars Mentoring Programme organised by HKSAR Commission on Poverty since 2021;
- SC.Net member of the Community Investment and Inclusion Fund organised by HKSAR's Labour and Welfare Bureau since 2020;

Directors and Senior Management

- Advisor of HKSAR Auxiliary Medical Service Officers' Club in Kwai Tsing District since 2018;
- Liaison Officer I (KTY), HKSAR Auxiliary Medical Service since 2021;
- Chief Supervisor of Hong Kong Road Safety Patrol in Kowloon West District since 2022;
- Commander of Hong Kong Road Safety Patrol in Kowloon City District since 2022;
- Committee member of The Kowloon City District Road Safety Campaign Committee since 2022;
- Healthy City Steering Committee Member in Kwun Tong District since 2016;
- Mentor of Mentorship Programme of Chinese University of Hong Kong since 2021;
- Committee member of the Advisory Board on College General Education, United College of The Chinese University of Hong Kong since 2023;
- Committee Member of Advisory Committee of "Start-up and SME Resource Centre (SSRC)" of the School of Business of The Hang Seng University of Hong Kong since 2024;
- Manager of Ning Po College Incorporated Management Committee since 2012;
- Chairman of Ning Po College Alumni Association Education Fund Executive Committee since 2010;
- Director of Tien Dao Worldwide Organisations Limited since 2019;
- Director of Tien Dao Publishing House Limited since 2017;
- Counselor of GoodNews Communication International Ltd since 2021; and
- Vice President of The Karatedo Federation of Hong Kong, China Limited since 2023.

Mr. Choy is the spouse of Ms. Ho Ka Man (executive Director, Vice Chairman, Co-CEO and marketing director of the Group) and the brother-in-law of Mr. Ho Chun Kit, Saxony (a former executive Director resigned on 20 September 2024 and currently a business development director of the Group).

Ms. Ho Ka Man (何家敏), aged 50, one of the founders of the Group, was appointed as a Director on 17 April 2015 and is currently an executive Director, the Vice Chairman, a Co-CEO and the marketing director of the Group. She is also a director of Truth & Faith and certain other subsidiaries of the Company and a director and shareholder of Beatitudes, a substantial shareholder of the Company. Mrs. Choy is responsible for overseeing the operation of the marketing team of the Group and formulating marketing strategies and promotion plans. Before founding the Group in 2001, Mrs. Choy (together with Mr. Choy) had been engaged in the business of trading and distribution in Hong Kong. She has more than 20 years of experience in marketing of health supplement products in Hong Kong, which she gained from the operation of the Group. Mrs. Choy has also received the award of "CEO of the year 2017" from South China Media Capital CEO, the "Outstanding Businesswomen Award 2017" from Hong Kong Commercial Daily and "GBA Outstanding Women Entrepreneur Award 2018" from Hong Kong Small and Medium Enterprises Association and Metro Finance. Under Mrs. Choy's leadership and supervision, the Group has successfully promoted the brand image and a comprehensive range of health products and has been awarded and recognised by different organisations in recent years.

Directors and Senior Management

Mrs. Choy received a Higher Diploma of Fashion and Textile Merchandising from The Hong Kong Polytechnic University in November 1997 and was awarded a Master of Christian Studies by Evangel Seminary in June 2018. She has been appointed as a mentor of the Small and Medium-sized Enterprises Mentorship Programme of the Employees Retraining Board since 2018.

Ms. Ho is the spouse of Mr. Choy Chi Fai (executive Director, Chairman and Co-CEO) and the younger sister of Mr. Ho Chun Kit, Saxony (a former executive Director resigned on 20 September 2024 and currently a business development director of the Group).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Luk Ting Kwong (陸定光), aged 70, was appointed as an INED with effect from 20 July 2016. He is the chairman of the Nomination Committee and a member of the Audit Committee. Prof. Luk is responsible for providing independent advice to the Board. Prof. Luk received the degrees of Master of Business Administration and Doctor of Philosophy from the University of New South Wales in October 1985 and May 2001, respectively.

Prof. Luk has been a Professor of Marketing and supervisor of doctoral students at the Emlyon Business School (France) since January 2019. He is a brand guru and has extensive brand and marketing management experience in Hong Kong and the Mainland China. He is the founder of the Asian Centre for Brand Management (currently known as Asian Centre for Branding & Marketing) at The Hong Kong Polytechnic University. He has been appointed as a member of the Technical Advice Committee of the Hong Kong Brand Development Council and a consultant at the Federation of Hong Kong Brands since April 2008. He is also the Independence Code of Administrator of the Hong Kong Direct Marketing Association. Prof. Luk is currently a director of Sherriff & Associates Co. Ltd. (Hong Kong).

Ms. Pang Sin Mei Ada (彭倩薇), aged 63, was appointed as an INED with effect from 4 January 2024. She is the chairman of the Audit Committee and a member of the Remuneration Committee. Ms. Pang is responsible for providing independent advice to the Board. She holds a professional diploma in accountancy with the Hong Kong Polytechnic University and a master's degree in general business administration with the University of Hull in United Kingdom. Ms. Pang has been a fellow member of the Association of Chartered Certified Accountants since 1996 and an associate of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) since 1991.

Ms. Pang has over 30 years of experience in financial and management accounting. She has joined Zuellig Pharma Limited ("**Zuellig**") (Zuellig is an international company which provides world-class distribution, digital and commercial services in Asia) since 1993. Her current position at Zuellig is director of finance and she is responsible for managing and supervising Zuellig's finance team and related functions including financial reporting, treasury, internal control and risk management. She also works with its management team for contract negotiation, business strategies and evaluation. Before joining Zuellig, Ms. Pang had worked for major international accounting firms in Hong Kong.

Dr. Wan Cho Yee (尹祖伊), aged 56, was appointed as an INED with effect from 20 July 2016. He is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Dr. Wan is responsible for providing independent advice to the Board. He received the degrees of Bachelor of Science in Business Administration and Master of Business Administration from San Francisco State University in January 1994 and May 1995, respectively. He also received the degree of Doctor of Business Administration from the Hong Kong Baptist University in November 2019.

Directors and Senior Management

Dr. Wan is the Founder of ECOACH Limited which provides training and consultancy services to different corporations, non-profit organisations and government departments in Hong Kong and the Mainland China, covering the topics of leadership, management, innovation and strategy. Besides, he is an Adjunct Lecturer of Hong Kong University SPACE teaching the topics of entrepreneurship, leading change and cultural management.

SENIOR MANAGEMENT

Mr. Ho Chun Kit, Saxony (何俊傑), aged 55, was appointed as an executive Director for the period from 15 May 2015 to 20 September 2024 and is the business development director of the Group. Mr. Ho joined the Group on 4 March 2013 and is currently responsible for sales and marketing development and expansion of the Group's business.

Mr. Ho obtained a Postgraduate Diploma in Marketing from The Chartered Institute of Marketing in December 2003. Prior to joining the Group, Mr. Ho has gained more than 20 years' experience in the financial market. He served as a senior manager of Nittan Capital Asia Limited between August 2005 and December 2012.

Mr. Ho is the brother-in-law of Mr. Choy (executive Director, Chairman and Co-CEO) and the elder brother of Ms. Ho (executive Director, Vice Chairman, Co-CEO and marketing director of the Group).

Mr. Au Chun Kit (區俊傑), aged 49, was appointed as an executive Director for the period from 15 May 2015 to 20 September 2024 and is the operation director of the Group. Mr. Au joined the Group on 16 September 2013 and is currently responsible for the information technology system and infrastructure of the Group, including development of the online sales channels and maintenance of the Enterprise Resource Planning (ERP) system. He is also in charge of the administrative support of the specialty stores and sales counters at consignee retail stores.

Mr. Au received a Bachelor of Engineering degree in Computer Sciences from the Hong Kong University of Science and Technology in November 1998. Prior to joining the Group, Mr. Au worked as a senior system analyst (later promoted to information technology manager) at Hong Yip Service Company Limited (a subsidiary of Sun Hung Kai Properties Limited (stock code: 00016), a company listed on the Main Board of the Stock Exchange) between September 2006 and August 2013. Mr. Au possesses more than 20 years' experience working in information technology and management in a wide range of industries.

Mr. Au is the cousin-in-law of Ms. Tang Wing Shan (Company Secretary and financial controller of the Group).

Ms. Tang Wing Shan (鄧穎珊), aged 50, was appointed as the Company Secretary and the financial controller of the Group in May 2015 and June 2013, respectively. She joined the Group in June 2013. Ms. Tang is responsible for managing the Group's financial team and supervising company secretarial, corporate finance, treasury, financial reporting, tax and other related financial matters.

Ms. Tang obtained a Bachelor of Commerce degree from the University of Toronto in June 1997 and a Bachelor of Administrative Studies degree from York University in November 1999. She was awarded a Master of Business Administration degree by Laurentian University in October 2006. Ms. Tang was admitted as a Certified General Accountant by the Certified General Accountants Association of Ontario in September 2001. She became a member of the Chartered Professional Accountants of Ontario in 2014. Besides, she was admitted as a fellow member of the Association of Chartered Certified Accountants in March 2008. Ms. Tang possesses more than 20 years' experience in accounting services.

Ms. Tang is the cousin-in-law of Mr. Au Chun Kit (a former executive Director resigned on 20 September 2024 and currently a operation director of the Group).

Corporate Governance Report

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

Save for the deviation from code provision C.2.1 of the CG Code as disclosed in this report below, the Company has adopted and complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the CG Code during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

CORPORATE CULTURE AND VALUES

The Board endeavors to establish a "caring and loving corporate culture" and continually reinforce the desired corporate culture which is aligned with the Group's purpose, values and strategy and promote the corporate culture throughout the Company.

For detailed information about the Company's vision and mission, please refer to pages 6 to 13 of this annual report.

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Articles of Association. The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to the management of the Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

Corporate Governance Report

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Composition

The Company holds the view that the Board should include a balanced composition of executive Directors and INEDs so that there is a strong independent element on the Board which can effectively exercise independent judgement.

As at the date of this annual report, the Board comprises the following five Directors, of which the INEDs in aggregate represent 60% of the Board members:

Executive Directors

Mr. Choy Chi Fai (*Chairman and Co-CEO*)
Ms. Ho Ka Man (*Vice Chairman and Co-CEO*)
Mr. Ho Chun Kit, Saxony (*resigned on 20 September 2024*)
Mr. Au Chun Kit (*resigned on 20 September 2024*)

INEDs

Prof. Luk Ting Kwong
Ms. Pang Sin Mei Ada
Dr. Wan Cho Yee

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

The family relationship among certain executive Directors is as follows:

Name of executive Directors	Relationship with		
	Mr. Choy Chi Fai	Ms. Ho Ka Man	Mr. Ho Chun Kit, Saxony (resigned on 20 September 2024)
Mr. Choy Chi Fai	—	Husband	Brother-in-law
Ms. Ho Ka Man	Wife	—	Younger sister
Mr. Ho Chun Kit, Saxony (resigned on 20 September 2024)	Brother-in-law	Elder brother	—

Save as disclosed aforesaid, there was no financial, business, family or other material relationship among the Directors.

Corporate Governance Report

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, meeting the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules during the Year and up to the date of this annual report.

During the Year, the Chairman, being an executive Director, held one meeting with the INEDs without the presence of other Directors.

Proper insurance coverage in respect of legal actions against the Directors has been arranged by the Company.

Directors' Induction and Continuing Professional Development

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the director's responsibilities under statutes and common law, the Listing Rules, other legal and regulatory requirements and the Company's business and governance policies.

In compliance with code provision C.1.4 of the CG Code, the Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records.

During the Year, all Directors, namely Mr. Choy, Ms. Ho, Prof. Luk Ting Kwong, Ms. Pang Sin Mei Ada and Dr. Wan Cho Yee as well as Mr. Ho Chun Kit, Saxony, Mr. Au Chun Kit (both resigned on 20 September 2024) had participated in continuing professional development by reading updates provided by the Company Secretary to refresh their knowledge in corporate governance and directors' duties and responsibilities.

Meetings of the Board and the Shareholders and Directors' Attendance Records

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the regular Board meeting, or such other period as agreed for other Board meetings. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

Corporate Governance Report

The Board held 4 meetings during the Year and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the year ended 31 March 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024.

The attendance of each Director at the Board meetings during the Year is as follows:

Name of Directors	No. of Attendance/ No. of Meeting(s)
Mr. Choy Chi Fai	4/4
Ms. Ho Ka Man	4/4
Mr. Ho Chun Kit, Saxony (<i>resigned on 20 September 2024</i>)	2/2
Mr. Au Chun Kit (<i>resigned on 20 September 2024</i>)	2/2
Prof. Luk Ting Kwong	4/4
Ms. Pang Sin Mei Ada	4/4
Dr. Wan Cho Yee	4/4

During the Year, the Company held 1 AGM and was attended by all Directors, namely Mr. Choy, Ms. Ho, Mr. Ho Chun Kit, Saxony (resigned on 20 September 2024), Mr. Au Chun Kit (resigned on 20 September 2024), Prof. Luk Ting Kwong, Ms. Pang Sin Mei Ada and Dr. Wan Cho Yee.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. In view of the present composition of the Board, the in-depth knowledge of the Chairman (who is also a Co-CEO) of the operations of the Group and the health and personal care industry in general, his extensive business network and connections, and the scope of operations of the Group, the Board believes that it is in the best interest of the Group for Mr. Choy to assume the roles of both the Chairman and the Co-CEO. As all major decisions are made in consultation with all the members of the Board, with the three INEDs offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Audit Committee was established on 20 July 2016 with written terms of reference in compliance with the CG Code and the Listing Rules. Such terms of reference were revised with effect from 1 January 2019. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. It comprises three INEDs, namely Ms. Pang Sin Mei Ada, Prof. Luk Ting Kwong and Dr. Wan Cho Yee. Ms. Pang Sin Mei Ada is the chairman of the Audit Committee.

Corporate Governance Report

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and considering any questions regarding its resignation or dismissal;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- discussing with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging an external auditor to supply non-audit services;
- reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- monitoring the integrity of the Company's financial statements, annual report and accounts, half-year report, and reviewing significant financial reporting judgements contained in them;
- reviewing the Company's financial controls, and risk management and internal control systems;
- discussing the risk management and internal control systems with the management to ensure that the management has performed its duty to have such effective systems;
- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- where an internal audit function exists, ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter, any material queries raised by the auditor to senior management about the accounting records, financial accounts or systems of control and senior management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter; and
- considering other topics as determined by the Board.

Corporate Governance Report

During the Year, 3 Audit Committee meetings were held and, amongst other matters, (i) considered and approved for presentation to the Board for consideration and approval of the audited consolidated financial statements of the Group for the year ended 31 March 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024; (ii) reviewed the risk management and internal control systems (including those relating to the Group's Environmental, Social and Governance risk, performance and reporting); and (iii) discussed with independent auditor about the audit plan for the audit for the year ended 31 March 2025.

The attendance of each INED at the Audit Committee meetings during the Year is as follows:

Name of Directors	No. of Attendance/ No. of Meeting(s)
Ms. Pang Sin Mei Ada	3/3
Prof. Luk Ting Kwong	3/3
Dr. Wan Cho Yee	3/3

Remuneration Committee

The Remuneration Committee was established on 20 July 2016 with written terms of reference in compliance with the CG Code and the Listing Rules. Such terms of reference were revised with effect from 17 March 2023. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises two INEDs, namely Dr. Wan Cho Yee and Ms. Pang Sin Mei Ada, and an executive Director Mr. Choy Chi Fai. Dr. Wan Cho Yee is the chairman of the Remuneration Committee.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- reviewing and approving the management's remuneration proposals by reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the non-executive Directors;
- considering the salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving the compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;

Corporate Governance Report

- reviewing and approving the compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Year, 2 Remuneration Committee meetings were held and, amongst other matters, (i) considered and approved for presentation to the Board for consideration and approval the remuneration of the Directors and senior management; and (ii) reviewed the share option scheme of the Company.

The attendance of each Director at the Remuneration Committee meetings during the Year is as follows:

Name of Directors	No. of Attendance/ No. of Meeting(s)
Dr. Wan Cho Yee	2/2
Ms. Pang Sin Mei Ada	2/2
Mr. Choy Chi Fai	2/2

Nomination Committee

The Nomination Committee was established on 20 July 2016 with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. It comprises two INEDs, namely Prof. Luk Ting Kwong and Dr. Wan Cho Yee, and an executive Director Mr. Choy Chi Fai. Prof. Luk Ting Kwong is the chairman of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs;
- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executives; and
- reviewing the policy on Board diversity and any measurable objectives for implementing such policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives.

Corporate Governance Report

During the Year, 1 Nomination Committee meeting was held and, amongst other matters, considered, assessed and approved (i) the structure, size and composition of the Board; (ii) the independence of the INEDs; (iii) the recommendations to be made to the Board on the re-appointment of retiring Directors at the AGM held in September 2024; and (iv) the measurable objectives (including the skills set, knowledge and experience) for implementing the policy on Board diversity and the progress on achieving the objectives.

The attendance of each Director at the Nomination Committee meetings during the Year is as follows:

Name of Directors	No. of Attendance/ No. of Meeting(s)
Prof. Luk Ting Kwong	1/1
Dr. Wan Cho Yee	1/1
Mr. Choy Chi Fai	1/1

Nomination Policy

Purpose

This policy sets out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment or (ii) the Shareholders for election, as a Director.

Nomination Criteria

The Nomination Committee will consider a number of factors in making nominations, including but not limited to the following:

- The candidate should possess the skills, knowledge and experience which are relevant to the business of the Company or its subsidiaries;
- The candidate should be able to devote sufficient time to attend Board meetings and participate in induction, trainings and other Board associated activities;
- Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives (including but not limited to gender, age and cultural/professional background etc.) and the balance of skills and experience in Board composition;
- The candidate must satisfy the Board that he/she has the character, experience and integrity, and is able to demonstrate a standard of competence as a Director; and
- The candidate to be nominated as an INED must comply with the independence criteria set out in Rule 3.13 of the Listing Rules.

Corporate Governance Report

Nomination Procedures

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

Board Diversity Policy

The Board has adopted a policy of the Board diversity ("**Board Diversity Policy**") and discussed all measurable objectives set for implementing the same.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board nominations, appointments and re-appointment will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members and the nomination policy of the Company. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board will strive to maintain gender diversity when recruiting and selecting the workforce across the Group's operation. As at 31 March 2025, the Board members include two female members which achieved gender diversity in respect of the Board. There was also one female senior management position.

The Nomination Committee will review the Board Diversity Policy at least annually to ensure that its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revision to the Board for consideration and approval.

At the meeting held on 26 June 2025, the Nomination Committee has reviewed the Board Diversity Policy and was satisfied with its implementation and effectiveness during the Year.

Workforce Diversity

As at 31 March 2025, the ratio of male and female in the workforce by gender of the Group (including senior management) is 6.4% and 93.6% respectively as set out in "Environmental, Social and Governance Report" of this annual report. The Board is satisfied that the Company has achieved gender diversity in its workforce and will thrive to maintain the current balance which is considered at acceptable level.

Corporate Governance Report

Independent Views of the Board

In compliance with code provision B.1.4 of the CG Code, the Company has established mechanisms to ensure that a strong independent element on, and independent views and input are available to the Board (the “**Mechanisms**”).

The Mechanisms cover composition of the Board and Board committees; independence assessment; compensation; Board decision making; and review of the policy implementation.

The Board have also taken into account the respective contributions of the independent non-executive Directors to the Board and their firm commitments to their independent roles. During the Year, all the independent non-executive Directors do not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in their roles as independent non-executive Directors and they are not involved in the daily management of the Company nor in any relationships or circumstances which would affect the exercise of their independent judgment. They continue to demonstrate their ability to provide an independent, balanced and objective view to the affairs of the Company.

The Board will review the implementation and effectiveness of the Mechanisms annually. At the meeting held on 26 June 2025, the Board has reviewed the implementation and effectiveness of the Mechanisms during the Year and considered that the Mechanisms remain effective.

Anti-corruption Policy

To outline the Company’s expectations and requirements on prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities; and to provide information and guidance on recognising and dealing with bribery and corruption, the Company has established its group-wise anti-corruption policy (“**Anti-corruption Policy**”) that complies with code provision D.2.7 of the CG Code.

Under the Anti-corruption Policy, the guidance on common forms of bribery and corruption are listed for compliance of all business units and employees of the Group. Any individual who knows of, or suspects a violation of the Anti-corruption Policy and any employee who receive an offer of bribery is encouraged to report the concern to his/her supervisor and/or the Board. During the Year, no case of corruption or non-compliance with any rules and regulations as regards as Anti-corruption Policy was reported.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Whistle-blowing Policy

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability, the Company has established a whistleblowing policy (“**Whistle-blowing Policy**”) which forms an important part of its effective risk management and internal control systems.

Corporate Governance Report

Under the Whistle-blowing Policy, the whistleblowers can be any employee of the Group or any third party who deal with the Group (e.g. customers, suppliers, etc.). The whistleblowers who wish to report a concern can send a written whistleblowing report to the Audit Committee. All reported cases are investigated confidentially to ensure the whistleblower is protected. During the Year, no suspected whistle-blowing activity was reported.

The Whistle-blowing Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Corporate Governance Functions

The Board recognises that corporate governance should be the collective responsibility of the Directors, which includes but is not limited to:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in this report.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors entered into a service contract with the Company for a term of three years commencing on 12 September 2019 and renewed their respective three-year service contracts with the Company effective on 12 September 2022.

Each of Dr. Wan Cho Yee and Prof. Luk Ting Kwong, the INEDs entered into a service contract with the Company for a period of three years effective on 12 September 2019 and renewed their respective three-year service contracts with the Company on 12 September 2022. Ms. Pang Sin Mei Ada, an INED, entered into a letter of appointment with the Company from 4 January 2024 up to 11 September 2025.

None of the Directors has a service contract or letter of appointment with the Company or any of its subsidiaries which is not determinable by the employer within one year without the payment of compensation (other than the statutory compensation).

Corporate Governance Report

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she 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 does not offer himself/herself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first AGM after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first AGM after his/her appointment and shall then be eligible for re-election.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 March 2025 are set out in note 12 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the biographical details of the members of the senior management (other than the Directors) are contained in the section headed "Directors and Senior Management" in this annual report for the year ended 31 March 2025. Below table set out the emoluments of the senior management by band during the Year:

Remuneration band (in HK\$)	Number of individual(s)
Nil to 1,000,000	2
1,500,001 to 2,000,000	1

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, Asian Alliance (HK) CPA Limited ("**Asian Alliance**") was engaged as the Group's independent auditor.

The remuneration payable to independent auditor and its affiliates for the year ended 31 March 2025 is set out below:

Services	Fee Payable HK\$
Audit services	760,000
Non-audit services	75,000

Corporate Governance Report

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group for the year ended 31 March 2025.

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

In addition, Asian Alliance has stated in the independent auditor's report its reporting responsibilities on the Group's consolidated financial statements for the year ended 31 March 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems including those related to the issues as set out in the section "Environmental, Social and Governance Report" of this annual report that are significant to the operation of the Company and/or substantially affecting the Shareholders and other key stakeholders, to ensure compliance with the relevant legal and regulatory requirements of the ESG Reporting Guide and the Listing Rules. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Company has reviewed the need for an internal audit function since the Listing Date and considered it appropriate to outsource the internal audit function. Accordingly, the Company has engaged an external professional company to provide internal audit services to the Group on an annual basis.

During the year ended 31 March 2025, the Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the Year covering all material controls, including financial, operational and compliance as well as risk management. The Board considers that the Group's risk management and internal control systems are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that inside information should be announced as soon as possible when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website; and

Corporate Governance Report

- the Group has strictly prohibited unauthorised use of confidential or inside information.

COMPANY SECRETARY

Since May 2015, the Company has appointed Ms. Tang Wing Shan as the Company Secretary who has sound understanding of the operations of the Board and the Group. She was closely involved in the preparation of the Listing. During the year ended 31 March 2025, Ms. Tang has received not less than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.

As the Company Secretary, Ms. Tang has been reporting to the Chairman who is also a Co-CEO. All members of the Board can have access to her advice and services. The appointment and removal of the Company Secretary will be subject to the Board's approval.

DEED OF NON-COMPETITION

The Company has received an annual written confirmation from each of the controlling shareholders of the Company, namely Mr. Choy, Ms. Ho and Beatitudes in respect of him/her/it and his/her/its associates in compliance with the undertakings given under the deed of non-competition dated 20 July 2016 and signed by Mr. Choy, Ms. Ho and Beatitudes in favour of the Company (the **"Deed of Non-competition"**). Details of the Deed of Non-competition are set out in the section headed "Deed of Non-competition" of "Relationship with Controlling Shareholder" in the Prospectus. The INEDs had reviewed the confirmations and did not notice any incident of non-compliance with the Deed of Non-competition.

SHAREHOLDERS' RIGHTS

Procedures for Putting Forward Proposals at Shareholders' Meetings

Shareholders are welcome to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at Shareholders' meeting. Proposal shall be sent to the Board or the Company Secretary by written requisition. Shareholders who wish to make proposals or move a resolution may convene an EGM in accordance with the "Procedures for Shareholders to Convene an EGM" set out below.

Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company (excluding treasury shares, if any) carrying the right of voting at general meetings of the Company (the **"Eligible Shareholder(s)"**) shall at all times have the right, by written requisition to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the **"Requisition"**) signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong (presently at Office E, 30/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong) for the attention of the Company Secretary.

Corporate Governance Report

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the requisitionists will be verified with the Company's branch share registrar and transfer office in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM.

If the Board fails to proceed to convene such meeting within 21 days of the deposit of the Requisition, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

Procedures for Shareholders to Send Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong, presently at Office E, 30/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong, by post or by email to info@ausupreme.com, for the attention of the Company Secretary.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;
2. the matters within a Board committee's area of responsibilities to the chairman of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the Shareholders through the Company's financial reports, AGMs and EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

The Board has reviewed the Group's shareholders and communication activities conducted during the Year and is satisfied with the implementation and effectiveness of the Shareholders' communication policy.

Corporate Governance Report

DIVIDEND POLICY

All dividend distribution of the Company is adequately provided and complied with the requirements of the M&A and applicable laws and regulations. The declaration and payment of dividends should be limited by legal restriction and by loan or other agreement that the Company and its subsidiaries have entered into or may enter into in the future.

In general, final dividend distribution will be recommended by the Board and approved by the Shareholders.

The procedures of dividend distribution are as follows:

- (a) The Company may distribute dividend by way of cash or by other means that the Board considers appropriate;
- (b) The Board may recommend a distribution of dividends in the future after taking into account the result of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other condition that the Board may deem relevant;
- (c) The Company should not assure to distribute any amount of dividend in any year;
- (d) Any proposed distribution of dividends is subject to the discretion of the Board and the approval of the Shareholders, if necessary; and
- (e) The Company Secretary prepares relevant documents and announcements (including notice and minutes) for Directors' meeting and Shareholders' meeting. All documents are finally filed in the statutory records at the financial department.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the year ended 31 March 2025. The M&A is available on the respective websites of the Stock Exchange and the Company.

Report of the Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

During the Year and up to the date of this report, the principal activity of the Company is investment holding and the principal business activities of the Group are retail and wholesale of health and personal care products. The Group is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products focusing on the developing, marketing, selling and distributing of the branded products managed by the Group through “澳至尊” sales and distribution network.

An analysis of the Group’s segment information for the Year by sales channels, categories and geographical areas is set out in note 7 to the consolidated financial statements.

RESULTS AND DIVIDENDS

Details of the consolidated profit of the Group for the Year and the Group’s financial position as at 31 March 2025 are set out in the consolidated financial statements and their accompanying notes on pages 97 to 182 of this annual report.

The Board has resolved to recommend a final dividend of HK2 cents per Share for the year ended 31 March 2025, totalling HK\$15,240,000 (2024: HK2 cents, totalling HK\$15,240,000) payable to the Shareholders whose names will appear on the register of members of the Company on 24 September 2025. Such payment of dividend will be subject to the approval of the Shareholders at the AGM to be held on 12 September 2025 and has not been recognised as a liability in this annual report. If the resolution for the proposed final dividend is passed at the AGM, the final dividend will be payable on or around 8 October 2025.

BUSINESS REVIEW

A fair review of the businesses of the Group, an indication of likely future development in the Group’s business as well as a discussion and analysis of the Group’s performance during the Year using financial key performance indicators and the material factors underlying its financial performance and financial position as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the section headed “Management Discussion and Analysis” set out on pages 17 to 23 of this annual report. The financial risk management objectives and policies of the Group are set out in note 6(b) to the consolidated financial statements. These discussions form part of this report.

Report of the Directors

Principal Risks and Uncertainties

The following list, although not exhaustive, highlights the principal risks and uncertainties facing the Group.

Impact of Local and International Regulations

Our business is principally regulated by various laws and regulations in the places where we operate our business as well as the relevant sub-legislations and regulations. Various registrations, certificates and/or licences for the conduct of our business are required under the relevant laws and regulations, which also contain provisions for requirements on the storage, labelling, advertising and importation of some of our products. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducts studies to assess the impact of such changes.

Third-Party Risks

The Group's sales and supply of products have been relying on third parties. While gaining the benefits from external parties, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service, including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group only engages reputable suppliers and consignees as well as closely monitors their performance.

Financial Risks and Estimation Uncertainty

The risks of the Group include market risks (i.e. currency risk and interest rate risk), credit risk and liquidity risk. The key sources of estimation uncertainty and financial risk are set out in note 4 and note 6 to the consolidated financial statements in this annual report, respectively.

Event after the Reporting Period

A final dividend in respect of the year ended 31 March 2025 of HK2 cents per ordinary share, in an aggregate amount of HK\$15,240,000 was proposed pursuant to a resolution passed by the Board on 26 June 2025 and will be subject to the approval of the Shareholders at the AGM to be held on 12 September 2025.

Environmental, Social and Governance Report

The Group is committed to maintaining the long-term sustainability of the environment and devoted to building an environmentally friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction, so as to minimise its impact on the environment.

Detailed information on the environmental, social and governance practices adopted by the Group is set out in the "Environmental, Social and Governance Report" on pages 58 to 89 of this annual report.

Report of the Directors

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Group's policies and practices on compliance with legal and regulatory requirements are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong while the Company itself was incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange in Hong Kong. Our establishment and operations accordingly have complied with relevant laws and regulations in Hong Kong and the Cayman Islands during the Year.

Relationships with Employees, Customers and Suppliers

The Group ensures that all staff are reasonably remunerated and we regularly review and improve our policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 29 to the consolidated financial statements in this annual report.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 97. The financial position of the Group as at 31 March 2025 is set out in the consolidated statement of financial position on pages 98 to 99. The financial position of the Company as at 31 March 2025 is set out in note 32 to the consolidated financial statements on pages 176 to 177. The cash flows of the Group for the year ended 31 March 2025 are set out in the consolidated statement of cash flows on pages 101 to 102.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements in this annual report.

Report of the Directors

INVESTMENT PROPERTIES

Details of the movements in the investment properties of the Group during the Year are set out in note 18 to the consolidated financial statements and section “Particulars of Investment Properties” in this annual report.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in consolidated statement of changes in equity and note 32 to the consolidated financial statements in this annual report, respectively.

DISTRIBUTABLE RESERVES

The Company’s reserves available for distribution represent the aggregate of share premium plus retained profit. Under the Companies Act of the Cayman Islands, the reserves of the Company are available for paying distributions or dividends to Shareholders subject to the provisions of its M&A. As at 31 March 2025, the reserves available for distribution to Shareholders were approximately HK\$115,837,000 which represented the aggregate of share premium of HK\$91,260,000 plus retained profit of HK\$24,577,000.

DONATIONS

During the year ended 31 March 2025, the Group’s charitable and other donations amounted to HK\$366,000 (2024: HK\$465,000).

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Choy Chi Fai (*Chairman and Co-CEO*)
Ms. Ho Ka Man (*Vice Chairman and Co-CEO*)
Mr. Ho Chun Kit, Saxony (*resigned on 20 September 2024*)
Mr. Au Chun Kit (*resigned on 20 September 2024*)

Independent Non-executive Directors

Prof. Luk Ting Kwong
Ms. Pang Sin Mei Ada
Dr. Wan Cho Yee

Report of the Directors

Pursuant to Article 108 of the Articles of Association, at each AGM, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Therefore, Mr. Choy and Prof. Luk Ting Kwong shall retire from office by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election.

Pursuant to code provision B.2.3 of the CG Code, if an independent non-executive director has served for a period of nine years or more, such director's further appointment should be subject to a separate resolution to be approved by shareholders. The term of office of Prof. Luk Ting Kwong and Dr. Wan Cho Yee will reach nine years on 19 July 2025 and their service contracts with the Company will end on 11 September 2025. As such, Prof. Luk Ting Kwong and Dr. Wan Cho Yee, being eligible, will stand for further appointment and re-election at the forthcoming AGM.

All Directors are subject to retirement by rotation and re-election at the AGM at least once every three years pursuant to the Articles of Association.

The biographical details of Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" on pages 24 to 27 of this annual report.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the INEDs, an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

In respect of the re-election of two INEDs, namely Prof. Luk Ting Kwong and Dr. Wan Cho Yee, who have served on the Board for more than nine years in the forthcoming AGM, the reasons why the Board and the Nomination Committee believes that both of them remain independent and being eligible for further appointment and re-election and the process in arriving at such determination are set out in the circular to Shareholders accompanying this annual report.

DIRECTORS' SERVICE CONTRACTS

All Directors (including executive Directors and INEDs) were appointed for an initial term of three years and are subject to retirement by rotation at least once every three years in accordance with the Articles of Association. No Director (including any Director proposed for re-election at the forthcoming AGM) has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or subsisted at the end of the Year.

Report of the Directors

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

As at 31 March 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were 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:

(i) Long positions in the Shares

Name of Directors	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of the total issued Shares
			(Note 2)
Mr. Choy Chi Fai	interest in a controlled corporation (Note 1)	437,925,000	57.47%
Ms. Ho Ka Man	interest in a controlled corporation (Note 1)	437,925,000	57.47%

Notes:

- Each of Mr. Choy Chi Fai and Ms. Ho Ka Man (together as a group of the controlling shareholders) owns 50% of the issued share capital of Beatitudes, a company incorporated in the British Virgin Islands and considered as the parent and ultimate parent company of the Company, respectively. As at 31 March 2025, Beatitudes was the beneficial owner holding an approximately 57.47% shareholding interest in the Company and thus, each of Mr. Choy Chi Fai and Ms. Ho Ka Man was deemed or taken to be interested in all the Shares which were beneficially owned by Beatitudes for the purpose of the SFO.
- The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 762,000,000 Shares in issue as at 31 March 2025.

(ii) Long positions in the ordinary shares of Beatitudes — an associated corporation of the Company

Name of Directors	Capacity/Nature of Interests	Number of ordinary shares held	Percentage of the total issued ordinary shares of Beatitudes
Mr. Choy Chi Fai	Beneficial owner	50	50%
Ms. Ho Ka Man	Beneficial owner	50	50%

Report of the Directors

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which had notified to the Company and the Stock Exchange under the SFO or pursuant to Section 352 of the SFO, entered in the register referred to therein or which were, pursuant to the Model Code, notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

Pursuant to the written resolution of the sole Shareholder passed on 20 July 2016, the Company adopted a share option scheme (the **"Share Option Scheme"**) conditional upon the Listing. The Share Option Scheme became effective on the Listing Date. No share options have been granted since the Listing Date and therefore, there were no outstanding share options as at 1 April 2024 and 31 March 2025 and no share options were exercised or cancelled or lapsed during the Year.

As at 1 April 2024 and 31 March 2025, the number of share options under the Share Option Scheme available to be granted are 75,000,000 Shares, respectively.

The principal terms of the Share Option Scheme are set out as follows:

(1) Purpose

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to eligible participants (as stated below) and to promote the success of the business of the Group.

(2) Eligible participants

The Board may, at its absolute discretion and on such terms as it may think fit, offer to grant an option to subscribe for such number of Shares as it may determine to any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, who, in the opinion of the Board, has contributed or will contribute to the development and growth of the Group.

(3) Maximum number of Shares available for issue

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 75,000,000 Shares, representing approximately 9.84% of all the Shares in issue (excluding treasury shares, if any) as at the date of this annual report.

(4) Maximum entitlement of each eligible participant

Unless approved by the Shareholders in general meeting and subject to the following paragraph, the total number of Shares issued and to be issued upon exercise of options granted to any eligible participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue (excluding treasury shares, if any).

Report of the Directors

Where any grant of options to a substantial Shareholder or an INED (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options is required to be approved by Shareholders at a general meeting of the Company.

(5) Period within which the securities must be exercised under an option

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

(6) Minimum period for which an option must be held before it can be exercised

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Board in the relevant offer of options.

(7) Period for and consideration payable on acceptance of an option

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.

(8) Basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of a Share on the date of grant of the option.

(9) Remaining life

The Share Option Scheme will remain in force for a period of ten years commencing on the date of adoption of the Share Option Scheme and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above:

- (a) at no time during the Year or at the end of the Year was the Company, or its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements 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; and
- (b) none of the Directors or their spouses or children had any right to subscribe for the securities of the Company or had exercised any such right during the Year.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2025, so far as it is known by or otherwise notified to any Director or the chief executives of the Company, the corporation and the person named below (other than a Director or the chief executive of the Company) had a long position in the following Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholders	Capacity/Nature of Interests	Number of Shares held	Approximate percentage of the total issued Shares
			(Note 2)
Beatitudes	Beneficial owner (Note 1)	437,925,000	57.47%
Gao Yuan	Beneficial owner	93,635,000	12.29%

Notes:

- 1. Beatitudes is a company incorporated in the British Virgin Islands, which owned an approximately 57.47% shareholding interest in the Company as at 31 March 2025.
- 2. The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 762,000,000 Shares in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any corporation which/person (other than a Director or the chief executive of the Company) who had interest or short position in the Shares or underlying Shares, which had been disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

REMUNERATION OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five individuals with the highest emoluments are set out in note 12 and note 13 to the consolidated financial statements in this annual report, respectively.

Report of the Directors

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the updated details of Directors' information can be found in the section headed "Directors and Senior Management" on pages 24 to 27 of this annual report.

For information in relation to the emoluments of the Directors for the years ended 31 March 2024 and 2025, please refer to note 12 to the consolidated financial statements in this annual report. After the year ended 31 March 2025 and up to the date of this annual report, there is no changes of Directors' emoluments for the Company.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors had any interest in a business apart from the Group's business that competed or was likely to compete, whether directly or indirectly, with the business of the Group. All of them declared that they had not engaged in business apart from the Group's business that competed or was likely to compete, whether directly or indirectly, with the business of the Group during the Year.

DEED OF NON-COMPETITION

The Company has received an annual written confirmation from each of the controlling shareholders of the Company, namely Mr. Choy, Ms. Ho and Beatitudes in respect of him/her/it and his/her/its associates in compliance with the undertakings given under the Deed of Non-competition. Details of the Deed of Non-competition are set out in the section headed "Deed of Non-competition" of "Relationship with Controlling Shareholder" in the Prospectus. The INEDs had reviewed the confirmations and did not notice any incident of non-compliance with the Deed of Non-competition.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in note 30 to the consolidated financial statements headed "Material Related Party Transactions" in this annual report and the section headed "Connected Transaction" of this report below, no Director nor a connected entity of a Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party subsisted at any time during the year under review or at the end of the Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in note 30 to the consolidated financial statements in this annual report and the section headed "Connected Transaction" of this report below, there was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling shareholder of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Report of the Directors

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles of Association, every Director or other officer of the Company shall be indemnified out of assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that such articles shall only have effect in so far as their provisions are not avoided by the applicable laws and regulations. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year under review.

The relevant provisions in the Articles of Association and the Directors' and officers' liability insurance were in force during the Year and as of the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for less than 10% of the Group's total revenue for the Year. In addition, the five largest distributors of the Group accounted for 63.3% (2024: 63.1%) of the Group's total revenue and the largest distributor of the Group accounted for 47.1% (2024: 45.0%) of the Group's total revenue for the Year.

We purchased finished products mainly from five suppliers in Australia and Japan (2024: four suppliers in Australia and Japan). The purchase from these major suppliers accounted for 99.1% (2024: 99.9%) and the largest supplier of the Group accounted for 62.6% (2024: 64.7%) of the Group's total purchases.

None of the Directors or any of their close associates or any Shareholders (whom to the knowledge of the Directors, own more than 5% of the total issued Shares) had any beneficial interest in the Group's five largest distributors and suppliers for the year under review.

FIVE-YEAR FINANCIAL SUMMARY

The five-year financial summary of the results as well as assets and liabilities of the Group is set out in the section headed "Five-Year Financial Summary" on page 184 of this annual report.

MANAGEMENT CONTRACTS

No contract, other than the executive Directors' service contracts, concerning the management and administration of the whole or any substantial part of business of the Company was entered into or existed during the year under review.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are provided under note 30 to the consolidated financial statements. Save as disclosed herein and in the paragraph headed "Connected Transaction" below, none of them constituted a one-off connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

Report of the Directors

CONNECTED TRANSACTION

During the Year, the Group has the following connected transaction. Details are provided under note 30 of the consolidated financial statements.

Tiger 2023 Limited (**"Tiger"**), a company wholly-owned by Mr. Choy and Mrs. Choy, the executive Directors, as landlord entered into a tenancy agreement with Truth & Faith, as tenant, pursuant to which Tiger agreed to lease premises of Office E, 30/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong to Truth & Faith for a term of 3 years commencing on 1 June 2023 and expiring on 31 May 2026 (both days inclusive) at a monthly rental fee of HK\$74,000 (the **"Tiger Tenancy Agreement"**).

Given that each of Mr. Choy and Mrs. Choy is an executive Director, and that the Tiger Tenancy Agreement was entered into by the Group on the one hand, and a company ultimately and beneficially owned as to 100% by Mr. Choy and Mrs. Choy on the other hand, the Tiger Tenancy Agreement constitutes connected transaction of the Company under Chapter 14A of the Listing Rules.

Payment for lease liabilities (including interest) for the Tiger Tenancy Agreement during the Year were HK\$888,000 (2024: HK\$740,000) and were paid to Tiger in accordance with the terms of the Tiger Tenancy Agreement. The Directors (including the INEDs) are of the opinion that the above transaction was entered into during our ordinary and normal course of business on normal commercial terms, and the terms of the Tiger Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As a result of the application of HKFRS 16, the transaction contemplated under the Tiger Tenancy Agreement should be classified as a one-off connected transaction of the Company. Given that the highest of the applicable percentage ratios in respect of the value of right-of-use asset recognised under the transaction of the Tiger Tenancy Agreement is less than 5% and the total consideration is less than HK\$3,000,000, the transaction of the Tiger Tenancy Agreement is fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SUBSIDIARIES

The particulars regarding the subsidiaries of the Company are set out in note 31 to the consolidated financial statements in this annual report.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 March 2025 are set out in note 26 to the consolidated financial statements in this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Throughout the Year, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities (including sale of treasury shares, if any).

As at 31 March 2025, the Company did not hold any treasury shares.

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the percentage of the Shares which are in the hands of the public is not less than 25% of the Company's total number of issued Shares during the Year and up to the date of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 28 to 43 of this annual report.

EMOLUMENT POLICY OF THE GROUP

The emolument policy of the senior employees of the Group is set and recommended by the Remuneration Committee on the basis of the employees' merit, qualifications and competence.

The emoluments of the Directors are formulated and recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance of the Directors and comparable market statistics.

The Company has adopted the Share Option Scheme as an incentive to eligible participants.

TAX RELIEF

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

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the Year have been audited by Asian Alliance, which would retire at the conclusion of the forthcoming AGM, and, being eligible, offer themselves for re-appointment. A resolution will be proposed to the Shareholders at the forthcoming AGM to re-appoint Asian Alliance as the independent auditor of the Company.

Report of the Directors

CHANGE IN THE INDEPENDENT AUDITORS FOR THE PAST THREE YEARS

Wellink CPA Limited (“**Wellink**”) had been the independent auditor since the Listing Date. On 18 March 2022, Wellink resigned as the independent auditor. On the same date, Asian Alliance was appointed by the Board as the independent auditor to fill the casual vacancy until the conclusion of the 2022 AGM. Asian Alliance was re-appointed by the Shareholders at the 2022 AGM, 2023 AGM and 2024 AGM as the independent auditor to hold office until the conclusion of next AGM.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three INEDs, namely Ms. Pang Sin Mei Ada (chairman), Dr. Wan Cho Yee and Prof. Luk Ting Kwong.

The Audit Committee had reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2025, including the accounting principles and accounting practices adopted by the Group, and discussed matters relating to auditing, internal control and risk management systems, financial reporting and internal audit function.

On behalf of the Board

Choy Chi Fai

Chairman, Executive Director and Co-CEO

Hong Kong, 26 June 2025

Environmental, Social and Governance Report

ABOUT AUSUPREME

The Group is a Hong Kong-based brand builder, retailer, and wholesaler of health and personal care products focusing on the development, marketing, sales, and distribution of the branded products. The business of the Group reaches various regions in Asia, offering top-class and quality nutrition and health products to the market.

To create greater value for our customers, the Company was listed on the Main Board of the Stock Exchange on 12 September 2016 and became the first Western-style health product company on the Main Board.

OUR SUSTAINABILITY

The Group places paramount importance on sustainability across both environmental and social spheres, weaving sustainable development principles throughout our operational framework — from daily operations to strategic planning and investment decisions. We are deeply committed to harmonizing operational efficiency with environmental preservation.

The Group places strong emphasis on social responsibility, particularly in upholding rigorous product safety standards and fostering meaningful relationships with employees and communities. We hold a fair and impartial attitude towards employment and labour treatment. In terms of product responsibility, we prioritise the quality and safety of products to safeguard the health of our customers. We value community investment as a means of generating lasting value for both stakeholders and the communities we serve.



Environmental, Social and Governance Report

We participated in the “SME ESG Charter” organised by Dah Sing Bank and Hong Kong Small and Medium Enterprises Association, which supports the formulation of a unique ESG framework for small and medium enterprises (SMEs) in Hong Kong.



AWARD AND RECOGNITION

Over recent years, the Group has made substantial advances in executing environmental, social and governance (“ESG”) policies, generating meaningful positive outcomes. Our achievements have been acknowledged through various distinguished awards, including:



Quality Tourism Services (“QTS”) Retail Shop



Super Manpower Developer Award



Caring Company 5 Years+



SportsHour Company Scheme 2023–25
Recognised Company

ABOUT THIS REPORT

The Company is pleased to release its ninth Environmental, Social and Governance Report (the “Report”), to illustrate the ESG performance, corporate strategies, and future development to stakeholders. The Report has been reviewed and approved by the Board.

Environmental, Social and Governance Report

Reporting Period and Scope

The Report presents the Group's ESG measures and performance from 1 April 2024 to 31 March 2025 (the **"Reporting Period"**).

It covers all business regions of the Group, including Hong Kong, Macau and Mainland China. The operation in Singapore has been terminated in the Reporting Period.

Reporting Standard

The Group has prepared the Report in accordance with the mandatory disclosure requirements and the "comply or explain" provisions stipulated in the Environmental, Social and Governance Reporting Guide (the **"ESG Guide"**) contained in Appendix C2 to the Main Board Listing Rules published by the Stock Exchange.

Reporting Principles

The preparation of the Report is underpinned by the following reporting principles as set out in the ESG Guide:

Principles	Definitions	Applications
Materiality	The ESG issues that have a significant impact on investors and other stakeholders should be disclosed in the Report.	The Group assessed the materiality of ESG issues through constant communications with stakeholders, Board discussions, and consideration of operational conditions. The Group has conducted a materiality assessment to identify and prioritise critical ESG issues to the Group, and they will be disclosed in the Report in a focused manner.
Quantitative	The Report should disclose key performance indicators (" KPIs ") in a measurable manner.	The Group has calculated and disclosed KPIs with reference to Appendices 2 and 3 of "How to Prepare an ESG Report". The KPIs are disclosed quantitatively if applicable.
Consistency	The Report should adopt consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Group has used consistent data collection and calculation approaches for the preparation of the Report so that the KPIs can be compared in a meaningful manner over time. If the approaches or the scope of the Report have any changes, they shall be explained for stakeholders' reference.

Access to Report

The Report is available in both English and Chinese versions and is uploaded to the Stock Exchange website and the Company website (<https://www.ausupreme.com>). In the event of any discrepancies between the two versions, the English version shall prevail.

Environmental, Social and Governance Report

Stakeholders' Feedback

Opinions from stakeholders are key to the enhancement of our sustainability management and performance. We welcome stakeholders to express their views on our ESG strategies via the following channels:

Email: info@ausupreme.com
Website: www.ausupreme.com
Postal address: Office E, 30/F, EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong

SUSTAINABILITY GOVERNANCE

The Board is dedicated to incorporating ESG principles across all business strategies and operations throughout the Group's locations, including our Hong Kong registered office and offices in Mainland China and Macau, which collectively account for the Group's entire revenue. The Board takes overall responsibility for the Group's ESG strategies, target setting, and reporting. With the assistance of senior management, the ESG issues are discussed in Board meetings from time to time. The structure of the Group's ESG governance and responsibilities is illustrated as follows:

The Board

- Execute risk assessments to identify and prioritise potential ESG-related risks; opportunities, and their impacts on the Group's operation;
- Ensure that appropriate and effective ESG risk management is in place;
- Formulate ESG-related strategies;
- Review the progress against ESG-related targets; and
- Supervise the preparation of ESG reporting.

Senior Management

- Discuss with the Board significant ESG issues; and
- Implements plans across major departments including the Human Resources and Operation Departments.

To strengthen our ESG initiatives, the Company has engaged an independent ESG consultant to assist with the preparation of the ESG report and provide sustainability-related advisory services.

For more details about corporate governance, please refer to the section "Corporate Governance Report" of this Annual Report.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

The Group is committed to fostering sustainable relationships with stakeholders, enabling us to understand their concerns, safeguard their interests, and optimise our operational efficiency. We have established various effective communication channels to interact with our major stakeholders:

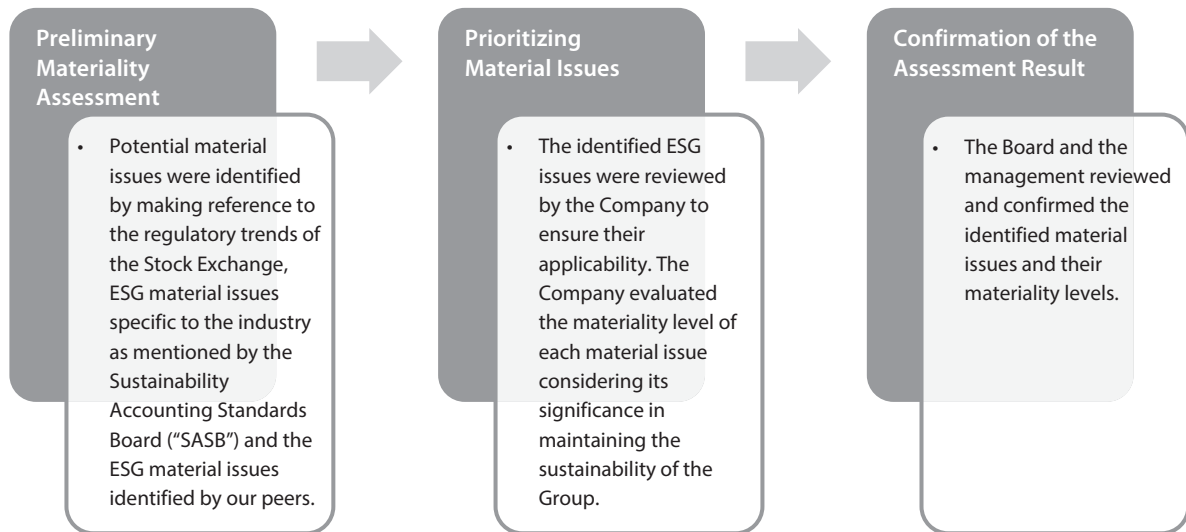
Major Stakeholders	Communication Channels	Expectations
Customers 	<ul style="list-style-type: none"> • Site visits • Email and customer service • Regular meetings 	<ul style="list-style-type: none"> • Assurance of quality and quantity of products • Stable relationship • The Group's reputation and brand image
Employees 	<ul style="list-style-type: none"> • Policies and procedures • Channels for employees to express their opinions • Performance assessments • Team activities • Training and briefing sessions 	<ul style="list-style-type: none"> • Safeguarding the rights and interests of employees • Salary and welfare • Working environment • Career development opportunities • Health and Safety
Shareholders and investors 	<ul style="list-style-type: none"> • Annual general meetings and other shareholders' meetings • Interim reports, annual reports, and announcements • The Company's website 	<ul style="list-style-type: none"> • Robust operational compliance • Good returns on investment • Disclosure of information in a fair, transparent, and timely manner
Suppliers/Partners 	<ul style="list-style-type: none"> • Strategic cooperation • Regular meetings and visits 	<ul style="list-style-type: none"> • Long-term partnership • Honest cooperation • Fairness and openness • Information resources sharing • Timely payment

Environmental, Social and Governance Report

Major Stakeholders	Communication Channels	Expectations
Peer/Industry associations 	<ul style="list-style-type: none"> • Industry conferences • Site visits • Website 	<ul style="list-style-type: none"> • Experience sharing • Cooperation • Fair competition
Government, the public, and communities 	<ul style="list-style-type: none"> • On-site inspections and checks • Discussions through work report preparation and submission for approval 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Ensuring safety, environmental protection, and social responsibility

MATERIALITY ASSESSMENT

For the purpose of identifying and prioritizing the ESG issues which are of substantive importance to the Group, we conducted an internal materiality assessment with the assistance of an independent consultant.



Environmental, Social and Governance Report

Through the assessment, we have identified 23 ESG issues material to the Group, as shown in the list below:

Material ESG Issues	Level of Materiality
Environmental Aspect	
Energy efficiency Greenhouse gas emissions	Highest
Exhaust gas emissions Climate change Waste management	Medium
Water consumption Impact of business on the environment Use of packaging materials	Relevant
Social Aspect	
Employee welfare Occupational health and safety Customer satisfaction Anti-corruption Product quality and safety Protection of customers' privacy Development and training	Highest
Diversity and equal opportunities Supply chain management Product labeling Community investment	Medium
Retention of talents Prevention of child and forced labours Complaints handling Protection of intellectual property rights	Relevant

OPERATING PRACTICES

Anti-corruption

The Group maintains strict business ethics and integrity standards, with zero tolerance for bribery, extortion, fraud, or money laundering within any of our business practices. We strictly comply with all local applicable laws and regulations relating to bribery, extortion, fraud, and money laundering, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

It is the Group's policy that employees are not allowed to receive or offer any advantages such as money, gifts, loans, rewards, contracts, and/or services from or to any business associates. All employees are required to confirm or declare whether there is a conflict of interest when they sign the employment agreement. If any conflict of interest develops during employment, the employee is required to notify and update the management promptly.

Environmental, Social and Governance Report

Our whistleblowing policy encourages employees to report suspected corruption cases. Employees can report any misconduct or reasonably suspected corruption cases to senior management directly, and the senior management will pass the relevant cases to the top management of the Group. An investigation will be carried out promptly for any suspected incident of fraud, and all reported cases will be handled confidentially to protect the privacy and other legal rights of the whistleblower. Employees found responsible for proven incidents will face dismissal.

We provide Independent Commission Against Corruption (the “ICAC”) training materials to our Directors and employees to ensure they understand the Group’s high standards of business integrity.

During the Reporting Period, we were not aware of any material non-compliance with relevant laws and regulations that would have a significant impact on the Group. There were no legal cases regarding corrupt practices brought against the Group or our employees.

Product Responsibility

Product quality, safety and customer satisfaction are the Group’s priorities. We are committed to maintaining a high standard of product quality and protecting customers’ privacy. The Group strictly complies with the applicable local laws and regulations relating to health and safety, advertising, labelling, and privacy matters of products and services, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relevant to product responsibility that would have a significant impact on the Group.

Product Safety and Quality

Quality and safety are fundamental to our production process. We ensure that all ingredients used for the manufacture of the products are qualified. The active ingredients in these health supplement products are primarily extracted from natural sources to improve the general physical health or specific body functions of our consumers. Most of our products are produced and packaged either in GMP-certified factories with licenses to manufacture therapeutic goods issued by TGA or factories with HACCP certificate granted by SGS for liquid honey products.

Environmental, Social and Governance Report

We regularly review our internal policies and systems to ensure that the related product safety rules and regulations are observed, and customers' health is protected. To safeguard product quality, safety and customer satisfaction, the Group regularly reviews and updates sourcing protocols and employs the following measures:

The Executive Director and the Sales and Marketing Department

- Select products based on the sales performance and product-related information provided by the supplier.

The Quality Control Team

- Obtains the ingredient information and product specifications from existing suppliers to ensure that the products meet industry standards and the ingredients meet the requirements under the relevant laws and regulations, before we place purchase orders for the products;
- Takes product samples from suppliers for analysis by third-party independent laboratories in Hong Kong to ensure the products comply with all the relevant rules and regulations in Hong Kong and other relevant jurisdictions; and
- Performs routine checking on each batch of products purchased and delivered to us.

Suppliers

- Conduct quality control to ensure that the products meet the relevant standards before shipment.

In the case where a product must be recalled after examination, the Group will recall the product in accordance with our standard product recall procedures and notify all parties concerned. We regularly review our product recall procedures to ensure that all recall cases are managed promptly and correctly.

Furthermore, we maintain strict authenticity controls to prevent any counterfeit, pirated, or imitation products from entering our retail and online distribution channels.

During the Reporting Period, no products sold or shipped were recalled for safety and health reasons.

Environmental, Social and Governance Report

Product Labeling

We recognise product labeling as a crucial link to conveying vital information to consumers, we manage it with the highest standards of detail and care. We ensure all products of the Group are accompanied by a clear list of ingredients and usage directions to ensure that customers understand the caution warnings and how to use the products safely. Furthermore, we also make modifications and specifications to the design of the packaging and communicate with the suppliers to ensure that they comply with the rules and regulations of the regions where the products are sold.



Compliance team of the Group

- Responsible for reviewing the packaging and design of products.



Professional nutritionists of the Group

- Advise on the technical and regulatory requirements for all products and perform technical reviews on leaflets, posters, and advertisements with reference to local legislation.

Customer Service

We value customer feedback as a critical driver of service excellence and have established systematic procedures for complaint management. The Sales and Marketing Department is responsible for handling customer complaints and inquiries in relation to our products and services in a timely manner. To elevate service standards, the Group provides comprehensive training to all supervisors on service enhancement initiatives.

Channel for customers to report product quality issues



Customer service hotline

E-mail



Official website

During the Reporting Period, no material product and service-related complaints were received. Our senior management oversees investigations and ensures prompt customer communications.

Environmental, Social and Governance Report

Intellectual Property Rights

The Group demonstrates an unwavering commitment to intellectual property rights protection, both our own and those of others, taking proactive measures against potential infringement. Our Code of Conduct clearly states that all employees have the responsibility to protect the Group's assets and the confidentiality of our intellectual properties, such as copyrights, trademarks, and proprietary information. Supervisors are responsible for ensuring that their subordinates fully understand and comply with the Group's Code of Conduct. The Group also provides a channel for employees to report any potential breaches of the code. Upon joining the Group, all employees are required to sign a non-disclosure undertaking to formalise their confidentiality obligations.

In addition, the Group also ensures that no pirated goods, counterfeits, or knockoffs are sold in our Hong Kong and overseas retail or online stores.

Privacy Protection

To ensure privacy protection, the Group has implemented structured policies governing all aspects of personal data handling, encompassing collection, processing, usage, and access protocols for employee and customer information. We strictly comply with all relevant regulations, including but not limited to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) when collecting any personal data and information, to ensure that all the information collected is used solely for specific purposes and accessed by authorised employees. To reinforce data security, employees must sign confidentiality agreements that address the protection of sensitive information, including personal data of staff and clients.

Environmental, Social and Governance Report

Supply Chain Management

Our commitment to product quality and customer trust begins with robust supply chain management. Therefore, we regard our suppliers as key business partners. During the Reporting Period, we sourced health supplements, honey and pollen, and personal care products as finished products from 5 suppliers, of which 1 is from Japan and 4 are from Australia. We have well-established policies governing the supplier selection process. It facilitates the evaluation of the environmental and social risks, aiming to enhance the transparency and accountability of our supply chain. Our assessment criteria included, but were not limited to:

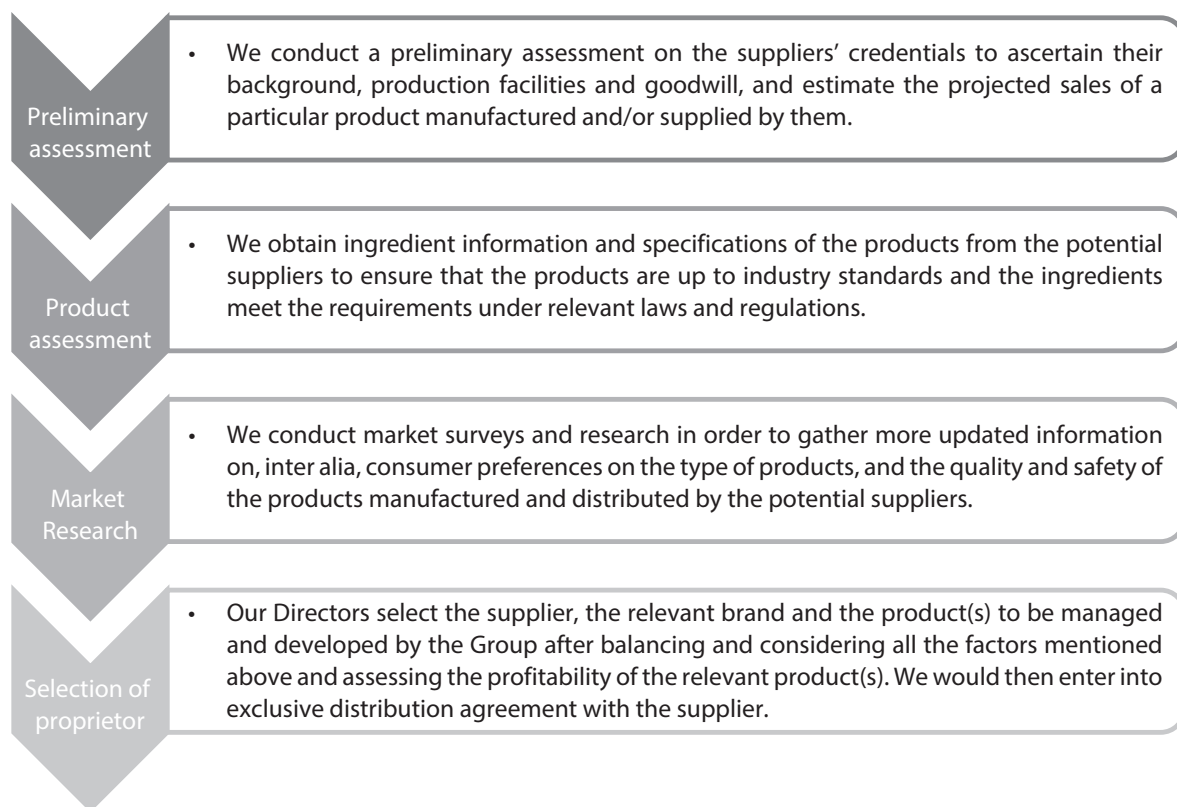


We maintain zero tolerance for child and forced labour, with immediate business termination for any suppliers found in violation. Furthermore, we understand that both the quality of our products and the stable business relationship with our reputable Australian and Japanese suppliers (who are mainly manufacturers) are essential to our long-term success in forming the core value of our "Ausupreme" brand image. Our selection process for suppliers is guided by the following key criteria:

- The extent of brand recognition;
- The quality and market potential of the products; and
- Whether the potential suppliers' products fit into the Group's brand image as presented to the targeted retailers and customers.

Environmental, Social and Governance Report

The Group has adopted a stringent approach in the selection and sourcing of potential suppliers, brands, and products as follows:



We have assessed all suppliers according to the above procedures before engagement.

We continually enhance supplier quality through systematic reviews on the supplier management process and regular assessment of potential environmental and social impacts throughout our supply chain, demonstrating our commitment to creating a sustainable supply chain system with our business partners. We actively promote environmental stewardship among our suppliers, encouraging the adoption of eco-friendly materials, such as using recyclable packaging materials.

Looking ahead, the Group will continue to strengthen our supplier management framework through ongoing assessment and optimisation, as we evaluate and manage potential environmental and social impacts of the supply chain, and commit to creating a sustainable supply chain system with our business partners.

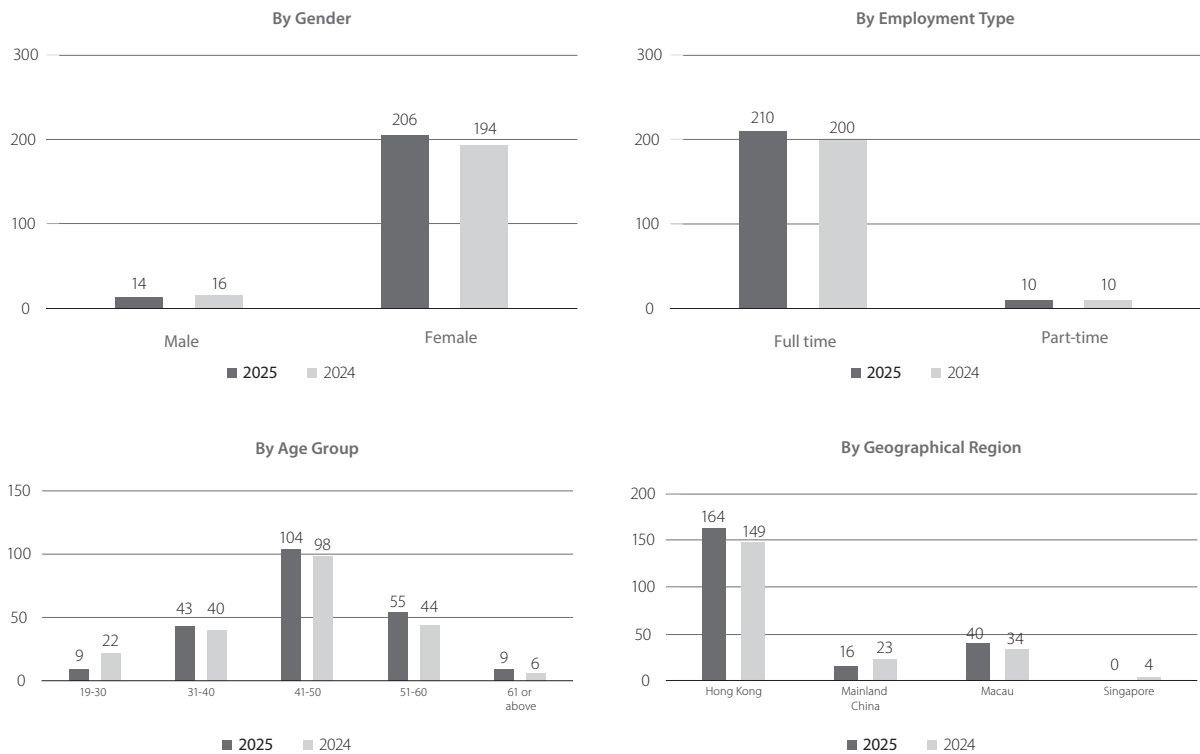
Environmental, Social and Governance Report

EMPLOYMENT AND LABOUR PRACTICES

Employment

Employees are vital intangible assets driving the Group's long-term success. To motivate and retain exceptional talent, we prioritise creating a fair and harmonious workplace while offering competitive compensation and benefits. We strictly comply with all applicable laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) and Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong). During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in relation to employment that would have a significant impact on the Group.

As at 31 March 2025, the Group had 220 employees (2024: 210), the employee data is as follows:



Environmental, Social and Governance Report

Our compensation structure is determined by industry benchmarks, the Group's performance, and individual merit. In addition to basic salary and commission schemes, employees enjoy the following benefits:



Share
option
scheme



Discretionary
bonus



Provident
fund
benefits



Birthday
gifts



Employee
insurance



Staff
discount
on purchases



Special
leaves,
such as
birthday
leaves

The Group ensures equal opportunities in recruitment and promotion for all candidates and employees, regardless of gender, marital status, family status, disability, or other legally protected characteristics. Our decision is based solely on qualifications, experience, skills, potential, and performance.

In handling voluntary resignation or dismissal, we strictly abided by the relevant labour laws and regulations, and adhered to the requirements for employment termination as stipulated by the law. The turnover rate for the Reporting Period is as follows:

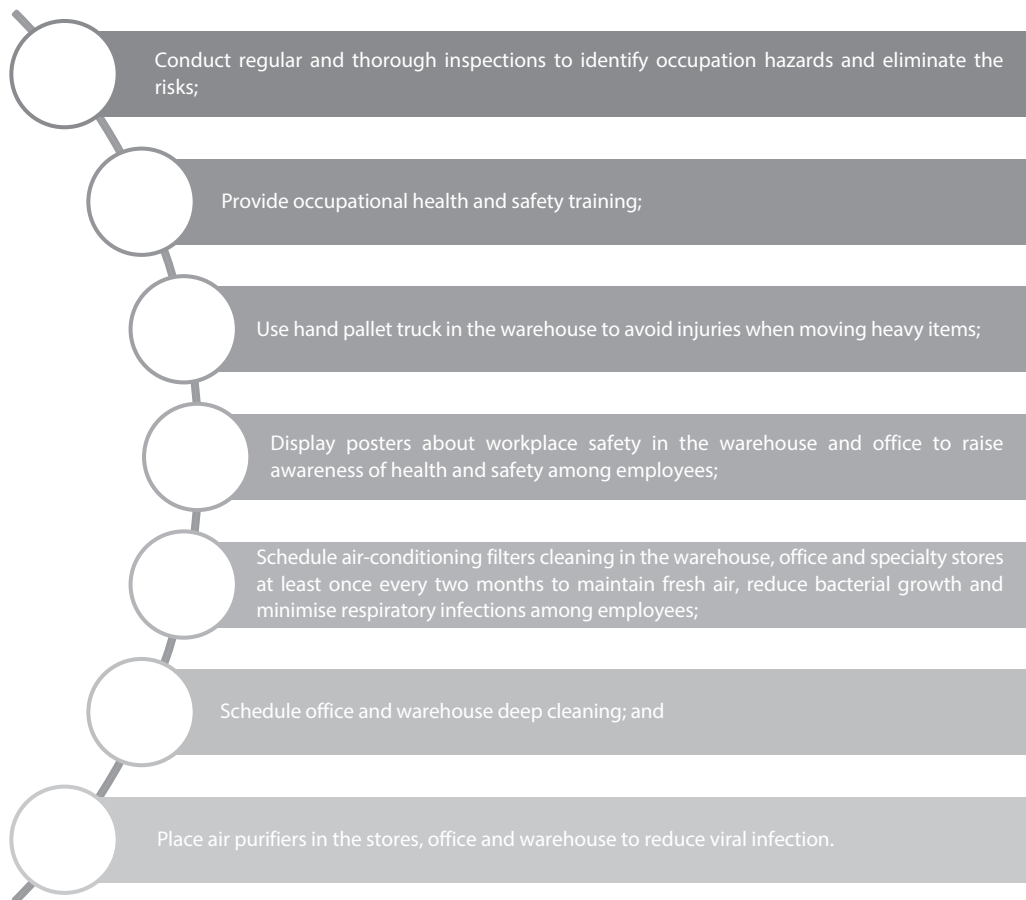
Employee Categories	Unit	2025	2024
By gender			
Male	percentage	35.7	18.8
Female	percentage	18.0	22.2
By age group			
19–30	percentage	100.0	27.3
31–40	percentage	30.2	32.5
41–50	percentage	11.5	17.3
51–60	percentage	14.6	15.9
61 or above	percentage	0.0	50.0
By geographical region			
Hong Kong	percentage	17.1	28.9
Mainland China	percentage	75.0	13.0
Macau	percentage	5.0	0.0
Singapore	percentage	100.0	0.0

Environmental, Social and Governance Report

Health and Safety

Employee health and safety is our paramount priority, driving our commitment to eliminate workplace injuries. We strictly adhere to all applicable laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Prevention and Control of Disease Ordinance (Cap. 599 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong).

To maintain workplace health and hygiene standards, we have implemented the following safety measures:



The Group recognises that employee wellness encompasses both physical and mental health. To support our employees' psychological well-being and foster a positive work environment, we organise diverse social activities throughout the year. These include lunch gatherings, participation in marathon events, and birthday celebrations. Such initiatives provide stress relief opportunities while strengthening interpersonal bonds among team members.

Environmental, Social and Governance Report

In the past three years, including the Reporting Period, the Group has not had any work-related fatalities. During the Reporting Period, the Group had 3 cases of work injuries and therefore had 33 lost days of work. Employees are protected by relevant jurisdictional compensation laws in the event of any work-related injuries. The Group handled all the work injury cases promptly in accordance with the relevant laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relevant to health and safety, which would have a significant impact on the Group.

Development and Training

The Group recognises that our sustainable business development is fundamentally dependent on the continuous growth and advancement of our employees. Therefore, the Group provides various training and development opportunities to all levels of employees to maintain excellent and quality services. Our comprehensive training framework encompasses various learning opportunities, including but not limited to structured on-the-job training programmes and specialised training courses. These educational initiatives cover areas such as personal growth, professional knowledge of corporate operations, occupational skills, and management skills.

The training data of the Group during the Reporting Period is as follows:

Training data	Unit	2025	2024
Percentage of employees trained by gender			
Male	percentage	64.3	93.8
Female	percentage	95.1	83.5
Percentage of employees trained by employee category			
Senior management	percentage	100.0	71.4
General office staff	percentage	67.5	95.2
Salesperson	percentage	98.9	82.0
Average training hours completed per employee by gender			
Male	hour	6.3	5.1
Female	hour	5.5	4.7
Average training hours completed per employee by employee category			
Senior management	hour	19.5	5.9
General office staff	hour	4.5	4.3
Salesperson	hour	5.4	4.7

Environmental, Social and Governance Report

Labour Standards

With respect to ethical considerations and the safeguarding of fundamental human rights, the Group prohibits and actively prevents any form of child labour exploitation or forced labour practices across all our business operations. The Group strictly abided by all applicable laws and regulations relating to preventing child and forced labour, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong). During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in relation to labour standards, which would have a significant impact on the Group.

The Group implements comprehensive recruitment procedures, including detailed background verification of candidates to ensure full compliance with statutory requirements. In the unlikely event of identifying child or forced labour, we promptly address the situation in accordance with applicable laws. Additionally, we will review our recruitment process to identify and rectify any loopholes, thereby enhancing our recruitment practices to prevent such incidents in the future.

ENVIRONMENT

While the Group's primary business activities do not generate significant environmental pollution or emissions, we fully recognise the importance of environmental stewardship and our responsibilities as corporate citizens. Therefore, we strive to minimise the emissions in our operations and implement various environmental protection measures, including energy-saving policies and guidelines.

Emissions

The Group strictly complies with relevant regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). During the Reporting Period, the Group was not aware of any material non-compliance with environmental laws and regulations, which would have a significant impact on the Group.

Exhaust Gas Emissions

As part of our dedication to progressively reducing exhaust gas emissions, we maintain a multi-faceted strategy that focuses on enhancing fuel efficiency, streamlining transportation networks, and implementing systematic emission reduction monitoring. Additionally, we have implemented a series of green measures, such as turning off idling engines and conducting regular maintenance.

Environmental, Social and Governance Report

During the Reporting Period, the Group's main exhaust gas emissions were from the use of vehicles for goods delivery. The exhaust gas emissions data are as follows:

Exhaust gas	Unit	2025	2024
Nitrogen oxide (NO _x)	kg	52.80	52.27
Sulphur oxide (SO _x)	kg	0.10	0.10
Particulate matter (PM)	kg	4.90	4.85

Greenhouse Gas Emissions

During the Reporting Period, the Group's direct greenhouse gas emissions (Scope 1) were mainly from the use of vehicles to deliver goods to business operation areas, while the energy indirect emissions (Scope 2) were mainly from the use of purchased electricity. The main sources of other indirect emissions (Scope 3) were the disposal of wastepaper at landfills, water consumption, and sewage discharge. Our greenhouse gas emission data is as follows:

Greenhouse gas	Unit	2025	2024
Scope 1 — Direct emissions	tonne of CO ₂ e	17.7	18.9
Scope 2 — Energy indirect emission	tonne of CO ₂ e	106.9	119.4
Scope 3 — Other indirect emission	tonne of CO ₂ e	0.4	0.6
Total emission	tonne of CO ₂ e	125.0	138.9
Intensity	tonne of CO ₂ e/number of employees	0.57	0.66

Environmental, Social and Governance Report

In accordance with China's dual carbon goals of reaching peak carbon emissions by 2030 and achieving carbon neutrality by 2060, alongside Hong Kong's 2050 carbon neutrality commitment, the Group has developed and deployed a comprehensive suite of measures focused on enhancing energy efficiency and reducing our greenhouse gas footprint. These strategic measures include:

Energy efficiency	<ul style="list-style-type: none"> • Include energy efficiency requirements when procuring energy-related products; • Conduct energy audit to monitor energy consumption; • Use LED lighting system and energy efficient appliances in the office, stores and warehouse; and • Ensure that air-conditioning systems operate efficiently through scheduling cleaning of the air conditioner filters and air conditioners at least once every two months and once a year, respectively.
Energy-saving	<ul style="list-style-type: none"> • Turn off unused electrical appliances during non-working hours; • Apply light zoning control to enable switching on/off lighting independently in different parts of the warehouse and office; • Ensure that indoor temperature controllers are correctly set to maintain temperature at 24 to 26°C in the office; and • Install sunscreen curtains on windows to reduce direct sunlight and the demand for air-conditioning.
Employee encouragement	<ul style="list-style-type: none"> • Establish energy saving policies or guidelines and inform employees to use resources effectively in accordance with such policies or guidelines; and • Affix reminders/signs to lighting switches in office to remind employees of switching off lighting and air-conditioning systems after use.

Waste Management

Given the nature of our business operations, which do not encompass manufacturing activities, the Group does not generate any significant hazardous waste in its operational processes. During the Reporting Period, the non-hazardous waste produced by the Group was mainly wastepaper and other general office waste generated from daily office operations. The wastepaper is supplied to waste dealers or paper mills for recycling regularly. The waste generation data is as follows:

Waste	Unit	2025	2024
Non-hazardous waste	tonne	3.7	2.4
Intensity	kg/number of employees	16.8	11.4

Environmental, Social and Governance Report

The Group maintains oversight of non-hazardous waste generation across our operations, such as office paper and general office waste, while assessing their environmental impact. We have implemented a series of office operation measures, which are regularly supervised by the senior management to reduce the generation of waste, such as:

- Organise the recycling of wastepaper in the office and warehouse;
- Promote the concept of “paperless” and encourage the use of electronic copies;
- Recommend double-sided printing and remind employees to photocopy wisely;
- Reuse paper which has been used on one side only for scrap paper;
- Record the use of office resources by each employee to avoid personal waste;
- Reuse furniture, decoration, and display material of stores and exhibitions; and
- Remind employees to be self-disciplined and enforce good practices in the maintenance of all equipment in the workplace to maximise the duration of equipment.

Use of resources

Energy Consumption

The Group acknowledges the importance of electricity conservation and maintains a steadfast commitment to gradual reduction of our energy consumption, which results in decreased greenhouse gas emissions. Details of the measures have been described in the section “Greenhouse Gas Emissions”.

During the Reporting Period, the Group mainly consumed purchased electricity and petrol for general lighting, laptops, monitors, printers, Point-of-Sale systems and other equipment in the office, specialty stores and warehouse, and vehicles respectively. Our energy consumption data is as follows:

Energy	Unit	2025	2024
Direct energy — petrol	kWh	60,683	64,817
Indirect energy — purchased electricity	kWh	261,542	282,459
Total consumption	kWh	322,225	347,276
Intensity	kWh/number of employees	1,464.66	1,653.70

Environmental, Social and Governance Report

Water Consumption

Concerning the nature of the business and its operational locations, the Group has limited water consumption. Since the water consumption of offices and stores in Hong Kong, Mainland China and Macau are supplied by rental companies, these portions have been excluded due to the unavailability of data. During the Year, water consumption was only generated in Hong Kong warehouse. We regularly monitor local water stress levels and conservation issues to ensure a secure water supply.

The Group has established comprehensive water preservation guidelines, which are implemented under the senior management's supervision and are mandatory for all employees. These protocols encompass the following measures:

- determining water requirements for each workplace and checking usage frequently; and
- carrying out regular leakage tests on concealed piping and checking for overflowing tanks, waste, worn tap washers, and other defects in the water supply system.

During the Reporting period, the Group did not encounter any significant issues in sourcing water that is fit for purpose, and the water consumption data of the Group are as follows:

Water consumption	Unit	2025	2024
Total consumption	m ³	195	272
Intensity	m ³ /number of employees	0.89	1.30

Environment and Natural Resources

In the context of our operational activities, the Group is not aware of any significant impact of our business processes on the environmental or natural resources. However, as a responsible enterprise, we acknowledge environmental protection as a corporate responsibility. Therefore, we are committed to minimising waste generation, exhaust gas emissions and greenhouse gases, while simultaneously enhancing energy, water, and resource efficiency.

Sustainable business is one of the fundamental principles in our business ethics. The Group aims to drive its business growth in a sustainable manner and develop future plans for improvement in its environmental performance.

Environmental, Social and Governance Report

COMMUNITY ENGAGEMENT

The Group places significant emphasis on community engagement and social contribution. As a people-oriented corporation, we actively participate in community services and support various kinds of charitable organizations, making use of our extensive resources and networks. We also encourage our employees to participate in these activities from time to time.

During the Reporting Period, we have made a total of more than HK\$366,000 donations to the following charitable organizations:

- Love Foundation Limited;
- Evangelical Church of China — Kong Fok Church;
- Culture Regeneration Research Society (Hong Kong);
- “Pok Oi x Old Master Q Hong Kong Charity Run 2025”; and
- Leadership Institute On Narcotics Honorary Presidents Council.

In addition to cash donations, we also participated in the “SME ESG Charter” organised by Dah Sing Bank and Hong Kong Small and Medium Enterprises Association, which supports the formulation of a unique ESG framework for SMEs in Hong Kong. The charter focuses on climate change and sustainable development, and aims to contribute to the 2050 carbon neutrality target of Hong Kong through the impact of SMEs.

The Group strives to support youth affairs to nurture a new generation of talents for Hong Kong. In December 2024, members of the Junior Police Call and participants of the Project Torch of Mong Kok District visited our Moko Specialty Store. Our co-founder and Chairman, Mr. Choy Chi Fai, shared insights into the Group’s business operations and retail market with them to guide them on their career planning.

Furthermore, the Group upholds our mission of safeguarding public health. With our unique expertise, we hosted a well-received health seminar at the Hong Kong Central Library titled “A Talk on Gut Health with Ausupreme Doctor” in March 2025. The seminar featured a top-tier physician with years of research in gut health and immunity and senior nutritionists who shared insights on healthy dietary practices.

The Group also fosters a caring culture and gives back to the community through employee volunteering, donations and material aid. In August 2024, the Ausupreme volunteer team designed diverse summer camp activities for a group of children during a visit to Xianyang Herald Children’s Home (咸陽角聲兒童之家) to provide children with guidance on life planning.

In November 2024, Ausupreme attended the “Let Love Take Flight (讓愛飛揚)” Charity Party and made a donation to support Love Foundation Limited by providing scholarships to 100 students in Mainland China and Hong Kong.

In the future, the Group shall maintain its dedication to pursuing additional opportunities to serve the community and will continue its active participation in diverse charitable initiatives.

Environmental, Social and Governance Report

THE ESG GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: <ul style="list-style-type: none">(i) a disclosure of the board's oversight of ESG issues;(ii) the 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); and(iii) how the board reviews progress made against ESG-related goals and targets, with an explanation of how they relate to the issuer's businesses.	Sustainability Governance
Reporting Principles	A description of, or an explanation of, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG Report.	About the Report — Reporting Principles
Reporting Boundary	A narrative explaining the Reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report.	About the Report — Reporting Period and Scope

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
'Comply or Explain' Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Exhaust Gas Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Emissions — Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions — Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions — Exhaust Gas Emissions, Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in'000s) and intensity.	Use of Resources — Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them.	Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as the packaging materials are supplied by suppliers.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment and Natural Resources
KPI 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
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
B. Social		
<i>Employment and Labour Practices</i>		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
<i>Operating Practices</i>		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Customer Service
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility — Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Product Safety and Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility — Privacy Protection

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<i>Community</i>		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement
KPI B8.1	Focus areas of contribution.	Community Engagement
KPI B8.2	Resources contributed to the focus area.	Community Engagement

Independent Auditor's Report



TO THE SHAREHOLDERS OF AUSUPREME INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ausupreme International Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 97 to 182, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, 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 and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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 of the current period. These matters were addressed in the context of our audit of the Group's consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key audit matter

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

As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets of the Group of approximately HK\$55,449,000 and HK\$9,288,000 respectively were subject to impairment assessment. No impairment loss in respect of property, plant and equipment and right-of-use assets was recognised during the year ended 31 March 2025.

The Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate.

As disclosed in Note 19 to the consolidated financial statements, determining whether property, plant and equipment and right-of-use assets are impaired requires an estimation of the value in use of the cash-generating units of each loss making retail store. The value in use calculation requires the Group to estimate the future cash inflows/outflows expected to arise from the cash generating units by considering the budgeted sales and gross margins which are based on past performance and management's expectations for future changes in the market and taking into account a suitable discount rate to calculate the present value.

We consider impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter because of its significance to the consolidated financial statements and the significant estimates and judgement involved in assessing the recoverable amount of properties, plant and equipment and right-of-use assets.

How our audit addressed the key audit matter

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

- Understanding the management's basis of identifying impairment indicators and challenged the judgements made in the identification of impairment indicators;
- Evaluating the experience, competence, objectivity and independence of the independent professional valuer engaged by the management to perform the valuation of the recoverable of each properties and right-of-use assets;
- Assessing the appropriateness and reasonableness of the methodologies used and the key assumptions and parameters based on our knowledge of the property industry;
- Assessing whether the model used by the management in calculating the fair value less cost of disposal and the value-in-use of the individual cash-generating unit were in compliance with HKAS 36 *Impairment of Assets*;
- Understanding the projected cash flows used in value in-use calculation, evaluating the reasonableness of the basis and assumptions related to the forecasted sales performance and the projected gross profit margin, and comparing those inputs against the approved business plan as well as historical performance and our understanding of the latest market information and conditions;
- Understanding the property industry by evaluating the reasonableness of the basis of assumptions related to the comparable sales transactions as available in relevant market, when determining the fair value of the properties;
- Challenging the management about the reasonableness of the estimation of percentage change of running cost; and
- Evaluating the sensitivity analysis performed by the management by making adjustments to key inputs and assumptions in the impairment assessments and considering whether any reasonably possible adjustments would result in material impairment.

Independent Auditor's Report

Key audit matter

How our audit addressed the key audit matter

Valuation of inventories

As disclosed in Note 22 to the consolidated financial statements, as at 31 March 2025, the Group's inventories amounted to approximately HK\$19,057,000 was included in the Group's consolidated statement of financial position.

Write-down of obsolete inventories amounted to approximately HK\$1,201,000 was recognised in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025.

The management of the Group estimates the net realisable values of inventories primarily based on the market condition and the latest selling prices of inventories. The identification of obsolete and slow-moving inventories is based on the expiry dates and subsequent usages/sales. The historical record, quality and nature of the inventories are taken into consideration for the measurement of the write-down values of those obsolete and slow-moving inventories.

We consider the valuation of inventories as a key audit matter because of its significance to the consolidated financial statements and the significant estimates and judgement involved in determining the net realisable value of the inventories.

Our audit procedures in relation to the management's valuation of inventories included:

- Understanding key controls and evaluating the basis of how slow-moving or obsolete inventories are identified by the management and their assessment of the net realisable value of inventories;
- Identifying and assessing aged and obsolete inventories when attending physical inventory counts;
- Testing the accuracy of the inventory ageing on a sample basis and assessing whether allowance is properly provided for aged inventories or inventories close to expiry dates;
- Testing the net realisable values of the inventories by reference to current and subsequent selling price on a sample basis and assessing whether allowance is properly provided for if required; and
- Performing retrospective review of the accuracy of management judgements and assumptions relating to the provision for inventories made in the prior year.

Independent Auditor's Report

Key audit matter

Impairment assessment of trade receivables and deposits and other receivables

As disclosed in Notes 6(b) and 23 to the consolidated financial statements, as at 31 March 2025, the Group's trade receivables and deposits and other receivables amounted to approximately HK\$21,064,000 and HK\$8,636,000, respectively, which were subject to expected credit loss assessment, were included in the Group's consolidated statement of financial position.

No impairment losses on trade receivables and deposits and other receivables was recognised in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025.

The allowance for credit losses of trade receivables and deposits and other receivables represents the management's best estimates at the end of the reporting period of expected credit losses under Hong Kong Financial Reporting Standard 9: Financial Instruments' Expected Credit Loss (the "ECL") Model.

The Group always recognises lifetime ECL for trade receivables. Trade receivables are grouped under a provision matrix based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates.

For other receivables and deposits, the Group measures the loss allowance equal to 12-month 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.

The management assessed the ECL based on historical observed default rates and adjusted by forward-looking information that is reasonable and supportable available without undue costs or effort.

We consider impairment assessment on trade receivables and deposits and other receivables as a key audit matter because of its significance to the consolidated financial statements and the significant estimates and judgement involved in determining the ECL allowance on the trade receivables and deposits and other receivables.

How our audit addressed the key audit matter

Our audit procedures in relation to the management's assessment on allowance for credit losses of trade receivables and deposits and other receivables included:

- Understanding key controls on how the management estimates the credit loss allowance for trade receivables and deposits and other receivables;
- Evaluating the experience, competence, independence and objectivity of the independent external valuer engaged by the management, and the scope of the valuer's work;
- Assessing the reasonableness and appropriateness of the Group's methodology of ECL model, including the model design and calculation and model inputs in compliance with HKFRS 9;
- Testing the integrity of information used by the management to develop the provision matrix, including aging analysis of trade receivables as at 31 March 2025, on a sample basis, by comparing individual items in the analysis with the relevant sale invoices and other supporting documents;
- Reviewing the reasonableness of the management's estimation of deposits and other receivables in expected timing of collection and the credit quality of individual debtors, including the background of the debtors and their credit worthiness and collection history;
- Reviewing the repayment history and testing the settlements received subsequent to the reporting period from the debtors; and
- Evaluating the disclosures regarding the impairment assessment of trade receivables and deposits and other receivables in Note 6(b) to the consolidated financial statements.

Independent Auditor's Report

OTHER INFORMATION

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

Independent Auditor's Report

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Lam Chik Tong

Practising Certificate Number: P08346

8/F, Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

26 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	Year ended 31 March 2025 HK\$'000	2024 HK\$'000
Revenue	7	269,567	269,022
Cost of sales		(36,522)	(34,729)
Gross profit		233,045	234,293
Other income	8(a)	2,426	1,194
Other gains and losses, net	8(b)	(1,540)	(1,928)
Selling and distribution expenses		(165,325)	(159,450)
General and administrative expenses		(34,485)	(35,466)
Finance costs	9	(1,183)	(1,124)
Profit before taxation		32,938	37,519
Income tax expense	10	(5,027)	(6,845)
Profit for the year	11	27,911	30,674
Other comprehensive income (expenses):			
Items that will not be reclassified to profit or loss:			
— Fair value gain on investments in equity instruments at fair value through other comprehensive income		661	150
— Remeasurement on the unfunded long service payment obligation		(250)	—
		411	150
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences arising on translation of foreign operations		(86)	(1,054)
Other comprehensive income (expenses) for the year, net of tax		325	(904)
Total comprehensive income for the year		28,236	29,770
Earnings per share	14	HK cents	HK cents
— Basic		3.66	4.03
— Diluted		N/A	N/A

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	As at 31 March 2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	57,337	59,263
Right-of-use assets	17	17,895	17,778
Investment properties	18	9,452	9,898
Equity investment at fair value through other comprehensive income	20	2,551	1,890
Deferred tax assets	21	680	836
		87,915	89,665
CURRENT ASSETS			
Inventories	22	19,057	21,787
Trade and other receivables	23	32,606	31,997
Time deposits	24	9,996	5,518
Cash and cash equivalents	24	78,723	69,844
		140,382	129,146
CURRENT LIABILITIES			
Trade and other payables	25	14,337	13,712
Bank borrowing	26	2,057	2,486
Dividend payable		17	12
Lease liabilities	27	11,681	10,274
Provisions	28	699	376
Income tax payable		784	4,767
		29,575	31,627
NET CURRENT ASSETS		110,807	97,519
TOTAL ASSETS LESS CURRENT LIABILITIES		198,722	187,184

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	As at 31 March 2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Lease liabilities	27	6,706	8,033
Provisions	28	810	941
		7,516	8,974
NET ASSETS		191,206	178,210
CAPITAL AND RESERVES			
Share capital	29	7,620	7,620
Reserves		183,586	170,590
TOTAL EQUITY		191,206	178,210

The consolidated financial statements on pages 97 to 182 were approved and authorised for issue by the Board of Directors on 26 June 2025 and are signed on its behalf by:

CHOY CHI FAI
Director

HO KA MAN
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Equity investment at fair value through other comprehensive income reserve HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000 (Note (a))	Other reserve HK\$'000 (Note (b))	Retained earnings HK\$'000	
At 1 April 2023	7,620	91,288	(5,454)	(907)	1,546	—	61,967	156,060
Profit for the year	—	—	—	—	—	—	30,674	30,674
Other comprehensive income (expenses)	—	—	150	(1,054)	—	—	—	(904)
Total comprehensive income (expenses) for the year	—	—	150	(1,054)	—	—	30,674	29,770
Dividends recognised as distribution (Note 15)	—	—	—	—	—	—	(7,620)	(7,620)
At 31 March 2024	7,620	91,288	(5,304)	(1,961)	1,546	—	85,021	178,210
Profit for the year	—	—	—	—	—	—	27,911	27,911
Other comprehensive income (expenses)	—	—	661	(86)	—	(250)	—	325
Total comprehensive income (expenses) for the year	—	—	661	(86)	—	(250)	27,911	28,236
Dividends recognised as distribution (Note 15)	—	—	—	—	—	—	(15,240)	(15,240)
At 31 March 2025	7,620	91,288	(4,643)	(2,047)	1,546	(250)	97,692	191,206

Notes:

- (a) The capital reserve was arisen from waiver of debts owing by the Group to one of the controlling shareholders.
- (b) The other reserve represents the unfunded long service payment obligation arising from the remeasurement.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	32,938	37,519
Adjustments for:		
Depreciation of property, plant and equipment	2,905	2,803
Depreciation of right-of-use assets	13,271	12,435
Interest income	(1,493)	(930)
Write-down (reversal of write-down) of obsolete inventories	1,201	(92)
Loss on disposal of property, plant and equipment	—	6
Loss on written-off of property, plant and equipment	—	59
Finance costs	1,183	1,124
Loss on change in fair value of investment properties	349	517
Cash flows before movement in working capital	50,354	53,441
Decrease (increase) in inventories	1,529	(3,888)
Increase in trade and other receivables	(609)	(2,150)
Increase in trade and other payables	344	1,486
Cash generated from operations	51,618	48,889
Income tax paid	(8,854)	(399)
NET CASH FROM OPERATING ACTIVITIES	42,764	48,490
INVESTING ACTIVITIES		
Payments for acquisition of property, plant and equipment	(1,047)	(894)
Proceeds from disposal of property, plant and equipment	—	6
(Placement) withdrawal of time deposits	(4,478)	1,791
Interest received	1,493	930
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(4,032)	1,833
FINANCING ACTIVITIES		
Repayments of lease liabilities	(14,196)	(13,143)
Repayment of bank borrowing	(500)	(501)
Dividend paid to the equity holders	(15,235)	(7,618)
NET CASH USED IN FINANCING ACTIVITIES	(29,931)	(21,262)

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,801	29,061
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	78	(261)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	69,844	41,044
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	78,723	69,844

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Ausupreme International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 17 April 2015. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Office E, 30/F., EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 September 2016. The Company’s immediate and ultimate holding company is Beatitudes International Ltd. which was incorporated in the British Virgin Islands (“**BVI**”) and controlled by Mr. Choy Chi Fai (“**Mr. Choy**”) and Ms. Ho Ka Man (“**Mrs. Choy**”).

The Company is an investment holding company. During the years ended 31 March 2025 and 2024, the principal activities of its subsidiaries are retail and wholesale of health and personal care products.

The consolidated financial statements of the Company and its subsidiaries (collectively related to as the “**Group**”) are presented in Hong Kong dollars (“**HK\$**”) which is same as the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”), except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

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

Except as described below, 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 the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

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

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

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

3.1 Basis of preparation of consolidated financial statements

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

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information

Basis of consolidation

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

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

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

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

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

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

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

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Revenue from contracts with customers (Continued)

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 and 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 goods or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Variable consideration

For contracts that contain variable consideration in relation to sale discount, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Revenue from contracts with customers (Continued)

Variable consideration (Continued)

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Sales with a right of return/exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned);
- (b) a refund liability/contract liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

Property, plant and equipment

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Property, plant and equipment (Continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases 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.

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

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

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; and
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Lease modifications

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

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

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies 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 exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Cash and cash equivalents (Continued)

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method and which comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Borrowing costs

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

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before tax 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Taxation (Continued)

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

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 in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of 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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Taxation (Continued)

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.

Current and deferred tax is 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.

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use 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.

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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Impairment on property, plant and equipment and right-of-use assets (Continued)

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

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

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 that obligation, and a reliable estimate 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 (when the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the Directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement plans are recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The entity within the Group in Mainland China participates in the Mainland China local retirement schemes organised by relevant government authorities for its employees in the Mainland China and contributes to these schemes based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement contribution obligations payable to all existing and future retired employees under these schemes. Contributions to these schemes vest immediately.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

The entity within the Group in Macau also participates in a central social security scheme operated by the Macao Special Administrative Region Government (the “**Government of Macau**”). The subsidiary operating in Macau is required to make contributions for its employees who are registered as residents to the central social security scheme. Contributions to this scheme vest immediately.

For employees in the Republic of Singapore (“**Singapore**”), defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Under the terms of the above-mentioned defined contribution schemes, there are no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) which may be used by the employer to reduce the existing level of contributions.

For defined benefit retirement benefit plans including the long service payment (the “**LSP**”) under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group’s defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short term and other long-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 Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Employee benefits (Continued)

Short term and other long-term employee benefits (Continued)

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS Accounting Standards requires or permits their inclusion in the cost of an asset.

Financial instruments

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

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

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 payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Dividend income

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

Dividends are recognised in profit or loss only when:

- (a) the entity's right to receive payment of the dividend is established;
- (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and
- (c) the amount of the dividend can be measured reliably.

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at 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.

A financial asset is held for trading if:

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

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

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity investment designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the equity investment at FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and is transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

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

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

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, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(a) Significant increase in credit risk

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(a) Significant increase in credit risk (Continued)

- 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.

(b) 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.

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

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(c) Credit-impaired financial assets (Continued)

- (iii) 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;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. 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.

(e) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(e) Measurement and recognition of ECL (Continued)

Lifetime ECL for 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.

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

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

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 and deposits and other receivables, where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank borrowing, dividend payable and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

3.2 Material accounting policies information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

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.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders in case of final dividend and by the Directors in case of interim dividend.

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 to the consolidated financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and 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 judgement, apart from those involving estimations (see below), that the Directors 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) *Fair value measurement of equity investment at FVTOCI*

The Group's investment in unquoted equity investment of approximately HK\$2,551,000 as at 31 March 2025 (2024: HK\$1,890,000) is measured at fair value with fair value being determined using valuation techniques based on market approach which including significant unobservable inputs.

Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of this instrument. Details of fair value measurement and equity investment at FVTOCI are disclosed in Notes 6(c) and 20 respectively.

(b) *Provision of ECL for trade receivables and deposits and other receivables*

The Group uses practical expedient in estimating ECL on trade receivable using a provision matrix. The provision rates are based on aging analysis as groupings of various debtors that have similar loss patterns 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 Group calculates the ECL for the deposits and other receivables by grouping the counterparties with similar nature under general approach. The provision rates are based on internal credit ratings and taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

Key sources of estimation uncertainty (Continued)

(b) *Provision of ECL for trade receivables and deposits and other receivables (Continued)*

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and deposits and other receivables are disclosed in Notes 6(b) and 23 respectively.

(c) *Net realisable value of inventories*

As described in Note 3.2 to the consolidated financial statement, net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling the products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior periods and affect the Group's net assets value. Management reassesses these estimates at the end of each reporting period to ensure inventories are shown at the lower of cost and net realisable value.

As at 31 March 2025, the carrying amount of inventories is approximately HK\$19,057,000 (2024: HK\$21,787,000), and write-down of obsolete inventories of approximately HK\$1,201,000 (2024: reversal of write-down of inventories of approximately HK\$92,000) are included in cost of sales in profit or loss. Details of the net realisable value of inventories are disclosed in Note 22.

(d) *Estimated impairment of property, plant and equipment and right-of-use assets*

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately HK\$55,449,000 and HK\$9,288,000 (2024: HK\$57,339,000 and HK\$809,000) respectively. Details of the Group's property, plant and equipment and right-of-use assets, the impairment testing on property, plant and equipment and right-of-use assets are disclosed in Notes 16, 17 and 19 respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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

Key sources of estimation uncertainty (Continued)

(e) *Deferred tax asset*

As at 31 March 2025, a deferred tax asset of approximately HK\$118,000 (2024: HK\$263,000) in relation to unused tax losses has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$14,407,000 (2024: HK\$10,778,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate change, higher interest rates and inflation, energy security concerns, cyberattacks, elections in major economies, and international conflicts and tensions, may progress and evolve. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(f) *Fair values of investment properties*

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in Note 18.

In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, increased complexity in international trade tensions geopolitics, changes in policy direction and/or mortgage requirements, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

The Directors have performed internal assessment on the risks of change in macroeconomic environment through performing sensitivity analysis in relation to the Group's investment properties.

As at 31 March 2025, the carrying amount of the Group's investment properties is HK\$9,452,000 (2024: HK\$9,898,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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 year.

The capital structure of the Group consists of net debt, which includes bank borrowing disclosed in Note 26 and lease liabilities disclosed in Note 27, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The Directors review the capital structure regularly with reference to its debt position and reviews the ratio of its total liabilities over its total assets. The Group's strategy is to maintain the equity and debt position and ensure there is adequate working capital to service its debt obligation. At 31 March 2025 and 2024, the ratio of the Group's total liabilities over its total assets was 16.2% and 18.6%, respectively.

Neither the Company nor any of its subsidiaries are 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	2,551	1,890
At amortised cost	118,419	104,454
Financial liabilities		
At amortised cost	33,668	33,818

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity investment at FVTOCI, trade receivables, deposits and other receivables, time deposits, cash and cash equivalents, trade and other payables, bank borrowing, dividend payable and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other 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 in a timely and effective manner.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk

Currency risk

(i) Currency risk

For presentation purposes, the Group's financial information is shown in HK\$. The companies within the Group, whose functional currencies are different from HK\$, have translated their financial information into HK\$ for combination purpose.

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Japanese yen ("JPY"), Australian dollars ("AUD"), Renminbi ("RMB") and United State dollars ("USD").

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rate at the reporting dates.

	Exposure to foreign currencies (expressed in HK\$)							
	As at 31 March 2025				As at 31 March 2024			
	JPY HK\$'000	AUD HK\$'000	RMB HK\$'000	USD HK\$'000	JPY HK\$'000	AUD HK\$'000	RMB HK\$'000	USD HK\$'000
Trade and other receivables	—	—	1,262	756	—	—	2,237	707
Time deposits	—	7,818	—	2,178	—	5,518	—	—
Cash and cash equivalent	2,414	11,787	10,697	3,422	61	—	10,769	3,377
Trade and other payables	—	(1,615)	(392)	—	—	(1,822)	(240)	—
Gross exposure arising from recognised assets and liabilities	2,414	17,990	11,567	6,356	61	3,696	12,766	4,084

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

Currency risk (Continued)

(ii) Sensitivity analysis

As HK\$ is pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies. The Directors considered that the Group's exposures to USD are limited. Accordingly, no sensitivity to fluctuation in USD are presented. The Group therefore is exposed to fluctuations in AUD, RMB and JPY.

The following table indicates the instantaneous change in the Group's profit after taxation that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant:

	As at 31 March 2025		As at 31 March 2024	
	Increase (decrease) in foreign exchange rates	Effect on profit after taxation HK\$'000	Increase (decrease) in foreign exchange rates	Effect on profit after taxation HK\$'000
AUD	5%	751	5%	154
	(5%)	(751)	(5%)	(154)
RMB	5%	483	5%	533
	(5%)	(483)	(5%)	(533)
JPY	5%	101	5%	3
	(5%)	(101)	(5%)	(3)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation measured in the respective functional currency, translated to HK\$ at the exchange rate ruling at the end of the reporting periods for presentation purposes. The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting periods, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

Interest rate risk

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate time deposits and fixed-rate short-term bank deposits (see Note 24); and lease liabilities (see Note 27), exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 24) and variable-rate bank borrowing (see Note 26).

The Group cash flow interest rate risk is mainly related to the fluctuation of interest rates arising from the Group's bank balances and Prime Rate arising from Group borrowing. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements have on interest rate level and outlook.

Total interest income from financial assets that are measured at amortised cost is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost	1,493	930

Interest expense on financial liabilities not measured at FVTPL:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Financial liabilities at amortised cost	1,152	1,100

(ii) Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 100 basis point increase or decrease in bank borrowing is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable rate bank balances is insignificant.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

Interest rate risk (Continued)

(ii) Sensitivity analysis (Continued)

If interest rates had been 100 basis points higher (lower) and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2025 would have been (decreased) increased by approximately HK\$17,000 (2024: HK\$21,000).

Other price risk

(i) Price risk on equity investment at FVTOCI

The Group is exposed to equity price risk through its investment in equity securities measured at FVTOCI. The Group invested in an unquoted equity securities for investees operating in manufacturing and wholesale of pharmaceutical products' industry sector for long term strategic purposes which had been designated as FVTOCI. The Group does not actively trade this investment. The management will monitor the price movements and take appropriate actions when it is required.

(ii) Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analysis for unquoted equity securities with fair value measurement categorised within Level 3 were disclosed in Note 6(c).

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 deposits, time deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

At 31 March 2025, trade receivables from the largest and the five largest wholesaler/consignees amounting to approximately HK\$13,622,000 and HK\$17,550,000 (2024: HK\$11,721,000 and HK\$17,410,000) respectively, representing approximately 64.7% and 83.3% (2024: 55.4% and 82.3%) respectively, of the total gross trade receivables.

At 31 March 2025, the Group's concentration of credit risk by geographical location is in Hong Kong as 89.5% (2024: 85.6%) of total gross trade receivables are arisen in Hong Kong.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL for trade receivables arising from ordinary course of business. To measure the expected credit losses, these trade receivables are grouped based on shared credit risk characteristics by reference to past due status, historical credit loss experience based on the past default experience of the Group and are adjusted with forward-looking information. On that basis, the Group considered that no loss allowance is recognised on trade receivables for the years ended 31 March 2025 and 2024.

Deposits and other receivables

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition. For the years ended 31 March 2025 and 2024, the Group assessed the ECL for deposits and other receivables are insignificant and thus no loss allowance is recognised.

Time deposits and bank balances

Credit risk on time deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for time deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

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	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk and impairment assessment (Continued)

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

	Note	External credit rating	Internal credit rating	12m ECL or lifetime ECL	Gross carrying amount	
					As at	As at
					31 March 2025 HK\$'000	31 March 2024 HK\$'000
Trade receivables	23	N/A	(Note)	Lifetime ECL (collective assessment)	21,064	21,163
Deposits and other receivables	23	N/A	Low risk	12m ECL	8,636	7,929
Bank balances	24	Aa3-A3	N/A	12m ECL	78,635	69,662
Time deposits	24	Aa3-A3	N/A	12m ECL	9,996	5,518

Note:

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure loss allowance at lifetime ECL. The Group determines the ECL on a collective basis, grouped by past due status.

Liquidity risk

In the management of liquidity risk, the Group's individual operating entities are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

At 31 March 2025

	Weighted average interest rate %	On demand or within one year HK\$'000	More than one year but less than two years HK\$'000	More than two years but less than five years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
Trade and other payables	N/A	13,207	—	—	13,207	13,207
Dividend payable	N/A	17	—	—	17	17
Bank borrowing	2.70	2,057	—	—	2,057	2,057
Lease liabilities	5.03–7.10	12,350	5,431	1,489	19,270	18,387
		27,631	5,431	1,489	34,551	33,668

At 31 March 2024

	Weighted average interest rate %	On demand or within one year HK\$'000	More than one year but less than two years HK\$'000	More than two years but less than five years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
Trade and other payables	N/A	13,013	—	—	13,013	13,013
Dividend payable	N/A	12	—	—	12	12
Bank borrowing	3.33	2,486	—	—	2,486	2,486
Lease liabilities	1.82–7.14	11,056	6,755	1,556	19,367	18,307
		26,567	6,755	1,556	34,878	33,818

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

Bank borrowing with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 March 2025, the aggregate carrying amounts of the bank borrowing amounted to HK\$2,057,000 (2024: HK\$2,486,000). Taking into account the Group’s financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank borrowing will be repaid within five years (2024: six years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreement, details of which are set out in the table below:

Maturity Analysis — Bank borrowing with a repayment on demand clause based on scheduled repayments

	Within one year HK\$'000	More than one year but less than two years HK\$'000	More than two years but less than five years HK\$'000	More than five years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
31 March 2025	495	495	1,195	—	2,185	2,057
31 March 2024	502	502	1,506	210	2,720	2,486

(c) Fair values measurements of financial instruments

Some of the Group’s financial instruments are measured at fair value for financial reporting purposes. The Directors are responsible for determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values measurements of financial instruments (Continued)

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31 March 2025	31 March 2024			
Private equity investment at FVTOCI	Approximately HK\$2,551,000	Approximately HK\$1,890,000	Level 3	Market approach using Guideline Publicly Traded Company Method	A number of market multiples have been considered, including but not limited to: price-to-earning of approximately 15.4 (2024: 15.9) and enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("EBITDA") multiples of approximately 6.5 (2024: 8.5).
— 0.7% equity investment in the ordinary share capital of an investee					

(ii) Reconciliation of Level 3 fair value measurements of financial assets on recurring basis

	Equity instruments at FVTOCI HK\$'000
At 1 April 2023	1,740
Total gain in other comprehensive income	150
At 31 March 2024	1,890
Total gain in other comprehensive income	661
At 31 March 2025	2,551

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurements of financial assets on recurring basis (Continued)

As at 31 March 2025 and 31 March 2024, an increase in the price-to-earnings and enterprise value-to-EBITDA as the input of the valuation would result in an increase in the fair value measurement of the equity investment at FVTOCI and vice versa.

If the price-to-earnings multiples of the respective equity instruments had been 10.0% higher/lower, the carrying amount of the equity investment at FVTOCI for the year ended 31 March 2025 would increase/decrease by approximately HK\$175,000 (2024: HK\$107,000).

If the enterprise value-to-EBITDA multiples of the respective equity instruments had been 10.0% higher/lower, the carrying amount of the equity investment at FVTOCI for the year ended 31 March 2025 would increase/decrease by approximately HK\$131,000 (2024: HK\$98,000).

During the years ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(iii) The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

7. REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Types of goods		
Health supplement products	257,232	256,941
Honey and pollen products	949	989
Personal care products	11,386	11,092
Total	269,567	269,022
Timing of revenue recognition		
A point in time	269,567	269,022
Sales channel		
Specialty stores	42,603	43,546
Consignment counters	191,261	190,305
E-commerce	22,469	20,583
Other sales channels	13,234	14,588
Total	269,567	269,022

(ii) Performance obligations for contracts with customers

Revenue from retail and wholesale of health and personal care products is recognised at a point in time upon the delivery of the health and personal care products to the customers or, in case of consignment sales through consignees, upon collection of the products by end-customers, which is the point of time when customer has the ability to direct the use of products and obtain substantially all of the remaining benefits of the products. The payment terms are generally within 0 to 60 days.

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

All contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

7. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

Information reported to the board of directors of the Company (the “**Board**”), being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segment under HKFRS 8 *Operating Segments* is retail and wholesale of health and personal care products.

Since this is the only reportable and operating segment of the Group, no further analysis thereof is presented. All the revenue of the Group are generated from retail and wholesale of health and personal care products for the years ended 31 March 2025 and 2024.

(i) Geographical information

The Group’s major operations are located in Hong Kong, Mainland China, Macau and Singapore.

Information about the Group’s revenue from external customers is presented based on the location where the goods are delivered. Information about the Group’s non-current assets, excluding deferred tax assets and financial instruments, is presented based on the geographical location of the assets.

	Revenue from external customers	
	Year ended 31 March	
	2025	2024
	HK\$’000	HK\$’000
Hong Kong	193,048	194,790
Mainland China	20,054	17,915
Macau	56,250	54,909
Singapore	215	1,408
	269,567	269,022

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

7. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Geographical information (Continued)

	Non-current assets As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	64,177	70,179
Mainland China	15,876	16,396
Macau	4,631	364
	84,684	86,939

(ii) Information about major customers and wholesaler/consignees

No revenue from a single customer contributed more than 10% of the Group's revenue for the year. In addition, revenue earned through the Group's wholesaler/consignees of the corresponding years contributing over 10% of the Group's revenue is as follows:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Consignee A	127,024	121,144

8. OTHER INCOME, OTHER GAINS AND LOSSES, NET

(a) Other income

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Bank interest income on bank deposits	1,493	930
Dividend income	84	123
Government grants (Note)	751	28
Rental income	52	28
Others	46	85
	2,426	1,194

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. OTHER INCOME, OTHER GAINS AND LOSSES, NET (Continued)

(a) Other income (Continued)

Note:

During the year ended 31 March 2025, the grant of approximately HK\$751,000 was granted from “The Dedicated Fund on Branding, Upgrading and Domestic Sales (The BUD Fund) — Mainland Programme” launched by the Government of the Hong Kong Special Administrative Region of People’s Republic of China.

During the year ended 31 March 2024, the grants of approximately HK\$28,000 were granted from certain subsidy schemes launched by the Government of Singapore.

The Group has complied with all of the conditions for these government grants.

(b) Other gains and losses, net

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss on disposal of property, plant and equipment	—	(6)
Loss on written-off of property, plant and equipment	—	(59)
Net foreign exchange loss	(1,191)	(1,346)
Loss from changes in fair value of investment properties, net	(349)	(517)
	(1,540)	(1,928)

9. FINANCE COSTS

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Interest on bank borrowing	71	89
Interest on lease liabilities	1,081	1,011
Interest on long service payment	31	24
	1,183	1,124

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

10. INCOME TAX EXPENSE

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Current tax:		
Hong Kong Profits Tax	3,898	2,268
PRC Enterprise Income Tax ("EIT")	4	26
Macau Complementary Tax	1,524	1,490
	5,426	3,784
Over provision in prior year		
Hong Kong Profits Tax	(62)	—
Macau Complementary Tax	(493)	—
	(555)	—
Deferred tax:		
Current year	156	3,061
Total	5,027	6,845

Notes:

- Under the two-tiered profits tax rates 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 not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.
- Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25% for both years. Certain subsidiaries of the Company in Mainland China satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. The portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million shall be calculated at a reduced rate of 25% as taxable income amount and be subject to EIT at 20% tax rate. The portion over RMB1 million but not exceeding RMB3 million shall be calculated at a reduced rate of 50% as taxable income amount and be subject to EIT at 20% tax rate.
- Singapore Corporate Income Tax is calculated at 17% of its chargeable income for both years. No provision for taxation in Singapore has been made for the years ended 31 March 2025 and 2024.
- According to the Macau Complementary Tax Law, Macau Complementary Tax is calculated at progressive rates up to 12% (2024: progressive rates up to 12%) on the estimated taxable profits arising in Macau during the year with an exemption allowance amounted to Macau Pataca ("MOP") 600,000 (equivalent to approximately HK\$583,000) (2024: MOP600,000 (equivalent to approximately HK\$583,000)) as tax relief measures which are managed by the Financial Services Bureau.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

10. INCOME TAX EXPENSE (Continued)

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

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Profit before taxation	32,938	37,519
Tax at domestic income tax rate	4,471	5,240
Tax effect of non-deductible expenses for tax purpose	297	471
Tax effect of non-taxable income for tax purpose	(212)	(44)
Tax effect of tax losses not recognised	1,261	1,413
Tax effect of two-tiered profit tax rates regime	(165)	(165)
Tax effect of tax exemption under Macau Complementary Income Tax	(70)	(70)
Overprovision in prior years	(555)	—
Income tax expense	5,027	6,845

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11. PROFIT FOR THE YEAR

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Staff costs including directors' emoluments:		
Salaries and allowances	73,918	65,826
Service cost for long service payment	150	269
Contributions to retirement benefits scheme	3,171	2,858
Total staff costs	77,239	68,953
Staff costs including in selling and distribution expenses	(52,949)	(45,475)
Staff costs including in general and administrative expenses	24,290	23,478
Depreciation of:		
— Property, plant and equipment	2,905	2,803
— Right-of-use assets	13,271	12,435
Total depreciation	16,176	15,238
Depreciation including in selling and distribution expenses	(12,770)	(11,352)
Depreciation including in general and administrative expenses	3,406	3,886
Auditor's remuneration		
— Audit services	760	760
— Non audit services	70	50
Cost of inventories recognised as expense	36,522	34,729
Write-down (reversal of write-down) of obsolete inventories including in cost of inventories	1,201	(92)
Consignment expenses (Note)	81,896	81,610
Advertising and promotion expense including in selling and distribution expenses	8,278	10,455
Donations	366	465

Note:

Fees paid to consignees for sales of health and personal care products made through the consignment counters are included in "selling and distribution expenses".

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S 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:

	Directors' fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits in kind HK\$'000	Contribution to retirement benefits schemes HK\$'000	Total HK\$'000
Year ended 31 March 2025				
Executive directors:				
Mr. Choy	—	2,246	33	2,279
Mrs. Choy	—	1,987	32	2,019
Mr. Ho Chun Kit, Saxony (resigned on 20 September 2024)	—	665	9	674
Mr. Au Chun Kit (resigned on 20 September 2024)	—	443	9	452
Independent non-executive directors:				
Prof. Luk Ting Kwong	180	—	—	180
Ms. Pang Sin Mei	180	—	—	180
Dr. Wan Cho Yee	180	—	—	180
	540	5,341	83	5,964
Year ended 31 March 2024				
Executive directors:				
Mr. Choy	—	2,213	30	2,243
Mrs. Choy	—	1,952	29	1,981
Mr. Ho Chun Kit, Saxony	—	1,255	18	1,273
Mr. Au Chun Kit	—	1,331	18	1,349
Independent non-executive directors:				
Prof. Luk Ting Kwong	180	—	—	180
Mr. Ko Ming Kin (passed away on 5 October 2023)	92	—	—	92
Ms. Pang Sin Mei (appointed on 4 January 2024)	44	—	—	44
Dr. Wan Cho Yee	180	—	—	180
	496	6,751	95	7,342

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes:

- (i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2024: Nil).
- (ii) During the years ended 31 March 2025 and 31 March 2024, there was no arrangement under which a director or chief executive waived or agreed to waive any remuneration.
- (iii) The executive directors' emoluments shown above were mainly 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 of directors of the Company.
- (iv) Mr. Choy is the chairman of the Board. Mr. Choy and Mrs. Choy are regarded as the Co-Chief Executive Officer of the Company.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two (2024: four) directors details of whose remuneration are set out in Note 12. Details of the remuneration for the year of the remaining three (2024: one) highest paid employee in which two are the ex-directors set out in Note 12 and one is neither a director nor chief executive of the Company is as follows:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Discretionary bonus and/or performance-related bonus, salaries and allowances	3,425	1,057
Contributions to retirement benefits schemes	54	18
	3,479	1,075

The emoluments of the above individual with the highest emoluments are within the following bands:

	Year ended 31 March	
	2025 Number of individuals	2024 Number of individuals
HK\$0–1,000,000	2	—
HK\$1,000,001–HK\$1,500,000	—	1
HK\$1,500,001–HK\$2,000,000	1	—

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14. EARNINGS PER SHARE

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

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	27,911	30,674
<hr/>		
	As at 31 March	
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	762,000	762,000

No diluted earnings per share for both years ended 31 March 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years ended 31 March 2025 and 2024.

15. DIVIDEND

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final dividend — HK1 cent per share	—	7,620
2024 Final dividend — HK2 cents per share	15,240	—

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2025 of HK2 cents (2024: final dividend in respect of the year ended 31 March 2024 of HK2 cents) per ordinary share, in an aggregate amount of HK\$15,240,000 (2024: HK\$15,240,000), has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Leasehold improvement HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1 April 2023	65,655	7,956	3,353	1,294	78,258
Additions	—	649	245	—	894
Disposal	—	—	(30)	—	(30)
Write-off	—	(1,277)	(179)	—	(1,456)
Exchange adjustments	(341)	(29)	(14)	—	(384)
At 31 March 2024	65,314	7,299	3,375	1,294	77,282
Additions	—	541	506	—	1,047
Write-off	—	—	(23)	—	(23)
Exchange adjustments	(64)	(5)	(6)	—	(75)
At 31 March 2025	65,250	7,835	3,852	1,294	78,231
Accumulated depreciation					
At 1 April 2023	6,099	6,657	2,590	1,294	16,640
Charge for the year	2,117	441	245	—	2,803
Written back on disposal	—	—	(18)	—	(18)
Written back on write-off	—	(1,232)	(165)	—	(1,397)
Exchange adjustments	(6)	(1)	(2)	—	(9)
At 31 March 2024	8,210	5,865	2,650	1,294	18,019
Charge for the year	2,115	493	297	—	2,905
Written back on write-off	—	—	(23)	—	(23)
Exchange adjustments	(3)	(2)	(2)	—	(7)
At 31 March 2025	10,322	6,356	2,922	1,294	20,894
Carrying amount:					
At 31 March 2025	54,928	1,479	930	—	57,337
At 31 March 2024	57,104	1,434	725	—	59,263

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Leasehold land and buildings	Over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years
Leasehold improvements	Over the shorter of the lease terms and 5 years
Furniture and fixtures	5 years
Motor vehicles	3 years

Details of impairment assessment on property, plant and equipment are set out in Note 19.

As at 31 March 2025, certain of the Group's leasehold land and buildings with carrying amount of approximately HK\$27,586,000 (2024: HK\$28,542,000) were pledged to secure the bank borrowing granted to the Group (Note 26).

17. RIGHT-OF-USE ASSETS

	Office premises HK\$'000	Specialty stores HK\$'000	Total HK\$'000
At 1 April 2023	752	14,565	15,317
Additions	2,531	12,367	14,898
Depreciation	(1,454)	(10,981)	(12,435)
Exchange adjustments	(2)	—	(2)
At 31 March 2024	1,827	15,951	17,778
Additions	98	13,290	13,388
Depreciation	(898)	(12,373)	(13,271)
Exchange adjustments	—*	—	—
At 31 March 2025	1,027	16,868	17,895

* Less than HK\$1,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

17. RIGHT-OF-USE ASSETS (Continued)

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Expense relating to short-term leases	15	223
Variable lease payments not included in the measurement of lease liabilities	189	261
Total cash outflow for leases	14,400	13,627

For both years, the Group leases various specialty stores and office premises for its operations. Lease contracts are entered into for fixed term of 1 to 3 years (2024: 1 to 3 years) but may have termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contracts is enforceable.

The Group regularly entered into short-term leases for a car park during the year ended 31 March 2025. In addition to the portfolio of short-term leases for a car park which is regularly entered into by the Group, the Group entered into short-term lease for an office premises located in Mainland China and for two specialty shops located in Hong Kong and Singapore during the year ended 31 March 2024. As at 31 March 2025 and 31 March 2024, there is no outstanding lease commitments relating to the short-term leases.

In addition, lease liabilities of approximately HK\$18,387,000 (2024: HK\$18,307,000) are recognised with related right-of-use assets of approximately HK\$17,895,000 (2024: HK\$17,778,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

17. RIGHT-OF-USE ASSETS (Continued)

Variable lease payments

Leases of specialty stores are either with only fixed lease payments or contain variable lease payment that are based on 10.0% to 20.0% (2024: 10.0% to 18.0%) sales and minimum annual lease payment that are fixed over the lease term. Some variable payment terms include cap clauses. The payment terms are common in retail stores in Hong Kong and Macau where the Group operates. The amount of fixed and variable lease payments paid/payable to relevant lessors during the year:

	Number of stores	Fixed payments HK\$'000	Variable payments HK\$'000	Total HK\$'000
For the year ended 31 March 2025				
Specialty stores without variable lease payments	1	202	—	202
Specialty stores with variable lease payments	18	13,049	189	13,238
	19	13,251	189	13,440
For the year ended 31 March 2024				
Specialty stores without variable lease payments	2	325	—	325
Specialty stores with variable lease payments	16	11,525	261	11,786
	18	11,850	261	12,111

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of store sales in future years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

17. RIGHT-OF-USE ASSETS (Continued)

Termination options

The Group has termination option in a lease for an office premise (2024: office premise). The Group assesses at lease commencement date whether it is reasonably certain not to exercise the termination options. The Directors are reasonably certain the Group will not exercise such termination option.

In addition, the Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant change in circumstances that is within the control of the lessee. During the year, there is no such triggering event (2024: Nil).

18. INVESTMENT PROPERTIES

	Year ended 31 March	
	2025 Total HK\$'000	2024 Total HK\$'000
Fair Value		
At 1 April	9,898	1,899
Additions	—	8,685
Net decrease in fair value recognised in the profit and loss	(349)	(517)
Exchange adjustments	(97)	(169)
At 31 March	9,452	9,898
Unrealised loss on property revaluation included in profit or loss	(349)	(517)

The Group leases out various office and residential properties under operating leases.

The Group is exposed to foreign currency risk but not significant as a result of the lease arrangements, as all leases are denominated in RMB. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties at 31 March 2025 and 2024 has been arrived at on the basis of a valuation carried out at the end of the reporting date by Masterpiece Valuation Advisory Limited ("Masterpiece"), an independent professional qualified valuer not connected to the Group.

The Directors determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of the properties, the highest and best use of properties is their current use.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

18. INVESTMENT PROPERTIES (Continued)

Type of properties	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Residential properties in Mainland China 2025: approximately HK\$6,526,000 (2024: approximately HK\$6,844,000)	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which is approximately average RMB11,623 to RMB34,347 per square meter (2024: approximately average RMB13,334 to RMB34,633 per square meter).	The significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
Commercial properties in Mainland China 2025: approximately HK\$2,926,000 (2024: approximately HK\$3,054,000)	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property, which is approximately average RMB33,220 (2024: approximately average RMB34,315).	The significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

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

19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The Directors regard each specialty store as an individual cash-generating unit. At 31 March 2025, certain specialty stores underperformed, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment and certain right-of-use assets with carrying amounts of approximately HK\$55,449,000 and HK\$9,288,000 (2024: HK\$57,339,000 and HK\$809,000) respectively.

The Group estimates the recoverable amounts of the leasehold land and buildings included in the property, plant and equipment based on higher of fair value less costs of disposal and value in use, with reference to the valuation performed by Masterpiece and LCH (Asia-Pacific) Surveyors Limited, independent qualified professional valuers not connected to the Group. The recoverable amount of the leasehold land and buildings was determined based on the direct comparison approach by assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. The fair value measurement is categorised into Level 3 fair value hierarchy. The carrying amount of leasehold land and buildings does not exceed the recoverable amount based on fair value less costs of disposal and no impairment (2024: Nil) has been recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

19. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

In addition, the Group estimates the recoverable amount of the cash-generating units of certain specialty stores to which the asset belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established.

In determining the recoverable amount of the cash generating units of those specialty stores as at 31 March 2025 and 31 March 2024, the Group engages Masterpiece, an independent qualified professional valuer not connected to the Group, to perform the valuation. The Directors work closely with Masterpiece, to establish the appropriate valuation techniques and inputs to the model. The recoverable amount has been determined with reference to value in use calculation based on discounted cash flow approach. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease terms of the individual specialty stores. The discount rate applied to cash flow projection is 12.0% (2024: 13.0%). Another key assumption in the calculation is the budgeted revenue, the budgeted gross margin and the growth rate 4% (2024: 6%), which is determined based on the past performance of the individual specialty stores and management's expectations for the market development.

At 31 March 2025 and 31 March 2024, based on the result of the assessment of the recoverable amount, the impairment loss is considered to be insignificant and therefore no impairment loss was recognised against the property, plant and equipment and right-of-use assets. Management believes that any reasonably possible change in any of these assumptions would not result in material impairment which is required to be recognised.

20. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Unlisted equity investments in Australia, at fair value	2,551	1,890

The above unlisted equity investments represent the Group's equity interest in Homart Group Pty Limited, which is an unlisted entity in Australia. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would be inconsistent with the Group's strategy of holding this investment for long-term purpose and realising its performance potential in the long run.

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For the year ended 31 March 2025

21. DEFERRED TAX ASSETS (LIABILITIES)

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	Tax losses HK\$'000	Unrealised profit on inventories HK\$'000	Amortisation and depreciation HK\$'000	Retirement benefit obligation HK\$'000	Total HK\$'000
At 1 April 2023	3,298	107	241	251	3,897
(Charged) credited to profit or loss (Note 10)	(3,035)	41	(159)	92	(3,061)
At 31 March 2024	263	148	82	343	836
(Charged) credited to profit or loss (Note 10)	(145)	(92)	(10)	91	(156)
At 31 March 2025	118	56	72	434	680

At the end of the reporting period, the Group has tax losses of approximately HK\$15,123,000 (2024: HK\$12,373,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$716,000 (2024: HK\$1,595,000) of such losses. No deferred tax asset has been recognised in respect of the tax losses of approximately HK\$14,407,000 (2024: HK\$10,778,000) due to the unpredictability of future profit streams.

Included in unutilised tax losses as at 31 March 2025 were loss of approximately HK\$11,009,000 (2024: HK\$6,595,000) that would expire in five years and the remaining balance of approximately HK\$4,114,000 (2024: HK\$5,778,000) would not expire under the current tax legislation.

22. INVENTORIES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Health and personal care products	19,057	21,787

During the year ended 31 March 2024, the reversal of write-down of inventories made in prior years arose when certain circumstances that previously caused inventories to be written down below cost no longer existed.

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For the year ended 31 March 2025

23. TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables (Note (a))	21,064	21,163
Other receivables	625	750
Deposits and prepayments (Note (b))	10,917	10,084
	32,606	31,997

Notes:

- (a) As at 1 April 2023, trade receivables from contracts with customers amounted to approximately HK\$16,772,000.

The Group usually allows a credit period of 0 to 60 days (2024: 0 to 60 days) to its trade customers and consignees. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised.

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	11,083	10,561
31–60 days	9,451	8,184
61–90 days	502	1,510
Over 90 days	28	908
	21,064	21,163

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$9,513,000 (2024: HK\$10,919,000) which are past due as at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

23. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(b) As at 31 March 2025, included in deposits and prepayments, an amount of approximately HK\$6,772,000 (2024: HK\$6,003,000) represents rental deposits and management fee deposit in respect of the leases of specialty shops and office premises.

As at 31 March 2025, included in deposits and prepayments, an amount of approximately HK\$1,171,000 (2024: HK\$1,057,000) represents the deposits of PRC e-commerce platforms.

As at 31 March 2025, included in deposits and prepayments, an amount of approximately HK\$1,624,000 (2024: HK\$1,102,000) represents the prepayment for the inventories.

Details of impairment assessment of trade and other receivables for the years ended 31 March 2025 and 2024 are set out in Note 6(b).

24. CASH AND CASH EQUIVALENTS/TIME DEPOSITS

Bank balances carry interest at variable market rates.

Short-term bank deposits included in the bank balance and cash and time deposits at 31 March 2025 and 31 March 2024 represented bank deposits placed in banks in Hong Kong. The interest rate ranged from 0.25% to 4.05% (2024: 1.77% to 4.65%) per annum.

Included in the cash and cash equivalents are the following amounts which are subject to foreign exchange control regulations and not freely transferable:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Amounts denominated in RMB	2,502	2,530

Details of impairment assessment of cash and cash equivalents and time deposits for the years ended 31 March 2025 and 2024 are set out in Note 6(b).

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For the year ended 31 March 2025

25. TRADE AND OTHER PAYABLES

	As at 31 March 2025 HK\$'000	2024 HK\$'000
Trade payables (Note (a))	1,615	1,822
Accrued staff costs	10,004	9,020
Other payables and accruals (Note (b))	2,718	2,870
	14,337	13,712

Notes:

(a) The aged analysis of trade payables, presented based on the invoice date, is as follows:

	As at 31 March 2025 HK\$'000	2024 HK\$'000
Within 30 days	675	990
31–90 days	937	829
Over 90 days	3	3
	1,615	1,822

The average credit period on purchases of goods is 0 to 90 days (2024: 0 to 90 days).

(b) Other payables and accruals mainly include the followings:

- (i) approximately HK\$578,000 (2024: HK\$339,000) represented outstanding advertising and promotion expenses; and
- (ii) approximately HK\$1,053,000 (2024: HK\$1,023,000) represented accrued legal and professional fee.

Notes to the Consolidated Financial Statements

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26. BANK BORROWING

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Bank borrowing, secured	2,057	2,486
The carrying amount of the above borrowing that contain a repayment on demand clause (shown under current liabilities) but repayable:*		
Within one year	445	426
Within a period of more than one year but not exceeding two years	457	440
Within a period of more than two years but not exceeding five years	1,155	1,412
More than five years	—	208
	2,057	2,486
Less: Amount due within one year shown under current liabilities	(2,057)	(2,486)
Amount shown under non-current liabilities	—	—

* The amount due is based on scheduled repayment dates set out in the loan agreement.

As at 31 March 2025, bank borrowing of HK\$2,057,000 (2024: HK\$2,486,000), which bears interest at HKD Prime minus 2.55% per annum, is repayable based on scheduled repayment dates set out in the loan agreement and the last payment is on 21 August 2029 and is secured by the Group's leasehold land and building (Note 16) with aggregate net carrying value of approximately HK\$27,586,000 (2024: HK\$28,542,000) and guarantee provided by the Company.

In respect of the above bank borrowing, the Group is required to comply with the following financial covenant throughout the continuance of the bank borrowing and/or as long as the borrowing is outstanding:

- the market value of the pledged property shall not be less than HK\$23 million.

The Group has complied with this covenant throughout the reporting period.

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27. LEASE LIABILITIES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Lease liabilities payable:		
Within one year	11,681	10,274
Within a period of more than one year but not exceeding two years	5,242	6,501
Within a period of more than two years but not exceeding five years	1,464	1,532
	18,387	18,307
Less: Amount due for settlement within 12 months shown under current liabilities	(11,681)	(10,274)
Amount due for settlement after 12 months shown under non-current liabilities	6,706	8,033

The incremental borrowing rates applied to lease liabilities range from 5.03% to 7.10% (2024: 1.82% to 7.14%).

28. PROVISIONS

The movements in the provision for reinstatement costs are as follows:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
At the beginning of the year	1,317	1,121
Provisions made during the year	192	196
At the end of the year	1,509	1,317
Less: Non-current portion	(810)	(941)
Current portion classified as current liabilities	699	376

Under the terms of the tenancy agreements signed with landlords, the Group shall remove and reinstate the rental premises at the Group's cost upon expiry of the relevant tenancy agreements. Provision is therefore made for the best estimate of the expected reinstatement costs to be incurred.

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29. SHARE CAPITAL

	As at 31 March			
	2025 Number of shares	Share capital HK\$'000	2024 Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each in the share capital of the Company				
Authorised:				
As at 1 April and 31 March	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
As at 1 April and 31 March	762,000,000	7,620	762,000,000	7,620

30. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

The key management comprises all the Directors, details of their remuneration are disclosed in Note 12 to the consolidated financial statements.

The remuneration of the Directors are determined by the remuneration committee having regard to the performance of individuals and market trends.

(b) Other related party transactions

- (i) The Group had the following transactions with related parties during the year which the Directors consider to be material:

	Year ended 31 March	
	2025 HK\$'000	2024 HK\$'000
Payment of lease liabilities (note)	888	740

Notes:

The lease payment were paid to a related company, Tiger 2023 Limited, for the year ended 31 March 2025 (2024: for the period from 1 June 2023 to 31 March 2024), which is controlled by two of the Directors, Mr. Choy and Mrs. Choy, in accordance with the terms of underlying contracts. The Directors are of the opinion that the above transactions were entered in normal course of business.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

30. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Other related party transactions (Continued)

(iii) Lease liabilities payable to Tiger 2023 Limited:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 1 year	853	801
After 1 year but within 5 years	148	1,001
	1,001	1,802

31. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Group at the end of the reporting period are as follows:

Name	Place of incorporation/ operations	Class of shares held	Paid up issued/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company				Principal activities
				Directly		Indirectly		Directly		Indirectly		
				2025	2024	2025	2024	2025	2024	2025	2024	
				%	%	%	%	%	%	%	%	
Truth & Faith International Limited	Hong Kong	Ordinary share	HK\$10,000	—	—	100%	100%	—	—	100%	100%	Retail and wholesale of health and personal care products
Truth & Faith International (Macau) Limited	Macau	Ordinary share	MOP50,000	—	—	100%	100%	—	—	100%	100%	Retail of health and personal care products in Macau
Miracle Natural Products Limited	Hong Kong	Ordinary share	HK\$2	—	—	100%	100%	—	—	100%	100%	Wholesale of health and personal care products
Ausupreme International Limited	Hong Kong	Ordinary share	HK\$2	—	—	100%	100%	—	—	100%	100%	Holding of trademarks
Ausupreme International Trade (Shenzhen) Co., Limited** 澳至尊國際貿易(深圳)有限公司	The PRC	Registered capital	HK\$5,000,000	—	—	100%	100%	—	—	100%	100%	Trading of e-commerce, retail and wholesale of health and personal care products in the PRC and properties investment

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

31. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Name	Place of incorporation/ operations	Class of shares held	Paid up issued/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company				Principal activities
				Directly		Indirectly		Directly		Indirectly		
				2025	2024	2025	2024	2025	2024	2025	2024	
				%	%	%	%	%	%	%	%	
Ausupreme International Trade (Hainan Province) Co., Limited** 澳至尊國際貿易(海南省)有限公司	The PRC	Registered capital	HK\$18,500,000 (2024: HK\$15,500,000) Registered: HK\$30,000,000	—	—	100%	100%	—	—	100%	100%	Trading of e-commerce, retail and wholesale of health and personal care products in the PRC and properties investment
Miracle Trading (Zhuhai) Company Limited** 奇恩貿易(珠海)有限公司	The PRC	Registered capital	RMB6,000,000 Registered: RMB10,000,000	—	—	100%	100%	—	—	100%	100%	Trading of e-commerce, retail and wholesale of health and personal care products in the PRC and properties investment
Hulotte International Limited	Hong Kong	Ordinary share	HK\$1	—	—	100%	100%	—	—	100%	100%	Properties investment
Faithfulness International Limited	BVI	Ordinary share	US\$1,001	100%	100%	—	—	100%	100%	—	—	Investment holding
Gentleness International Limited	BVI	Ordinary share	US\$1,001	100%	100%	—	—	100%	100%	—	—	Investment holding
Goodness International Limited	BVI	Ordinary share	US\$1,001	100%	100%	—	—	100%	100%	—	—	Investment holding
Patience International Limited	BVI	Ordinary share	US\$1,001	100%	100%	—	—	100%	100%	—	—	Investment holding
Nature's Elite Limited	BVI	Ordinary share	US\$1	100%	100%	—	—	100%	100%	—	—	Investment holding
Ausupreme International (Singapore) Pte. Ltd. (Note)	Singapore	Ordinary share	Singapore dollars 200,000	—	—	—	100%	—	—	—	100%	Retail and wholesale of health and personal care products
Prof Kiu International Limited	Hong Kong	Ordinary share	HK\$9,354,184	—	—	100%	100%	—	—	100%	100%	Properties investment

* For identification purpose only

+ A wholly foreign owned enterprise established in the PRC.

Note: The subsidiary was dissolved on 19 February 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Non-current assets		
Deferred tax assets	118	107
Investment in subsidiaries	31	31
	149	138
Current assets		
Prepayments	180	244
Amounts due from subsidiaries	123,203	123,509
Cash and cash equivalents	950	789
	124,333	124,542
Current liabilities		
Accruals	1,008	1,373
Dividend payable	17	12
	1,025	1,385
Net current assets	123,308	123,157
Net assets	123,457	123,295
Capital and reserves		
Share capital	7,620	7,620
Reserves (Note)	115,837	115,675
Total equity	123,457	123,295

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 26 June 2025 and are signed on its behalf by:

CHOY CHI FAI
Director

HO KA MAN
Director

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Note:

Movements of the Company's reserves are as follows:

	Share premium HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2023	91,260	9,616	100,876
Profit and total comprehensive income for the year	—	22,419	22,419
Dividends recognised as distribution	—	(7,620)	(7,620)
At 31 March 2024	91,260	24,415	115,675
Profit and total comprehensive income for the year	—	15,402	15,402
Dividends recognised as distribution	—	(15,240)	(15,240)
At 31 March 2025	91,260	24,577	115,837

33. PLEDGE OF ASSETS

The Group's bank borrowing had been secured by certain of the Group's assets and the carrying amounts of the respective assets are as follows:

	As at 31 March	
	2025 HK\$'000	2024 HK\$'000
Leasehold land and buildings	27,586	28,542

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

34. RETIREMENT BENEFITS PLANS

Defined contribution plans

Hong Kong

The Group operates a MPF scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

At 31 March 2025 and 2024, the Group had no forfeited contribution available to reduce its contributions to the retirement benefits schemes in future years.

Mainland China

The employees of the Group's subsidiaries in Mainland China are members of the state-managed retirement benefits scheme operated by the government of PRC. The subsidiaries in Mainland China are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

Singapore

The Group operates a Central Provident Fund Scheme (the "CPF Scheme") under the Central Provident Fund Act (Chapter 36 of the Laws of Singapore) for employees employed under the jurisdiction of the Employment Act (Chapter 91 of the Laws of Singapore). The CPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the CPF Scheme, the employer and its employees are each required to make contributions to the CPF Scheme at generally 17% and 20% of the employees' relevant income. There are different Central Provident Fund contribution rates applied to the senior workers aged 55 and above. Contributions to the CPF Scheme vest immediately.

Macau

Employees in Macau participate in a Social Security Fund which is a mandatory scheme under the regulations of Macao's Social Security System. The employer and the employees are required to make a total contribution of MOP90.00 per month (equivalent to HK\$87.40 per month).

The total expense recognised in profit or loss of approximately HK\$3,171,000 (2024: HK\$2,858,000) represents contributions paid and payable to these plans by the Group at rates specified in the rules of the plans. As at 31 March 2025, there were no past due contribution in respect of the year ended 31 March 2025 (2024: no past due) had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period. At 31 March 2025 and 31 March 2024, the Group had no forfeited contribution available to reduce its contributions to the retirement benefit schemes in future years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

34. RETIREMENT BENEFITS PLANS (Continued)

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) \times 2/3 \times Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "**Offsetting Arrangement**").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the LSP obligation, taking into account the Abolition, in accordance with the accounting policies disclosed in Note 3.2.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

34. RETIREMENT BENEFITS PLANS (Continued)

LSP obligation

Movements in the present value of unfunded LSP obligation in the current year were as follows:

	2025 HK\$'000	2024 HK\$'000
Opening unfunded obligation at 1 April 2024 and 1 April 2023	699	406
Past service cost for prior years	—	167
Current service cost for the year	150	102
Interest cost	31	24
Remeasurement recognised in other comprehensive income		
— Actuarial gains and losses arising from changes in financial and demographic assumptions	250	—
Closing unfunded obligation at 31 March 2025 and 31 March 2024 (Note)	1,130	699
Less: Closing unfunded obligation shown under current liabilities	(1,130)	(699)
Closing unfunded obligation shown under non-current liabilities	—	—

Note: The weighted average duration of the LSP obligation at 31 March 2025 is 12.06 years (2024: 18.68 years).

The current service cost of approximately HK\$150,000 (2024: approximately HK\$102,000) for the year and the past service cost for prior years of approximately HK\$Nil (2024: approximately HK\$167,000) have been included in administrative expenses. The interest expense of approximately HK\$31,000 (2024: approximately HK\$24,000) for the year have been included in financial cost.

Significant actuarial assumptions for the determination of the LSP obligation are discount rate of 3.30% (2024: 4.13%) and expected salary increase of 2.00% (2024: 6.00%). The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the LSP obligation would decrease by approximately HK\$106,000 (increase by approximately HK\$123,000) (2024: decrease by approximately HK\$56,000 (increase by approximately HK\$64,000)).
- If the expected salary increases (decreases) by 1%, the LSP obligation would increase by approximately HK\$6,000 (decrease by approximately HK\$10,000) (2024: increase by approximately HK\$1,000 (decrease by approximately HK\$2,000)).

The sensitivity analysis presented above may not be representative of the actual change in the LSP obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities:

	Bank borrowing HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 April 2023	2,898	15,739	18,637
<i>Change from cash flows:</i>			
Repayment of leases	—	(13,143)	(13,143)
Repayment of bank borrowing	(501)	—	(501)
	(501)	(13,143)	(13,644)
<i>Non-cash changes:</i>			
New leases entered	—	14,702	14,702
Interest expenses	89	1,011	1,100
Exchange adjustments	—	(2)	(2)
	89	15,711	15,800
At 31 March 2024	2,486	18,307	20,793
<i>Change from cash flows:</i>			
Repayment of leases	—	(14,196)	(14,196)
Repayment of bank borrowing	(500)	—	(500)
	(500)	(14,196)	(14,696)
<i>Non-cash changes:</i>			
New leases entered	—	13,196	13,196
Interest expenses	71	1,081	1,152
Exchange adjustments	—	(1)	(1)
	71	14,276	14,347
At 31 March 2025	2,057	18,387	20,444

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

36. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 March 2025, the Group entered into 2 lease agreements for the office and admin premises located in PRC for 1 to 2 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$98,000 and HK\$98,000 respectively.
- (b) During the year ended 31 March 2025, the Group entered into 9 lease agreements for 8 specialty shops located in Hong Kong and Macau for 1 to 3 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$13,290,000 and HK\$13,098,000 respectively.
- (c) During the year ended 31 March 2024, the Group entered into a lease agreement for an office premise located in Hong Kong for 3 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$2,531,000 and HK\$2,431,000 respectively.
- (d) During the year ended 31 March 2024, the Group entered into 8 lease agreements for 8 specialty shops located in Hong Kong and Macau for 1 to 3 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$12,367,000 and HK\$12,271,000 respectively.

37. COMPARATIVE FIGURES

During the year ended 31 March 2025, for enhancing the relevance of the presentation of the consolidated financial statements, reclassification have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation.

Particulars of Investment Properties

As at 31 March 2025

Details of the Group's investment properties are disclosed as follows:

Location	Use	Lease term	Attributable to interests of the Group
Unit 303 on Level 3, Block 50, Xidao Garden, Bihai Silver Lake, No. 198 Zhongxing Road, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC	Property letting	Long lease	100%
Unit 308 on Level 3, Block 50, Xidao Garden, Bihai Silver Lake, No. 198 Zhongxing Road, Yamen Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC	Property letting	Long lease	100%
2214, Building 2, No. 67 Maosheng 2nd Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	Property letting	Medium lease	100%
2614, Building 2, No. 67 Maosheng 2nd Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	Property letting	Medium lease	100%
1602, Unit 2, Building 1, No. 169 Jinhe East Road, Jinwan District, Zhuhai City, Guangdong Province, the PRC	Property letting	Long lease	100%

Five-Year Financial Summary

	Year ended 31 March 2025 HK\$'000	Year ended 31 March 2024 HK\$'000	Year ended 31 March 2023 HK\$'000	Year ended 31 March 2022 HK\$'000	Year ended 31 March 2021 HK\$'000
RESULTS					
Revenue	269,567	269,022	146,158	128,726	102,907
Profit (loss) before taxation	32,938	37,519	1,160	(2,966)	3,474
Income tax (expense) credit	(5,027)	(6,845)	(663)	2,123	370
Profit (loss) for the year	27,911	30,674	497	(843)	3,844
Total comprehensive income (expense) for the year	28,236	29,770	(2,885)	(2,042)	2,181
	As at 31 March 2025 HK\$'000	As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000	As at 31 March 2022 HK\$'000	As at 31 March 2021 HK\$'000
ASSETS AND LIABILITIES					
Total assets	228,297	218,811	189,412	198,071	202,171
Total liabilities	(37,091)	(40,601)	(33,352)	(31,506)	(25,944)
Net assets	191,206	178,210	156,060	166,565	176,227
Total equity	191,206	178,210	156,060	166,565	176,227