

Artini Holdings Limited

雅天妮集團有限公司

[Incorporated in the Bermuda with limited liability]

Stock Code : 789

2024/25
Annual Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Long (*Chairman*)
Mr. Tse Hoi Chau (resigned on 1 November 2024)
Mr. Chen Shaojia (*Chief Executive*)

Independent Non-executive Directors

Mr. Yuen Wai Kin
Mr. Lau Yiu Kit (resigned on 1 November 2024)
Mr. Ma Sai Yam
Ms. Ji Lingzi (appointed on 1 November 2024)

AUDIT COMMITTEE

Mr. Yuen Wai Kin (*Chairman*)
Ms. Ji Lingzi
Mr. Ma Sai Yam

REMUNERATION COMMITTEE

Mr. Ma Sai Yam (*Chairman*)
Mr. Chen Long
Mr. Yuen Wai Kin
Ms. Ji Lingzi

NOMINATION COMMITTEE

Mr. Yuen Wai Kin (*Chairman*)
Mr. Chen Long
Ms. Ji Lingzi
Mr. Ma Sai Yam

COMPANY SECRETARY

Mr. Wong Yun Fai

AUTHORISED REPRESENTATIVES

Mr. Chen Long
Mr. Wong Yun Fai

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Unit No. 8502, Level 85
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

PRINCIPAL BANKERS

CMB Wing Lung Bank Limited
China Construction Bank (Asia) Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

LEGAL ADVISERS

As to Bermuda law

Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place
Central
Hong Kong

As to Hong Kong law

Yick & Chan Solicitors
Suite A1, 11/F, One Capital Place
18 Luard Road, Wanchai
Hong Kong

AUDITOR

Rongcheng (Hong Kong) CPA Limited
(formerly known as CL Partners CPA Limited)
Certified Public Accountants
Registered Public Interest Entity Auditor
3203A-5, Tower 2
Lippo Centre
89 Queensway
Admiralty
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

LISTING EXCHANGE INFORMATION

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock Code

789

COMPANY'S WEBSITE

www.artini.com.hk

Chairman's Statement

With innate artistic talent,

ARTINI

embraces artistic designs of its products with
the essence of Chinese elegance:

A timeless classic through assimilation and white empties.



Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of Artini Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2025 (the "Year") to all shareholders of the Company (the "Shareholders").

REVIEW

In the year of 2025, the global economy continued to face structural pressures and multiple challenges. Elevated inflation, high interest rates, geopolitical risks and global supply chain instability made the overall consumer market full of uncertainties. Notwithstanding these challenges, the Group adhered to its strategy of prudent operations and cautious expansion, agilely adjusting its business deployment and resource allocation to successfully achieve steady growth. During the Year, the Group recorded revenue of approximately HK\$150,700,000, representing a year-on-year increase of more than double; gross profit also recorded significant growth, reaching approximately HK\$34,229,000; and net profit amounted to approximately HK\$7,609,000, representing an increase of approximately 11.5% compared to the corresponding period last year. These results were hard-earned and were achieved through the collective efforts of all our employees and the strong support of our business partners.

During the Year, the Group's two core businesses – fashion accessories and skincare and health product sales – both recorded notable progress. Despite the lack of significant recovery in the overall luxury goods industry, the Group was able to capitalize on its brand resilience and flexibility to record sales growth in the fashion accessories segment. We continued to optimise our product portfolio, actively incorporating Chinese cultural elements into precious metal designs, the Group has created innovative product with both traditional and modern sensibilities, attracting a wider consumer base. Meanwhile, in response to changes in the international trade environment, we have proactively adjusted our regional deployment to expand the sales share in the People's Republic of China (the "PRC") market while reducing our reliance on the Americas market, further enhancing our risk resilience.

The skincare and health product sales business emerged as a key growth engine for the Year. With the gradual penetration of the "appearance economy" and the concept of healthy living into mass consumption, the Group leveraged its agile operational strategy and the

advantages of its own online platform to swiftly capture market opportunities and record encouraging growth. By aligning the brand positioning of such business with that of fashion accessories, the Group created synergies and established brand value integrity encompassing "life fashion" and "lifestyle", further consolidating the Group's competitive advantage in the mid-to-high-end consumer market.

OUTLOOK

Looking ahead, the Group will continue to pay attention to the global macroeconomic trends, adopt agile operational strategies, strengthen risk management, and maintain steady growth. We will continue to increase our investment in the PRC market, actively respond to the development opportunities presented by the "14th Five-Year Plan" and "Dual Circulation" strategy, deepen brand localization, and enhance market penetration. In addition, the Group will further optimise its industrial chain deployment, exploring upstream supply chain integration and downstream sales channel expansion to enhance overall profitability and operational efficiency.

Amid accelerating digital transformation, we will also strengthen the synergy between online and offline marketing, combining social media marketing with in-store experiences to create diversified, omni-channel consumption scenarios; and continue to increase investment in product research and development and brand upgrades, launching more innovative products to deepen consumer recognition and loyalty towards the Group's brands.

APPRECIATION

I would like to express my gratitude to all of the staffs for their commitment, dedication and professionalism that have led to the Group's continuous success. The Board would like to thank each staff for their hard work and dedication, and would also like to express its sincere gratitude to the Group's shareholders, customers and suppliers for their continuous valuable support.

Artini Holdings Limited

Chen Long

Chairman and Executive Director
Hong Kong, 30 June 2025

Five-Year Financial Highlights

(All amounts in HK\$ thousands unless otherwise stated)

		For the year ended 31 March			
	2025	2024	2023	2022	2021
Revenue	150,700	71,180	63,692	76,968	79,397
Gross profit	34,229	15,860	16,179	14,053	9,197
Profit/(loss) for the year	7,609	6,825	(1,435)	(22,377)	(26,621)
Non-current assets	36,007	34,174	28,106	32,802	36,574
Current assets	161,432	116,035	126,216	130,696	145,690
Current liabilities	18,558	30,751	23,884	22,461	21,345
Net current assets	142,874	85,284	102,332	108,235	124,345
Total assets less current liabilities	178,881	119,458	130,438	141,037	160,919
Total equity	176,925	113,130	130,396	140,752	158,173
Gross profit margin (%)	22.7	22.3	25.4	18.3	11.6
Net profit/(loss) margin (%)	5.0	9.6	(2.25)	(29.1)	(33.5)
Basic and diluted earnings/(loss) per share (HK\$)	0.006	0.006	(0.001)	(0.020)	(0.024)
Current ratio (times)	8.7	3.8	5.3	5.8	6.8
Return on equity (%)	4.3	6.0	(1.1)	(15.9)	(16.8)
Return on assets (%)	3.9	4.5	(0.9)	(13.7)	(14.6)

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in the fashion accessories business, as well as skincare and health products sales business.

The global economy is facing significant pressure on its growth momentum due to the overlapping effects of multiple structural factors. Continuing high interest rate policies have dampened economic activity and geopolitical risks have heightened market uncertainty. In addition, rising inflation has had a significant impact on consumer spending, particularly in the luxury goods sector. The Group has always been committed to operating in a prudent manner to ensure steady progress. In the face of many challenges and intensified competition in the industry, the Group has overcome difficulties and moved forward, actively exploring opportunities in all aspects and integrating into the new development landscape. During the Year, the Group recorded a total revenue of approximately HK\$150,700,000 (2024: approximately HK\$71,180,000). Gross profit for the Year amounted to approximately HK\$34,229,000 (2024: approximately HK\$15,860,000), and profit for the Year amounted to approximately HK\$7,609,000 (2024: approximately HK\$6,825,000).

Optimizing Product Portfolio and Market Positioning

Despite the lack of significant recovery in the overall luxury goods industry during the Year, the Group's fashion accessories business recorded sales growth, demonstrating its adaptability in responding to market changes and brand resilience. The Group continued to optimize the market positioning of its brands, not only deepening product innovation, but also focusing on enhancing brand value and cultural connotation. By incorporating more Chinese cultural elements and precious metal designs into fashion accessories, the Group has successfully created product series with both traditional and modern sensibilities, attracting a wider consumer base. In addition, in order to minimize the adverse impact

of geopolitical risks and tariff policies on our business, the Group has proactively adjusted its marketing strategies to strengthen the development of its sales share in the PRC market while reducing its reliance on the Americas market. It is worth mentioning that at the Third Plenary Session of the 20th Central Committee of the Communist Party of China in 2024, the Central Government emphasized the important role of the Greater Bay Area in promoting high-quality economic development. In line with the overall strategic direction of the country, the Group has launched a brand positioning transformation in the PRC market, which is in line with the country's strategic development.

Seizing Opportunities in the "Appearance Economy" and Health Industry and Positioning for the Future

During the Year, with the rising public interest in the health industry and the Group's efficient execution of its business strategies through the cooperation of various parties, the Group's skincare and health products sales platform business achieved significant market growth and made greater contributions to the Group's total sales. The rapid development of the skincare and health products business is not only the result of strong market demand, but also a successful realization of the Group to seize industry opportunities, proactive innovation and efficient resource allocation. The development of the skincare and health products business is of far-reaching significance to the Group. This business segment has high return potential, with stable and growing market demand, providing the Group with more room for revenue growth.

Management Discussion and Analysis

During the period, the Group successfully established an integrated product sales model covering multiple market segments by leveraging on the dual advantages of its own online platform and third-party retail network, which further enhanced its brand penetration rate and market share. Meanwhile, with consumers placing greater importance to healthy lifestyles and the rise of the “appearance economy”, the market potential for skincare and health products continues to be unleashed. In response to this trend, the Group has positioned its product brands as “life fashion” and “lifestyle” to create synergy with the brand positioning of its fashion accessories business, which not only strengthens the Group’s brand integrity, but also enhances its market competitiveness and consumers’ sense of identity.

In addition, in order to further enhance our brand influence and market competitiveness, the Group has not only proactively promoted product diversification, but also continued to optimize its industrial layout to fully utilize its strengths in branding, technology and market resources. We have strengthened our investment in product selection and optimization in order to introduce more attractive beauty and health products to meet the needs of consumers at different levels. In the future, the Group will further enrich its product portfolio, expand into new markets and deepen synergies with existing partners to ensure the long-term stability and sustainable development of its business.

PROSPECT

Looking ahead to 2026, the Group expects that geopolitical risks and global economic volatility will continue to pose challenges to the consumer goods industry. We will always remain flexible and keep a close eye on market dynamics and consumer trends to ensure that we continue to adjust our growth strategies and steadily advance our business in an uncertain market environment.

Strengthen Marketing Layout and Promote the Integration of Online and Offline Channels

As competition on sales platforms and social media marketing becomes increasingly fierce, the Group will strengthen its investment in offline marketing by strengthening its offline layout and actively exploring ways to set up new points of presence in order to create a more stable and efficient sales and marketing system. We will promote the in-depth integration of online and offline channels to enhance market penetration and customer stickiness. At the same time, we will continue to optimize our product portfolio by launching more fashion accessories and skincare and health products through diversified sales channels, which will not only satisfy the diversified needs of consumers, but also help expand new customer bases and open up new markets, thereby further increasing our market share.

Innovation and Technology Drive Market Competitiveness

In addition, the Group will continue to upgrade its brand, deepen its social marketing strategy, focus on product innovation and technological development, and launch more new products to maintain market competitiveness. We will capitalize on the growth opportunities in the “appearance economy” and the health industry to enhance our brand value and strengthen our market position through innovation and differentiation strategies.

Capitalize on the “Dual Circulation” Opportunity and Plough the China Market

The Group will also actively respond to the “Dual Circulation” economic development strategy proposed in the National “14th Five-Year Plan” and fully capitalize on the potential opportunities in the China market. We plan to further increase our resource investment in the PRC market and expand our sales share in the PRC market.

Management Discussion and Analysis

Deepening Industrial Chain Layout to Achieve Long-term Sustainable Development

Meanwhile, the Group will continue to optimize its industrial layout, deepen the development of its industrial chain and explore opportunities for horizontal and vertical expansion of the industrial chain. Relying on our past experience in the market and brand accumulation, we will realize the efficient conversion of resources and explore the development potential of the upstream and downstream of the industrial chain, so as to further enhance the stability of profitability and achieve long-term sustainable development. At the same time, the Group will continue to evaluate its existing business strategies and explore suitable business opportunities to create and build new profit growth drivers, which will in turn bring more stable development to the Group, thereby providing assurance for the interests of the shareholders of the Company.

FINANCIAL REVIEW

Revenue

Revenue of the Group is mainly derived from (i) fashion accessories platform business, representing wholesale, retail and distribution of fashion accessories mainly through self-operated online platform and third-party sales online platforms; and (ii) skincare and health product sales platform business, representing wholesale, retail and distribution of skincare and health products mainly through a self-operated online platform.

Revenue of the Group for the year ended 31 March 2025 was approximately HK\$150,700,000 (2024: approximately HK\$71,180,000), representing a significant increase of approximately 111.7% compared to 2024. The increase in the Group's revenue was primarily driven by (i) the increase in the sales of fashion accessories platform business from approximately HK\$67,769,000 for the year ended 31 March 2024 to approximately HK\$86,775,000 for the year ended 31 March 2025, representing an increase of approximately 28.0%; and (ii) the increase in the sales of skincare and health product sales platform business from approximately HK\$3,411,000 for the year ended 31 March 2024 to approximately HK\$63,925,000 for the year ended 31 March 2025, representing an increase of approximately 1,774.1%.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2025 was approximately HK\$34,229,000 (2024: approximately HK\$15,860,000), representing an increase of approximately 115.8%. The Group's gross profit margin slightly increased from approximately 22.3% for the year ended 31 March 2024 to approximately 22.7% for the year ended 31 March 2025. Such fluctuation was primarily due to the sales of skincare and health product sales platform business which has higher gross profit margin of 24.8% (2024: approximately 32.2%) accounted for a larger portion of the total revenue when comparing with that in previous year. However, it was partially offset by a decrease in gross profit margin of the sales of fashion accessories platform business from approximately 21.8% for the year ended 31 March 2024 to approximately 21.2% for the year ended 31 March 2025.

Management Discussion and Analysis

Other gains and losses

The Group's net other gains for the year ended 31 March 2025 were approximately HK\$10,144,000 (2024: approximately HK\$19,541,000). This fluctuation was mainly due to the exchange gains of approximately HK\$18,866,000 recognized for the year ended 31 March 2024, arising from one-off reclassification of cumulative translation reserve upon deregistration of a subsidiary with foreign operation. No such significant exchange gains were recognized for the year ended 31 March 2025. However, there was one-off gain on deregistration of a subsidiary amounted to approximately HK\$9,116,000 recognized for the year ended 31 March 2025.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 March 2025 was approximately HK\$17,978,000 (2024: approximately HK\$16,391,000), representing an increase of approximately 9.7%. The increase in the Group's selling and distribution expenses during the Year was mainly attributable to the higher promotion costs related to the fashion accessories business in the PRC market, which was partially offset by the decrease in the expenses on maintenance and upgrade of fashion accessories platforms during the Year.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2025 was approximately HK\$18,126,000 (2024: approximately HK\$12,450,000), representing an increase of approximately 45.6%. Such increase was mainly attributable to the aggregate effect of (i) the increase in the staff costs including included directors' remuneration and other staff benefits; (ii) the increase in amount of depreciation of right-of-use assets; and (iii) the increase in the other professional expenses and office management fee.

Profit for the Year

As a result of the foregoing, the Group's profit for the Year was approximately HK\$7,609,000 (2024: approximately HK\$6,825,000).

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 March 2025 and 2024.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the Year. The capital of the Group only comprises ordinary shares.

FOREIGN EXCHANGE EXPOSURE

The major business activities of the Group take place in the PRC and Hong Kong. Accordingly, the potential foreign exchange exposure of the Group is mainly attributable to fluctuations of Renminbi. The Group has not used or has no plan to use any forward contract or other derivative products to hedge exchange rates exposure as the management considers it more difficult to monitor and manage the risks arising from such forward contracts or derivative products. The management of the Group will, nonetheless, continue to monitor the Group's foreign currency risks exposures and consider adopting prudent measures as appropriate.

CHARGES ON ASSETS

As at 31 March 2025 and 2024, the Group did not have any charges on its assets.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not hold any significant investments, nor did it have any material acquisitions or disposals of any subsidiaries, associates or joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed “Management Discussion and Analysis” section of this report, the Group does not have any other plans for material investments or capital assets.

EMPLOYEES AND EMOLUMENTS

As at 31 March 2025, the Group had 25 employees (2024: 44), and the total staff cost including Directors’ emoluments amounted to approximately HK\$10,379,000 (2024: approximately HK\$6,794,000). To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasises on communication with employees and continually developing paths for staff promotion. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

A directors’ remuneration policy has been adopted. It aims to set out the Company’s policy in respect of remuneration paid to executive Directors and non-executive Directors. The Directors’ remuneration policy sets out the remuneration structure that allows the Company to attract, motivate and retain qualified Directors who can manage and lead the Company in achieving its strategic objective and contribute to the Company’s performance and sustainable growth, and to provide Directors with a balanced and competitive remuneration. The remuneration policy is, therefore, aiming at being competitive but not excessive. To achieve this, remuneration package is determined with reference to a matrix of factors, including the individual performance, qualification and experience of Directors concerned and prevailing industry practice. It will be reviewed and, if necessary, updated from time to time to ensure its continued effectiveness.

The Company has adopted a share option scheme (the “Share Option Scheme”) as an incentive to the Directors and eligible employees, details of which are set out in the circular of the Company dated 6 September 2024. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption and up to the date of this report.

During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group generally financed its operations with internally generated resources and its own working capital. As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$53,346,000 (2024: approximately HK\$48,282,000). As at 31 March 2025 and 2024, there was no undrawn general banking facilities available to the Group, and the Group did not have any outstanding borrowing. The Group monitors its capital structure on the basis of gearing ratio, which is calculated as total liabilities over total equity. The gearing ratio of the Group was approximately 11.6% as at 31 March 2025 (2024: approximately 32.8%).

CAPITAL COMMITMENTS

As at 31 March 2025 and 2024, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2025 and 2024, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Year and up to the date of this report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group are of the view that employees, customers and suppliers are one of the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees, customers and suppliers during the Year.

Customers

During the Year, the sales to the Group's five largest customers accounted for approximately 34.2% of the total revenue for the Year. The customers of the Group are mainly users of the fashion accessories products and skincare and health products; and wholesalers and trading companies engaging in sales of fashion accessories products and skincare and health products.

The Group continues to increase and maintain the collaboration with customers, to attract new and old customers to procure on the both Integrated Fashion Accessories Platform and Skincare and Health Product Sales Platform by providing quality services, stable high standard products. We aim to achieve a synergy by cross-platform traffic between those platforms. In addition, the platforms' independent development online marketing system supports a large number of registered customers through forming an intelligent marketing mode by immediately forwarding all kinds of promotions and sales activities notifications to customers. Collaborations with professional promotional companies have also been established to issue online or offline promotions about the online wholesale platform, in order to attract new customers.

Management Discussion and Analysis

Suppliers

During the Year, the purchases from the Group's five largest suppliers accounted for approximately 92.5% of the total purchase for the Year. The suppliers of the Group are mainly trading companies and manufacturers in precious metals; fashion accessories; and skincare and health products industry. Most of them are based in the PRC.

The Group maintains a list of approved and qualified suppliers (based on their prices, quality, past performance and capacity) and strives to establish long term business relationship with them.

Employees

The Group recognises employees as valuable assets of the Group. The Group strictly complies with the labour laws and regulations of the regions it operates and review regularly the existing staff benefits for improvement. The Group has been motivating the employees by providing reasonable remuneration package and implementing an annual appraisal system to provide opportunities for career development within the Group. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as the medical insurance, annual dinner, staff discounts on purchasing the Group's products. In addition, each department of the Group is responsible for determining its training needs for employees in its department to ensure that all employees can fulfill and enhance the relevant job qualifications in terms of education, technical and work experience.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group complies with the requirements under the Companies Ordinance (Cap. 622 of the laws of Hong Kong), the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") for the disclosure of information and corporate governance.

During the Year, as far as the Directors are aware of and save as disclosed in this annual report, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

ENVIRONMENTAL POLICIES, PERFORMANCE AND COMPLIANCE WITH LAWS AND REGULATIONS

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. Details please refer to the Environmental, Social and Governance Report of this annual report.

Biographical Details of Directors

DIRECTORS

Executive Directors

Mr. Chen Long, aged 31, was appointed as an executive Director, the chairman of the Board (the “Chairman”), a member of the nomination committee (the “Nomination Committee”) and the remuneration committee (the “Remuneration Committee”) of the Company with effect from 30 October 2023. He is also one of the authorized representatives of the Company under Rule 3.05 of the Listing Rules with effective from 29 November 2023. Mr. Chen holds a bachelor’s degree in E-commerce from Xiamen University of Technology (廈門理工學院) in June 2016 and he is pursuing a master’s degree in business administration from School of Business of Hong Kong Baptist University. Mr. Chen Long is a council member of the Shenzhen Fuzhou Chamber of Commerce* (深圳福州商會) and the vice president of the New Social Stratum Association of Bao’an District, Shenzhen* (深圳市寶安區新的社會階層人士聯合會). Mr. Chen Long has over six years of experience in the sales and distribution of consumer goods such as health, cosmetic and electronic products in China. Since July 2019, Mr. Chen Long has been the executive director and one of the ultimate shareholders of Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司), a company which is principally engaged in investment activities with investment in companies engaging in the sales and distribution of consumer goods, including health, cosmetic and electronic products.

Mr. Chen Shaojia, aged 43, was appointed as an executive Director and Chief Executive of the Company with effect from 29 November 2023. He has over 20 years of experiences in enterprise management, strategy formulation and finance. Since June 2018, Mr. Chen Shaojia has been the executive director of Hengji Cultural Information Technology (Shenzhen) Co., Ltd* (恒基文化信息科技(深圳)有限公司). From August 2017 to September 2018, he was the deputy general manager and chief financial officer of Shenzhen Qiantai Energy Regeneration Technology Co., Ltd* (深圳乾泰能源再生技術有限公司). From January 2007 to December 2015, he had been the financial manager, chief financial officer, deputy general manager and directors in various subsidiaries of Veson Holdings Limited (formerly known as SCUD Group Limited), a company listed on the Stock Exchange (Stock Code: 1399), and his last position was a director of SCUD Power (Shenzhen) Co., Ltd* (飛毛腿電源(深圳)有限公司).

Mr. Chen Shaojia obtained a bachelor’s degree in accounting from Fuzhou University and a master’s degree in business administration from School of Business of Hong Kong Baptist University in December 2007 and November 2013, respectively. He was qualified as a Senior Accountant and a Senior Economist by Shenzhen City Senior Professional Title Evaluation Committee in Accounting Sector and Shenzhen City Secondary Senior Economist Title Evaluation Committee in July 2020 and April 2023, respectively. He obtained the International Accountant Qualification Certificate issued by China Association of Chief Financial Officers in November 2017. Mr. Chen Shaojia obtained Senior International Finance Manager Certificate jointly issued by China Association of Chief Financial Officers and Association of International Accountants in August 2012, and Certified Senior Enterprise Risk Manager Certificate issued by Asia Association of Risk and Crisis Management in October 2012, respectively.

* for identification purposes only

Biographical Details of Directors

Independent Non-executive Directors

Mr. Yuen Wai Kin ("Mr. Yuen"), aged 39, was appointed as an independent non-executive Director with effect from 29 November 2023. Mr. Yuen will also be appointed as the chairman of the Audit Committee, member of the Remuneration Committee and the chairman of the Nomination Committee with effect from 29 November 2023. He has over 14 years of experience in accounting, finance and corporate secretarial matters gained from international accounting firm and Hong Kong listed companies. Since November 2022, Mr. Yuen has acted as the chief financial officer of DRJ Limited, a Hong Kong Trust or Company Service Provider licensed by Hong Kong Companies Registry and major subsidiary of DRJ International Group Limited (of which shares are trading in U.S. OTC markets, stock code: DRJG). In addition, since October 2019, he has also acted as the sole director of RJK Professional Service Limited, a private limited company incorporated in Hong Kong, which provides training service in area of regulatory compliance and corporate governance practices. Prior to joining DRJ Limited, from March 2022 to May 2022, he served as Senior Finance Manager and Company Secretary of Domaine Power Holdings Limited (formerly known as Hifood Group Holdings Co., Limited, a company listed on the Stock Exchange, Stock Code: 442). From March 2020 to December 2021, Mr. Yuen worked at Gemilang International Limited, a company listed on the Stock Exchange (Stock Code: 6163), and his last position was Group Financial Controller and Company Secretary.

Mr. Yuen obtained a bachelor's degree in accountancy and a master's degree in corporate governance from The Hong Kong Polytechnic University in October 2009 and August 2018 respectively. He is a Chartered Secretary and a Chartered Governance Professional and a member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. Mr. Yuen is also a member of The Hong Kong Institute of Certified Public Accountants.

Ms. Ji Lingzi ("Ms. Ji"), aged 37, was appointed as an independent non-executive Director with effect from 1 November 2024. Ms. Ji has also been appointed as a member of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 1 November 2024. Ms. Ji graduated from Anhui Normal University (安徽師範大學) with a Bachelor of Arts degree in English Education in December 2009. Ms. Ji graduated from the Hong Kong Polytechnic University with a Master of Science degree in China Business Studies in September 2017. Ms. Ji has over 12 years of experiences in finance and banking sectors. Ms. Ji has been the general manager of Shenzhen Mingsheng Private Equity Fund Management Co., Ltd.* (深圳銘盛私募股權基金管理有限公司) since March 2021. From August 2019 to March 2021, Ms. Ji worked as an investment and financing director of Sunshine 100 China Holdings Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 2608). From July 2012 to August 2016, Ms. Ji served in the institutional business department of the Shenzhen branch of China Construction Bank Corporation* (中國建設銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 939) and Shanghai Stock Exchange (stock code: 601939).

* for identification purposes only

Biographical Details of Directors

Mr. Ma Sai Yam ("Mr. Ma"), aged 61, was appointed as an independent non-executive Director on 13 February 2020. Mr. Ma is also as the chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee. Mr. Ma graduated from the University of London in the United Kingdom as an external student in August 1991 with a Bachelor's science degree in Economics. Mr. Ma subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong in June 1995 and a Master degree in laws from Renmin University of China in the PRC in January 2012. Mr. Ma is a practicing solicitor in Hong Kong and has accumulated over 20 years of experience in the legal field. Mr. Ma was admitted to practice law as a solicitor in Hong Kong in September 1997 and has been a member of The Law Society of Hong Kong since then. Mr. Ma has been a partner and a practicing solicitor of Ma Tang & Co., since March 2002. Prior to his current position, Mr. Ma served as a consultant and a practicing solicitor of Tang, Lai & Leung from June 2000 to March 2002. From May 2015 to May 2022, Mr. Ma has been an independent non-executive director of Golden Power Group Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 3919) and transferred from GEM of the Stock Exchange (Stock Code: 8038) on 10 November 2017. Since October 2016, he has also been an independent non-executive director of Jiande International Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 865).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the Shareholders as a whole. The Directors continuously observe the principles of good corporate governance in the interests of Shareholders and devote considerable effort to identifying and formalizing best practice.

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix C1 of the Listing Rules. The Company has complied with all the provisions in the CG Code during the year ended 31 March 2025.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors’ securities transactions throughout the year ended 31 March 2025.

BOARD OF DIRECTORS

Composition

As at 31 March 2025, the Board comprised two executive Directors and three independent non-executive Directors. The composition of the Board during the year ended 31 March 2025 and up to the date of this report are as follows:

Executive Directors

Mr. Chen Long (*Chairman*)

Mr. Tse Hoi Chau (resigned on 1 November 2024)

Mr. Chen Shaojia (*Chief Executive*)

Independent Executive Directors

Mr. Yuen Wai Kin

Mr. Lau Yiu Kit (resigned on 1 November 2024)

Mr. Ma Sai Yam

Ms. Ji Lingzi (appointed on 1 November 2024)

Note: Ms. Ji Lingzi obtained legal advice from the legal advisers of the Company as to Hong Kong law on 1 November 2024 and has confirmed that she understood her obligations as a Director.

The biographical details of all current Directors are set out on pages 14 to 16 of this annual report. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

Corporate Governance Report

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed herein, as the date of this annual report, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experiences and expertises to the Company.

FUNCTIONS OF THE BOARD

The principal function of the Board is to consider and approve strategies, financial objectives, annual budget and investment proposals of the Group and to assume the responsibilities of corporate governance of the Group. The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

BOARD MEETINGS AND BOARD PRACTICES

The Company adopted the practice of holding Board meetings regularly throughout the Year. The Board will also meet on other occasions when a board-level decision on a particular matter is required. The company secretary of the Company (the "Company Secretary") will assist the Chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda. Generally, at least 14 days' notice would be given for regular Board meetings. The Directors will receive details of agenda items for decision at least 3 days before each Board meeting. The Company Secretary is responsible for distributing detailed documents to Directors prior to the meetings of the Board to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meetings and receive accurate, timely and clear information. All Directors may access the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Company Secretary is also responsible for ensuring that the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail regarding the matters considered by the Board and decisions reached.

Corporate Governance Report

The Board is also responsible for performing the following corporate governance duties:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in this corporate governance report.

During the Year and up to date of this report, the corporate governance duties performed by the Board were mainly set out below:

- (1) reviewed the existing policies and practices on corporate governance;
- (2) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- (3) reviewed the effectiveness of the internal control system;
- (4) reviewed compliance with the CG Code and disclosure in the Corporate Governance Report; and
- (5) reviewed and monitored the continuous professional development and training of the Directors.

Throughout the Year, seven Board meetings and one annual general meeting were held. Details of the attendance of Directors are as follows:

Name of the Directors	Number of Board meetings attended/held	Number of general meetings attended/held
Executive Directors		
Mr. Chen Long	5/5	1/1
Mr. Chen Shaojia	5/5	1/1
Mr. Tse Hoi Chau (resigned on 1 November 2024)	2/3	0/1
Independent Non-Executive Directors		
Mr. Yuen Wai Kin	5/5	1/1
Mr. Lau Yiu Kit (resigned on 1 November 2024)	2/3	1/1
Mr. Ma Sai Yam	5/5	1/1
Ms. Ji Lingzi (appointed on 1 November 2024)	2/2	N/A

Corporate Governance Report

Among the independent non-executive Directors, at least one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the Year. The Company, based on such confirmation, considers all independent non-executive Directors are independent during the Year.

CHAIRMAN AND CHIEF EXECUTIVE

During the year ended 31 March 2025, the positions of the Chairman and the Chief Executive were held by separate individuals, with Mr. Chen Long being the Chairman and Mr. Chen Shaojia being the Chief Executive. The Chairman is responsible for ensuring that the Board is functioning properly with good corporate governance practices and procedures. He also steers the Board and the Company towards corporate goals. The Chief Executive is responsible for effective implementation of the overall strategies and initiatives adopted by the Board. With the support of the Chief Executive and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and received adequate and reliable information on a timely basis.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has entered into an appointment letter with the Company, pursuant to which Mr. Yuen Wai Kin and Ms. Ji Lingzi are appointed for an initial fixed term of one year and Mr. Ma Sai Yam is appointed for an initial fixed term of three years and will continue thereafter until terminated by serving not less than three months' notice in writing to either party. Their terms of appointment shall be subject to the rotational retirement provision of the Bye-laws.

DELEGATION OF POWERS

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company to department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors received an induction on their appointments to ensure adequate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Directors are continually updated on developments in the relevant statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. All Directors are committed to comply with Code Provision A.6.5 of the CG Code on Directors' training and provided a record of training they received for the Year to the Company.

During the Year, the Company has provided regulatory updates and external courses for the Directors prepared by external professional institution to develop and refresh their knowledge and skills. The external courses which the Directors had participated was about Director's duties and corporate matters, internal control on the risk assessment and management and financial reporting and disclosure control. The programme is to ensure that their contribution to the Board remains informed and relevant.

Corporate Governance Report

The individual training record of each Director received for the Year is summarised below:

Directors	Training organised by professional organizations	Updating on new rules and regulations
Executive Directors		
Mr. Chen Long	√	√
Mr. Chen Shaojia	√	√
Mr. Tse Hoi Chau (resigned on 1 November 2024)	√	√
Independent Non-Executive Directors		
Mr. Yuen Wai Kin	√	√
Mr. Lau Yiu Kit (resigned on 1 November 2024)	√	√
Mr. Ma Sai Yam	√	√
Ms. Ji Lingzi (appointed on 1 November 2024)	√	√

AUDIT COMMITTEE

Composition

The Audit Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The updated terms of reference of the Audit Committee were adopted on 27 November 2018. As at 31 March 2025, the Audit Committee comprised three members, all being independent non-executive Directors, namely Mr. Yuen Wai Kin (Chairman), Ms. Ji Lingzi and Mr. Ma Sai Yam. Ms. Ji Lingzi was appointed as the member of Audit Committee with effect from 1 November 2024 in place of Mr. Lau Yiu Kit.

The primary duties of the Audit Committee include, among other things, (i) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor whilst reviewing and monitoring their independence and objectivity and to approve the remuneration and term of engagement of the external auditor; (ii) reviewing the Company's financial statements, annual report and accounts and interim report and quarterly reports (if prepared) for publication and financial reporting judgments contained therein; (iii) overseeing the effectiveness of the audit financial reporting system, risk management and internal control systems of the Group; (iv) reviewing the confidential arrangements that employees of the Company may use to report and by way of facilitating the above-mentioned duties; and (v) considering and identifying risks of the Group and considering the effectiveness of the Group's decision making processes in crisis and emergency situation and approving major decision affecting the Group's risk profile and exposures.

Corporate Governance Report

During the Year, three Audit Committee meetings were held. Details of the members' attendance of the Audit Committee meetings are as follows:

Name of the Members	Members' Attendance
Mr. Yuen Wai Kin	3/3
Mr. Lau Yiu Kit (resigned on 1 November 2024)	2/2
Mr. Ma Sai Yam	3/3
Ms. Ji Lingzi (appointed on 1 November 2024)	1/1

During the Year, the Audit Committee has held meetings with the Company's auditor to discuss the auditing, risk management, internal control systems, the effectiveness of the internal audit function and financial reporting matters of the Group. The Audit Committee has reviewed the Group's consolidated financial statements for the Year and the interim financial report for the six months ended 30 September 2024, including the accounting principles and practice adopted by the Group.

REMUNERATION COMMITTEE

Composition

The Remuneration Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. As at 31 March 2025, the Remuneration Committee comprised four members, namely Mr. Ma Sai Yam (Chairman), Mr. Chen Long, Mr. Yuen Wai Kin and Ms. Ji Lingzi, the majority of which are independent non-executive Directors except for Mr. Chen Long, an executive Director. Ms. Ji Lingzi was appointed as the member of the committee with effect from 1 November 2024 in place of Mr. Lau Yiu Kit.

The role and function written in the terms of reference of the Remuneration Committee are no less exacting terms than the CG Code. The Remuneration Committee makes recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee also makes recommendation to the Board on the remuneration packages of individual executive Directors and senior management rewards which link to corporate and individual performance and with reference to the Board's corporate goals and objectives, as well as making recommendation on the remuneration of non-executive Directors, reviews and/or approves matters relating to share schemes under Chapter 17 of the Listing Rules. It is also responsible for ensuring no Directors or any of his/her associates can be involved in deciding his/her own remuneration and all provisions regarding the disclosure of remuneration including pensions as set out in the relevant provisions of the Listing Rules are fulfilled.

Corporate Governance Report

During the Year, one Remuneration Committee meeting was held and details of the members' attendance of the Remuneration Committee meeting(s) are as follows:

Name of the Members	Members' Attendance
Mr. Ma Sai Yam (<i>Chairman</i>)	1/1
Mr. Chen Long	1/1
Mr. Yuen Wai Kin	1/1
Mr. Lau Yiu Kit (resigned on 1 November 2024)	1/1
Ms. Ji Lingzi (appointed on 1 November 2024)	N/A

For the year ended 31 March 2025, the Remuneration Committee reviewed the remuneration packages of all Directors and senior management.

Remuneration Policy for Directors and Senior Management

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

The emoluments of the Directors are recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics. Each of the executive Directors is entitled to a basic salary which is reviewed annually. In addition, each of the Directors may receive a discretionary bonus as the Board may recommend. Such amount has to be approved by the Remuneration Committee.

The senior management of the Company are the Directors. Details of their remuneration are set out in note 11 to the consolidated financial statements.

The Company has adopted the share option scheme on 23 April 2008 (the "2008 Share Option Scheme"), 26 August 2019 (the "2019 Share Option Scheme") and 30 September 2024 (the "2024 Share Option Scheme"). The purpose of the 2008 Share Option Scheme, 2019 Share Option Scheme and 2024 Share Option Scheme are to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimise their performance and efficiency for the benefit of the Group.

NOMINATION COMMITTEE

Composition

The Nomination Committee was established on 23 April 2008 with written terms of reference in compliance with the CG Code. As at 31 March 2025, the Nomination Committee comprised four members, namely Mr. Yuen Wai Kin (Chairman), Mr. Chen Long, Ms. Ji Lingzi and Mr. Ma Sai Yam, the majority of which are independent non-executive Directors except for Mr. Chen Long, an executive Director. Ms. Ji Lingzi was appointed as the member of the Nomination Committee with effect from 1 November 2024 in place of Mr. Lau Yiu Kit.

Corporate Governance Report

The primary function of the Nomination Committee is to make recommendations to the Board on potential candidates to fill vacancies or additional appointment on the Board and senior management. All appointments of Directors were nominated by the Nomination Committee based on considerations including vacancy available, competence and experience, possession of requisite skills and qualifications, independence and integrity.

During the Year, one Nomination Committee meeting was held and details of the members' attendance of the Nomination Committee meeting(s) are as follows:

Name of the Members	Members' Attendance
Mr. Yuen Wai Kin (<i>Chairman</i>)	1/1
Mr. Chen Long	1/1
Mr. Lau Yiu Kit (resigned on 1 November 2024)	1/1
Mr. Ma Sai Yam	1/1
Ms. Ji Lingzi (appointed on 1 November 2024)	N/A

During the Year, the Nomination Committee reviewed the composition, size, structure and diversity of the Board and assessed the independence of the independent non-executive Directors.

Nomination Policy

The Board has adopted the nomination policy (the "Nomination Policy") on 27 November 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

- (1) identifying potential candidates, including recommendations from the Board members, professional search firms and the Shareholders;
- (2) evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;
- (3) reviewing the profiles of the shortlisted candidates and interview them; and
- (4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board and sees diversity at Board level as an essential element in achieving a sustainable and balanced development of the Company. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industrial experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole in order for the Board to be effective. The selection process of the Board members will include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Mechanisms to Ensure Independent Views

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.
2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.
4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.
5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy.

The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

In respect of the gender diversity of the Board, as at the date of the Annual Report, we have three independent non executive Directors with different industry backgrounds and of both genders. Moreover, our Board members has a wide range of age, ranging from 31 years old to 61 years old.

Corporate Governance Report

The current gender ratio of the company workforce (including senior management) is 10 males and 15 females. Hence, the Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the company, which include market insight, creativity and innovation, and improved problem-solving. Men's and women's different experiences may provide insights into the different needs of male and female customers. Further, men and women may have different cognitive abilities, such as men's proficiency in mathematics and women's proficiency in verbal and interpersonal skills. Therefore, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labor and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The reporting responsibility of the external auditor of the Company on the financial statements of the Company for the Year are set out in the Independent Auditor's Report.

Auditor's Remuneration

During the Year, the remuneration paid or payable to the Company's auditor, in respect of its audit and non-audit services were as follows:

Type of Services	HK\$
Audit services	800,000
Non-audit services	30,000

Note: The annual audit service is payable to Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited). The non-audit services include the agreed-upon procedures with respect to the preliminary announcement of the result of the Company payable to Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited).

DIVIDEND POLICY

The Board has adopted the dividend policy (the “Dividend Policy”) on 27 November 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the Shareholders. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis.

INVESTORS RELATIONS

Constitutional Documents

During the year ended 31 March 2025, there has been no change in the Company’s constitutional documents.

SHAREHOLDERS’ COMMUNICATION POLICY

Purpose

The Company recognises the importance of providing current and relevant information to the Shareholders. This shareholders’ communication policy (the “Policy”) aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

General Policy

The Board shall maintain an on-going dialogue with Shareholders and will regularly review the Policy to ensure its effectiveness.

Information is communicated to the Shareholders through periodic disclosure through the Company’s financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and other corporate publications on the Stock Exchange website and corporate communications on the Stock Exchange website (www.hkex.com.hk) and the Company’s website (<http://www.artini.com.hk>).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or by email to info@artini.com.hk or through the Company’s share registrar.

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company’s website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

Corporate Governance Report

The Company's website will be updated with material posted to the Stock Exchange website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the shareholders' communication policy conducted for the year ended 31 March 2025 and considered that the shareholders' communication policy has been well implemented and effective.

Shareholders' Right

The Company shall adhere to the amendments to the Listing Rules effective from 1 January 2009 such that all votes of the Shareholders at general meetings will be taken by poll. The results of voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

The rights of the Shareholders are set out in the Bye-laws of the Company.

The Shareholders may put forward their proposals or enquiries to the Board by sending their written request to the Company's principal place of business in Hong Kong.

Pursuant to Bye-law 58 of the Bye-laws, Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may request the Board to convene a special general meeting of the Company. The purposes of convening the meeting must be stated in the relevant requisition, signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's principal place of business in Hong Kong at Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date in accordance with the provisions of Section 74(3) of the Bermuda Companies Act.

Shareholder(s) can also submit a written requisition to move a resolution at a general meeting pursuant to Section 79 to 80 of the Bermuda Companies Act if they (a) represent not less than one-twentieth of the total voting rights of those Shareholders having the right to vote at a general meeting; or (b) are not less than one hundred Shareholders. The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and deposited at the Company's principal place of business in Hong Kong at Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

Corporate Governance Report

The written requisition must be signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's principal place of business in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week before the meeting in the case of any other requisition. A sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all Shareholders in accordance with the requirements under the applicable laws and rules should also be accompanied.

COMPANY SECRETARY

Mr. Wong Yun Fai ("Mr. Wong") was appointed as Company Secretary with effect from 1 December 2023.

Being the Company Secretary, Mr. Wong play an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are followed. Mr. Wong is responsible for advising the Board on corporate governance matters and should also facilitate induction and professional development of Directors. During the Year, Mr. Wong has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for the Company's risk management and internal control systems and for reviewing its effectiveness on an ongoing basis. The Group's internal audit department and senior management conduct reviews of the effectiveness of the risk management and internal control systems of the Group. The Audit Committee reviews the findings and recommendations of the internal audit department and the senior management in their meetings held at least twice a year and reports to the Board on such review.

The risk management and internal control systems are designed to manage, rather than eliminate business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations.

The Company has prepared an internal control report, covering all material controls, including financial and operation for the Year. The said internal control report compiled by the Company has been brought to the attention of the Board and the Audit Committee. The Board, having reviewed the effectiveness of the risk management and internal control systems and the systems are considered to be effective and adequate.

The Company has established the internal control department to provide day-to-day management of the compliance and control of the Group and report to the Board on control and compliance matters. The internal control department is headed by the internal control manager, and reports directly to the Board. The primary responsibilities of the internal control department include reviewing the internal control system and monitoring the compliance of the daily operating activities within the Group. In addition, it also carries out assessment in relation to the establishment of new company or entity and new products of the Group.

All Directors and those employees who could have access to, and monitor, the information of the Group are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit.

The Board is also vested with the responsibility to disseminate to the Shareholders and the public any inside information in the form of announcements and circulars, in accordance with the Listing Rules.

Report of the Directors

PRINCIPAL PLACE OF BUSINESS

The Company is a limited liability company incorporated in Bermuda and domiciled in Hong Kong and its principal place of business is Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of the principal subsidiaries of the Company are set out in note 34 to the consolidated financial statements.

The analysis of the principal activities and geographical locations of the operations of the Group during the Year are set out in note 34 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 34.2% (2024: approximately 75.5%) of the total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 92.5% (2024: approximately 70.8%) of the total purchases for the Year. In addition, the Group's largest customer accounted for approximately 11.3% (2024: approximately 22.7%) of the total sales and the Group's largest supplier accounted for approximately 37.3% (2024: approximately 21.5%) of the total purchases for the Year.

At no time during the Year have the Directors, their associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

BUSINESS REVIEW

The business review of the Group for the Year is set out in the section of "Chairman's Statement", "Five-Year Financial Highlights", "Management Discussion and Analysis" and "Environmental, Social and Governance Report" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 67.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out on page 69 and the note 32 to the consolidated financial statements respectively.

CHARITABLE DONATIONS

The Group did not make charitable donation during the Year (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 28 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Chen Long (*Chairman*)

Mr. Chen Shaojia

Mr. Tse Hoi Chau (resigned on 1 November 2024)

Independent Executive Directors

Mr. Yuen Wai Kin

Mr. Lau Yiu Kit (resigned on 1 November 2024)

Mr. Ma Sai Yam

Ms. Ji Lingzi (appointed on 1 November 2024)

Pursuant to Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board and that any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at that meeting. Accordingly, Ms. Ji Lingzi, being the Director appointed by the Board after the preceding annual general meeting of the Company, will hold office only until the forthcoming annual general meeting in accordance with Bye-law 86(2) and, being eligible, offer themselves for re-election.

Pursuant to Bye-law 87 at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall be determined by lot, unless they otherwise agree between themselves. The retiring Directors shall be eligible for re-election. Accordingly, Mr. Yuen Wai Kin and Mr. Ma Sai Yam will retire and, being eligible, offer themselves for re-election at the annual general meeting.

None of the Directors proposed for re-election at the annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Report of the Directors

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

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

Long positions in shares of the Company

Name of Director	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 31 March 2025
Chen Long	Interest of a controlled corporation	708,591,525 (Note)	53.52%

Note: Mr. Chen Long and Ms. Lin Chenjie (wife of Mr. Chen Long) ultimately own 70% and 29% shareholding of Rapid Development Limited respectively, which held 708,591,525 Shares or approximately 53.52% of the issued share capital of the Company as at 31 March 2025, and is deemed to be interested in these shares.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register of interests required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed herein, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, to the best knowledge of the Directors, the following person (other than a Director and chief executives of the Company) who had Long positions in shares of the Company interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares of the Company

Name of shareholders	Capacity	Number of issued ordinary shares/ underlying Shares held	Approximate percentage of the issued Shares as at 31 March 2025
Rapid Development Limited (<i>Note 1</i>)	Beneficial owner	708,591,525	53.52%
Rapid Investment Development (Shenzhen) Limited* (迅發投資發展(深圳)有限公司) ("Rapid Investment Development") (<i>Note 1</i>)	Interest of a controlled corporation	708,591,525	53.52%
Fuxing Investment Development (Shenzhen) Co., Ltd.* (賦興投資發展(深圳)有限公司) ("Fuxing Investment Development") (<i>Note 1</i>)	Interest of a controlled corporation	708,591,525	53.52%
Lin Chenjie (<i>Note 2</i>)	Interest of spouse	708,591,525	53.52%
Global Venture Capital Limited (<i>Note 3</i>)	Beneficial owner	125,000,000	9.44%
Shenzhen Hexin Gongsheng Investment Limited Partnership* (深圳和信共生投資合夥企業(有限合夥)) (<i>Note 3</i>)	Interest of a controlled corporation	125,000,000	9.44%
Shenzhen Xinglongtian Technology Limited* (深圳市星龍天科技有限公司) (<i>Note 4</i>)	Interest of a controlled corporation	125,000,000	9.44%
Mr. Chen Wei (<i>Note 5</i>)	Interest of a controlled corporation	125,000,000	9.44%
Ms. Chen Jingjing (<i>Note 6</i>)	Interest of spouse	125,000,000	9.44%
Shenzhen Global Mobile Electronics Limited* (深圳市環球移動電子有限公司) (<i>Note 7</i>)	Interest of a controlled corporation	125,000,000	9.44%
Shenzhen Weishan Investment Development (深圳市維善投資發展有限公司) (<i>Note 7</i>)	Interest of a controlled corporation	125,000,000	9.44%
Mr. Wu Longfan (<i>Note 8</i>)	Interest of a controlled corporation	125,000,000	9.44%
Ms. Li Ailing (<i>Note 9</i>)	Interest of spouse	125,000,000	9.44%

* for identification purpose only

Report of the Directors

Notes:

1. Rapid Development Limited is wholly owned by Rapid Investment Development, which is in turn wholly owned by Fuxing Investment Development. As such, each of Rapid Investment Development and Fuxing Investment Development is deemed to be interested in the Shares owned by Rapid Development Limited.
2. Fuxing Investment Development is owned as to 70% by Mr. Chen Long, 29% by Ms. Lin Chenjie (wife of Mr. Chen Long) and 1% by Mr. Chen Naïen (brother of Mr. Chen Long). As such, Mr. Chen Long is deemed to be interested in the Shares in which Fuxing Investment Development is interested in. Ms. Lin Chenjie is the spouse of Mr. Chen Long and is deemed to be interested in the Shares in which Mr. Chen Long is interested in.
3. As at 31 March 2025, Global Venture Capital Limited ("Global Venture") directly held 125,000,000 Shares of the Company and Shenzhen Hexin Gongsheng Investment Limited Partnership* (深圳和信共生投資合夥企業(有限合夥)) ("Shenzhen Hexin") held 100% of the Shares of Global Venture. By virtue of the SFO, Shenzhen Hexin is deemed to be interested in all of the Shares held by Global Venture.
4. As at 31 March 2025, Shenzhen Xinglongtian Technology Limited* (深圳市星龍天科技有限公司) ("Shenzhen Xinglongtian") is the general partner of Shenzhen Hexin. By virtue of the SFO, Shenzhen Xinglongtian is deemed to be interested in all of the Shares held by Global Venture.
5. As at 31 March 2025, Mr. Chen Wei held 40% of Shenzhen Xinglongtian. By virtue of the SFO, Mr. Chen Wei is deemed to be interested in all the Shares held by Global Venture.
6. Ms. Chen Jingjing and Mr. Chen Wei are spouses, and therefore Ms. Chen Jingjing is deemed to be interested in all of Mr. Chen Wei interests in the Company by virtue of the SFO.
7. As at 31 March 2025, Shenzhen Global Mobile Electronics Limited* (深圳市環球移動電子有限公司) ("Shenzhen Global") held 99% of the Shares of Shenzhen Hexin; and Shenzhen Weishan Investment Development Limited* (深圳市維善投資發展有限公司) ("Shenzhen Weishan") held 100% of the Shares of Shenzhen Global. By virtue of the SFO, Shenzhen Global and Shenzhen Weishan are deemed to be interested in all the Shares held by Global Venture.
8. As at 31 March 2025, Mr. Wu Longfan held 60% of Shenzhen Xinglongtian and 99% of Shenzhen Weishan. By virtue of the SFO, Mr. Wu Longfan is deemed to be interested in all of the Shares held by Global Venture.
9. Mr. Wu Longfan and Ms. Li Ailing are spouses, and therefore Ms. Li Ailing is deemed to be interested in all of Mr. Wu Longfan interests in the Company by virtue of the SFO.

* for identification purposes only

Save as disclosed above, as at 31 March 2025, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the Year or subsisting at the end of the Year are set out below:

2008 Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme and the 2008 Share Option Scheme on 23 April 2008. The Pre-IPO Share Option Scheme is no longer in effect and all grants under that scheme have either been exercised or have lapsed. The purpose of the 2008 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and the shares for the benefit of the Company and the Shareholders as a whole.

Participants under the 2008 Share Option Scheme included Directors and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of any member of the Group.

The principal terms of the 2008 Share Option Scheme are summarised as follows:

The 2008 Share Option Scheme was adopted for a period of 10 years commencing from 23 April 2008 and remained in force until 22 April 2018. The Company may, by ordinary resolution in general meeting or, such date as the Board shall determine, terminate the 2008 Share Option Scheme at any time without prejudice to the exercise of options granted prior to such termination.

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of the shares.

Upon acceptance of the options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant. The exercise period of any option granted under the 2008 Share Option Scheme must not be more than ten years commencing on the date of grant.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2008 Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of shares of the Company in issue on the date on which the Company's shares were first listed on the Stock Exchange ("Listing Date") (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval. At the Company's annual general meeting held on 28 September 2017, the Scheme Mandate Limit was renewed. Options lapsed in accordance with the terms of the 2008 Share Option Scheme or any other schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The maximum number of shares issued and to be issued upon exercise of the options granted to each grantee under the 2008 Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of this limit shall be subject to approval.

The 2008 Share Option Scheme has become expiry on 22 April 2018. Share options granted prior to such expiration shall continue to be valid and exercisable in accordance with the provisions of the 2008 Share Option Scheme. As at the date of this report, there are no outstanding share options and no further securities shall be available for issue under the 2008 Share Option Scheme.

There are no options granted, exercised, cancelled and lapsed for the year ended 31 March 2025 under the 2008 Share Option Scheme.

As at 1 April 2024 and 31 March 2025, there no option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the year ended 31 March 2025 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2025 under the 2008 Share Option Scheme.

Report of the Directors

2019 Share Option Scheme

The Company adopted a new share option scheme on 26 August 2019 (the “2019 Share Option Scheme”). The purpose of the 2019 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the Shareholders as a whole.

The participants under the 2019 Share Option Scheme are as follows:

- (1) directors and employee of the Company and any of its subsidiaries (including persons who are granted options or awards under the scheme as an inducement to enter into employment contracts with these companies) (employee participants);
- (2) directors and employee of the holding companies, fellow subsidiaries or associated companies of the Company (related entity participants); and
- (3) persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long growth of the Group (service providers).

The principal terms of the 2019 Share Option Scheme are summarized as follows:

The subscription price for Shares under the 2019 Share Option Scheme will be a price determined by the Directors, but shall not be less than the higher of:

- (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a Business Day;
- (ii) the average closing price of Shares as stated in the Stock Exchange’s daily quotations for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option. The vesting period for options shall not be less than 12 months. And the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

The initial total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the 2019 Share Option Scheme and any other share option scheme of the Group) to be granted under the 2019 Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the day on which the 2019 Share Option Scheme is approved (the “General Scheme Limit”). As at the date of this report, there are no outstanding share options and no shares are available for issue under the 2019 Share Option Scheme.

Saved as disclosed herein, there are no options granted, exercised, cancelled and lapsed for the year ended 31 March 2025 under the 2019 Share Option Scheme.

As at 1 April 2024 and 31 March 2025, there is 196,812 and no option available for grant under the share option scheme mandate, respectively; and the number of shares that may be issued in respect of options granted under the Share Option Scheme during the year ended 31 March 2025 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2025 under the 2019 Share Option Scheme.

The total number of Shares issued and which may fall to be allotted and issued upon exercise of the options granted under the 2019 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each eligible participant in any 12-month period shall not exceed 1% of the issued Shares for the time being (the "Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his/her associates abstaining from voting.

The vesting period for options shall not be less than 12 months.

The 2019 Share Option Scheme has been terminated upon adoption of the 2024 Share Option Scheme on 30 September 2024.

2024 Share Option Scheme

The Company adopted a new share option scheme on 30 September 2024 (the "2024 Share Option Scheme"). The purpose of the 2024 Share Option Scheme is to (i) attract and retain the best quality personnel for the development of the Group's businesses; (ii) to provide additional incentives or rewards to selected participants for their contribution to the creation of the Company's value; and (iii) to promote the long term financial success of the Group by aligning the interest of any participants to those of the shareholders. The 2024 Share Option Scheme was adopted for a period of 10 years commencing from 30 September 2024.

The participants under the 2024 Share Option Scheme are a person employed by any member of the Group who has successfully passed their probation period and any person who is a director (whether executive or non-executive) of any member of the Group, which shall include any person who is granted option(s) as an inducement to enter into employment contract with any member of the Group; a person who is employed by or is a director (whether executive or non-executive) of any of the holding companies, fellow subsidiaries or associated companies of the Company; and any eligible service provider.

The eligibility of any of the participants shall be determined by the Directors from time to time on the basis of the Directors' opinion in their absolute discretion as to his/her contribution or potential contribution to the development and growth of the Group, taking into account factors including but not limited to the nature and extent of contributions provided or potential contributions to be provided by such participant to the Group.

The maximum aggregate number of shares which may be allotted and issued or transferred by the Company upon exercise of all options which may be granted under the 2024 Share Option Scheme and any options or awards under any other schemes to be adopted by the Company from time to time (including, for the avoidance of doubt, such maximum aggregate number of shares which may be allotted and issued or transferred by the Company upon exercise of the service providers' options under the service provider sublimit) is 110,396,812 Shares, being no more than 10% of the shares in issue (excluding treasury Shares) on the adoption date.

Report of the Directors

The total number of shares issued and to be issued upon exercise of options (whether exercised or outstanding) together with all other options and awards granted under the 2024 Share Option Scheme and any other schemes of the Company in any 12-month period up to and including the date of such grant to each grantee must not exceed 1% of the shares in issue (excluding treasury Shares).

Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person together with all other options and awards (excluding all options and awards lapsed in accordance with the terms of the schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury Shares), such grant shall be subject to separate approval by the shareholders in general meeting with the relevant grantee and his/her close associates (or associates if the Grantee is a connected person) abstaining from voting.

An offer under the 2024 Share Option Scheme shall remain open for acceptance by the eligible participant concerned for a period of 28 days from the offer date.

The vesting period in respect of any option granted to any participant shall not be less than 12 months from the offer date.

The exercise price in respect of any option shall be such price as the Board may in its absolute discretion determine at the time of grant, provided that it shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the commencement date; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the commencement date; and (iii) the nominal value of a share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Since the adoption of the 2024 Share Option Scheme, no option has been granted. Therefore, no option was exercised, cancelled or lapsed since its adoption and up to the date of this annual report and there was no option outstanding as at 31 March 2025.

As at 31 March 2025, there is 110,396,812 option available for grant under the share option scheme mandate; and the number of shares that may be issued in respect of options granted under the 2024 Share Option Scheme during the year ended 31 March 2025 is 0, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the year ended 31 March 2025.

USE OF PROCEEDS IN RELATION TO THE PLACING UNDER GENERAL MANDATE

On 9 September 2024, the Company entered into the placing agreement (the “Placing Agreement”) with KGI Asia Limited (the “Placing Agent”), pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 220,000,000 new ordinary Shares (the “Placing Share(s)”) at the placing price of HK\$0.270 per Placing Share (the “Placing”), to not less than six placees (the “Placees”) who and whose ultimate beneficial owner(s) are Independent Third Parties.

The Placing was completed on 4 October 2024. A total of 220,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the placing price of HK\$0.270 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The gross proceeds from the Placing and net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$59.4 million and approximately HK\$58.9 million, respectively.

The net proceeds from the Placing are intended to be used by the Group for (i) operation and enhancement of fashion accessories business; (ii) conducting marketing activities; (iii) enhancement of online platform in relation to both fashion accessories business and skincare and health products sales business; and (iv) general working capital and general corporate purposes of the Group.

Details of the Placing has been set out in the announcements of the Company dated 9 September 2024 and 4 October 2024.

The below table sets out the use of net proceeds from the Placing:

Use of proceeds from the Placing	Net proceeds from the Placing (HK\$' million) (Approximate)	Approximate percentage of the total net proceeds % (Approximate)	Utilised net proceeds from the Placing during the Reporting Period (HK\$' million) (Approximate)	Unutilized net proceeds as at 31 March 2025 (HK\$' million) (Approximate)	Expected time to utilize the remaining net proceeds in full
Operation and enhancement of fashion accessories business	15.80	26.80	15.80	–	N/A
Conducting marketing activities	19.50	33.10	2.32	17.18	December 2025
Enhancement of online platform in relation to both fashion accessories business and skincare and health products sales business	12.00	20.40	5.57	6.43	December 2025
General working capital and general corporate purposes of the Group	11.60	19.70	8.94	2.66	December 2025
Total	58.90	100.00	32.63	26.27	

As at 31 March 2025, the unutilized net proceeds from the Placing amounted to approximately HK\$26.27 million, and as at the date of this report, the net proceeds has been utilized in accordance with such intended purposes as mentioned above.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such indemnity provisions for the benefit of the Directors is currently in force and was in force throughout the Year.

FIVE-YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 6 of this annual report.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries (not being a contract of service with any Director of the Company or any person engaged in the full-time employment of the Company) was entered into or existed during the Year.

RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees’ basic salaries and the employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme (the “Central Pension Scheme”, together with the MPF Scheme, the “Defined Contribution Schemes”) operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group’s contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 31 March 2024 and 31 March 2025, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 March 2024 and 31 March 2025.

For each of the two years ended 31 March 2024 and 31 March 2025, the Group did not have any defined benefit plan.

Particulars of employee retirement benefit schemes of the Group are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated.

DISTRIBUTABLE RESERVES

The Company does not have any distributable reserve in accordance with the provisions of the Bermuda Companies Act 1981 as at 31 March 2025 (2024: Nil).

Details of the distributable reserve are set out in note 32 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Year.

TAX RELIEF AND EXEMPTION

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

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors and their respective associates, as defined in the Listing Rules are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report of this report.

AUDITOR

On 4 March 2024, BDO Limited resigned as auditor of the Company and Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited) was appointed as the auditor of the Company and it was re-appointed as the auditor of the Company for the year ended 31 March 2025 in the annual general meeting of the Company held on 30 September 2024.

A resolution for the re-appointment of Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited) as auditor of the Company will be proposed at the forthcoming annual general meeting.

The consolidated financial statements of the Company for the year ended 31 March 2024 and 31 March 2025 were audited by Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited). The consolidated financial statement of the Company for the year ended 31 March 2023 was audited by BDO Limited.

By order of the Board

Chen Long

Chairman and Executive Director

Hong Kong, 30 June 2025

Environmental, Social and Governance Report

ABOUT THE REPORT

Overview

This report published by Artini Holdings Limited (the “Company”) is our annual Environmental, Social and Governance Report (the “Report” or “ESG Report”) for the year ended 31 March 2025 (the “Year”) in relation to the Company and its subsidiaries (collectively, the “Group”, “We” or “us”), which provides an overview of the Group’s approach, policy and performance on sustainable development.

About Artini

The Group are principally engaged in the sale of a wide selection of fashion accessories products mainly through the Group’s self-operated online platform and third-party sales online platforms (the “Integrated Fashion Accessories Platform Business”) and the sale of skincare and health products through self-operated online platform (the “Skincare and Health Product Sales Platform Business”).

The Integrated Fashion Accessories Platform Business represents wholesale, retail and distribution of fashion accessories mainly through self-operated online platform and third-party sales online platforms.

The Skincare and Health Product Sales Platform Business represents wholesale, retail and distribution of skincare and health products mainly through self-operated online platform.

The Group continues to increase and maintain the collaboration with customers, to attract new and old customers to procure on the both Integrated Fashion Accessories Platform and Skincare and Health Product Sales Platform by providing quality services, stable high standard products. We aim to achieve a synergy by cross-platform traffic between those platforms.

The Group’s ESG Governance Structure

The Group adopts a top-down approach in managing its ESG issues. The Board oversees and sets out the ESG strategy for the Group. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal control mechanisms. To systematically manage ESG issues, the designated personnel collaborates with different departments to manage the Group’s ESG matters and collect relevant ESG information to prepare the ESG Report. Through the personnel’s periodic reporting to the management and the Board, the Board identifies and assesses the Group’s ESG risks and reviews the Group’s ESG performance against the Group’s ESG-related goals and targets, including but not limited to environmental, labour practices and other aspects of ESG.

Reporting Period and Scope

The reporting period of this Report covers the period from 1 April 2024 to 31 March 2025 (the “Reporting Period”). Unless otherwise stated, the reporting scope covers fashion accessories business and skincare and health products business in the PRC and Hong Kong.

Environmental, Social and Governance Report

Reporting Basis

For the preparation of the Report, we compiled the Report pursuant to the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Certain key performance indicators (“KPIs”) which is considered as material by the Group are disclosed in the Report during the Reporting Period. The Group will continue to optimise and improve the disclosure of KPIs. For details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” on pages 17 to 30 of the Group’s annual report.

Application of the Reporting Principles

This ESG Report has also been prepared based on the reporting principles of materiality, quantitative, balance and consistency in the ESG Guide.

Materiality: The Group determines the impact of ESG-related issues on internal and external stakeholders through the materiality issue assessment process to conduct key responses and disclosures on material issues.

Quantitative: The Group accounts for and discloses in quantitative terms the ESG KPIs specified in the ESG Guide and discloses in this ESG Report the calculation methods and conversion factors used.

Balance: This ESG Report aims to disclose data objectively and provides stakeholders with a balanced overview of the Group’s overall ESG performances.

Consistency: This ESG Report uses consistent methodologies as the previous ESG reports to allow meaningful comparisons of ESG data for the Reporting Period with historical and future data. Any adjustments in the methodologies are explained in this ESG Report.

Endorsement and approval

This ESG Report has been reviewed and approved by the Board.

Your Feedback

We believe that, sincerely listening to and understanding the comments and needs of all stakeholders is critical to the continual growth of our business. For any feedback and advice regarding the Report and our performance on sustainable development, please email to info@artini.com.hk.

SUSTAINABLE DEVELOPMENT VISION AND STAKEHOLDER ENGAGEMENT

We truly understand that, our responsibility is not only limited to providing customers with quality services, we will also take responsibility over the extended impacts of our business operations, to both social and environmental aspects of local communities. We are committed to creating long-term value for stakeholders and the whole community so as to promote the sustainable development of the Group and the environment and society. Therefore, we integrate environmental and social considerations such as environmental protection, employee rights, occupational health and safety, product responsibility and anti-corruption into our daily operations and decision-making processes, and formulate relevant policies and measures to implement sustainable development through practical actions.

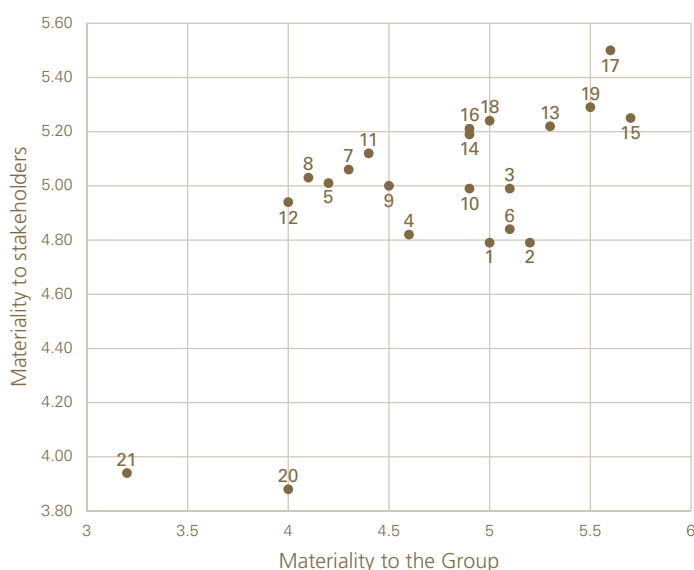
We consider our staff, Shareholders, investors, customers, suppliers, business partners, government bodies and the community as key stakeholders of the Group. We believe that, comments from stakeholders from different perspectives provide a solid foundation for formulating sustainable development strategies of the Group. In order to collect the valuable opinions of our stakeholders, we establish and maintain mutual trust and respect with our stakeholders through diverse and continuous official and unofficial communication channels. This includes daily meetings, shareholder meetings, company website, site visits and emails.

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These channels allow our stakeholders to express their comments on the Group's sustainable development performance and future strategies, enabling us to formulate more appropriate business strategies to respond to their needs and expectations.

In addition to daily communication, we have conducted stakeholder opinion surveys during recent years in the form of a questionnaire to collect stakeholder feedback, to support the identification of key environmental, social and governance topics that are material to the Group and its stakeholders. The following is the results of the analysis of the stakeholder opinion survey:

Materiality Matrix of Issues



Issue No.	Quality of Working Environment	Issue No.	Environmental Protection and Green Operations	Issue No.	Operating Practices
1.	Diversity and Equal Opportunity	7.	Greenhouse Gas Emissions	13.	Supplier Management
2.	Employment Relationships	8.	Air Emissions	14.	Supplier Environmental and Social Performance Assessments
3.	Occupational Safety and Health	9.	Saving Electricity and Water	15.	Integrity
4.	Training and Development	10.	Use of Resources	16.	Disaster Emergency Plan
5.	Child Labour and Forced Labour Prevention	11.	Wastes Handling		
6.	Staff Benefits	12.	Green Procurement		
Issue No.	Business Operations	Issue No.	Community Contribution		
17.	Quality of Services	20.	Participating in Voluntary Activities		
18.	Complaint Handling	21.	Charitable Donations		
19.	Privacy Protection				

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Board Direction on ESG Topics

To provide clear guidance to our employees on the proper management approach of ESG-related topics, the Group has developed a set of ESG Policy outlining the principles followed by the Group to operate in a manner that provides a positive contribution to the environment and the community that it operates in. The policy is applicable all of the Group's employees, including directors, officers and employees of the Company, and external stakeholders such as subcontractors are also encouraged to follow the policy to demonstrate industry best practices.

The Group's ESG policy also details the key responsibilities of the Group with respect to environmental and social issues, along with commitments for addressing the needs of the Group's key stakeholders, such as external stakeholders, employees, and the local community.

The ESG Policy is adopted as the framework for the Group's ongoing review of its ESG performance. This includes reviewing our performance using KPIs and performing stakeholder engagement programmes to collect feedback on priority areas for improving Group's ESG performance.

The Group's management views ESG performance as essential to the Group's sustainable success and holds regular ESG evaluation meetings to discuss latest developments in ESG, stakeholder expectations and the Group's ESG performance. This provides our management team with up-to-date ESG knowledge and maintaining awareness on emerging market trends. In addition, this provides us with the opportunity to proactively manage ESG risks which may have an impact to the Group's business operations. We utilize scenario planning to gain an understanding of key ESG risk factors, from which results are incorporated into the Group's risk management process for strategic planning. In addition to management of ESG risks, the Group also actively seeks opportunities to integrate sustainability into our business operations.

ENVIRONMENTAL

The Group is principally engaged in the Fashion Accessories Platform Business and the Skincare and Health Product Sales Platform Business. The main resources used by the Group include purchased electricity and domestic water supply. Considering the Group's business nature, we have no significant impact on the environment. However, we are still highly concerned about the negative impacts from climate change and other environmental impacts in general. Therefore, we are striving to reduce emissions and reduce resource consumption, reduce our environmental pollution and achieve environmental sustainability by improving operational efficiency and adopting various environmental protection measures.

We are committed to complying with laws and regulations relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste. During the Reporting Period, the Group has not noticed any complaints or cases involving serious violations of relevant environmental protection laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and Air Pollution Control Ordinance of Hong Kong.

Emissions and Use of Resources

Environmental Targets

To better manage the Group's material topics and its performance on those aspects, the Group has set some directional targets for the financial year ended 31 March 2026 ("2026"), which would be a three-year target plan.

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The table below summarises the Group's sustainability targets for 2026. The Group will continue to review the progress of the set targets every reporting period prior to 2026, and will continue to work for the targets set.

Environmental Targets Setting	
Emissions	<ul style="list-style-type: none">• Reduce GHG emissions intensities by 2% in 2026 compared to the financial year ended 31 March 2023
Waste Management	<ul style="list-style-type: none">• Reduce waste intensity by 2% in 2026 compared to the financial year ended 31 March 2023
Energy Consumption	<ul style="list-style-type: none">• Reduce electricity and gasoline intensities by 2% in 2026 compared to the financial year ended 31 March 2023
Water Consumption	<ul style="list-style-type: none">• Reduce water consumption intensity by 2% in 2026 compared to the financial year ended 31 March 2023

Green Operations

Our emissions are mainly derived from the daily operations of our offices, including greenhouse gas emissions from purchased electricity, such as lighting, office equipment and other miscellaneous items, as well as general office waste. In addition to complying with relevant environmental protection laws and regulations, we also actively promote green operations and implement various environmental protection measures in our offices to enhance staff's environmental protection awareness. The main environmental protection measures we have implemented in our offices include:

- Turn off unnecessary lighting and energy consumption equipment.
- Clean air filter of air-conditioners regularly to improve cooling efficiency of air-conditioner.
- Try to replace electric light with natural light.
- Devices such as computers and photocopiers with power-saving function equipped so that they will enter sleep mode when being idled for more than 15 minutes.
- Encourage planting potted plants to create a green working environment.
- Reuse packaging bags and use waste packaging boxes to store office supplies.

The Group implemented several measures to minimize paper consumption, which is a key resource for us:

- Replace letter or fax by email.
- Print internal documents in black and white on both sides to conserve paper and printing ink.
- Adopted an electronic filing and documentation system for better management of electronic communications.

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Key Environmental Data

	2025	2024	Units
Greenhouse Gas Emissions			
Total Greenhouse Gas Emissions	22.42	17.03	tonnes CO ₂ e
Direct Emissions (Scope 1)	3.09	2.58	tonnes CO ₂ e
Indirect Emissions (Scope 2)	14.76	13.62	tonnes CO ₂ e
Other Indirect Emissions (Scope 3)	3.56	0.82	tonnes CO ₂ e
Greenhouse Gas Emissions Intensity	0.15	0.24	kilograms CO ₂ e/1,000 HKD revenue
Air Emissions			
Nitrogen Oxides (NO _x) Emissions	0.90	0.75	kilograms
Sulphur Oxides (SO _x) Emissions	0.02	0.01	kilograms
Particulate Matter (PM) Emissions	0.07	0.06	kilograms
Non-Hazardous Waste			
Non-hazardous Waste	4.22	0.50	tonnes
Non-hazardous Waste Intensity	0.028	0.007	kilograms/HK\$1,000 revenue
Energy Consumption			
Total Energy Consumption	134	118	gigajoules
Purchased Electricity	28,114	23,663	kilowatt-hours
Energy Consumption Intensity	0.89	1.66	megajoules/HK\$1,000 revenue
Water Consumption			
Total Water Consumption	312	273	cubic metres
Water Consumption Intensity	2.07	3.84	litres/HK\$1,000 revenue
Packaging Materials			
Packaging Materials Consumed	38.00	61.30	tonnes

Use of Water

Water is another important natural resource. Regarding water consumption for the Hong Kong offices, the water supplies are solely controlled and centrally managed by their respective property management companies. Hence, it is not feasible for the Group to provide all relevant water consumption data as there is no sub-meter for individual office unit to record water usage. However, the Group actively seeks ways to mitigate water consumption by raising employees' awareness of water saving through green office policy such as reminding employees to turn faucet off tightly, conducting regular inspection and maintenance of water facilities, and posting notices in pantries, washrooms and other communication channels. The increase in water consumption in the Reporting Period was mainly attributable to the expansion of business during the year.

Waste Management

Due to the business nature of the Group, there are limited wastes generated at our offices and retail premises. In managing the non-hazardous wastes, we follow the "3R" principle of reduce, reuse and recycle to minimise waste generation and disposal.

Environmental, Social and Governance Report

General waste

General waste produced by the Group includes paper, domestic wastes and construction wastes from store renovations. To reduce the use of paper and waste generated, we have taken and will continue to take various measures to reduce the consumption of paper and other office supplies as below:

- Advocating the idea of “paperless” office and encouraging our staff to use electronic communications when feasible;
- Encouraging duplex printing and the reuse of single-sided paper as draft paper;
- Monitoring the consumption of office supplies for possible wastage and encouraging reuse; and
- Providing recycling boxes for collecting paper wastes and other recyclables.

During the Reporting Period, the rise in non-hazardous waste was primarily attributed to the additional construction wastes generated from the office renovation during the Year.

Hazardous waste

Given the business nature of the Group, we do not generate any material quantities of hazardous waste.

Packaging Materials

The Group consumes packaging materials as part of its both fashion accessories; and skincare and health product business, including the paper boxes, plastics and cloths. We are committed to reducing the use of packaging materials.

Climate Change

Climate change is one of the biggest emerging risks for all organisations. It can impact companies in the form of physical risks ranging from acute weather events such as flooding and storms, to chronic physical risks arising from the rising temperature and sea levels. It will also lead to transition risks arising from the change in environmental-related regulations or change in customer preferences.

To mitigate the possible impact of climate change on the Group, precautionary measures such as contingency plans at our property operations and flexible working arrangement at our offices have been adopted in response to the possible extreme weather scenarios of typhoon and flooding. To reduce emissions and energy consumption, the Group has implemented various environmental protection measures. Please refer to sections “Emissions” and “Use of water” for further detail.

While we do not expect physical risks related to climate change to have a significant impact on our businesses, we are aware that our business operations may potentially be impacted by transition risks, such as policy and regulatory risks. We will keep a close eye to monitor any climate-related risks and implement relevant measures to minimise the potential impact of climate change and the transition towards a low carbon society.

Regulatory Compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations relating to environmental emissions.

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SOCIAL

People-oriented

We have always regarded our staff as our most valuable asset and also the key to the Group's continual growth and success. The Group provides our staff with various career development and training opportunities to facilitate continuous growth and career development. Also, the Group provides our staff with competitive remuneration and benefits, and implements various measures to safeguard their occupational health and safety, in order to build a harmonious working environment.

By cultivating a supportive and rewarding atmosphere, we aim to inspire our employees to reach their full potential and contribute to the Group's ongoing achievements.

During the Reporting Period, the Group was not aware of any serious violations of employment-related laws and regulations, including but not limited to the Employment Ordinance, the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》).

Employment and Labour Practices

Employment Standards

The Group is well aware that the employment of child labour or forced labour is absolutely unacceptable, and it is the Group's responsibility to proactively oppose child labour and forced labour. The Group respects individual human rights and strictly complies with relevant local laws and regulations regarding child and forced labour. We prohibit the employment of child and forced labour in all operations and have set clear policies on our employment process to prevent any abuse.

During recruitment, the age of the applicants is verified with identification documents to ensure that no underage labour is employed. All our employees are protected by employment contracts with terms of jobs clearly stated and shall not be subject to forced labour. We uphold employees' freedom to express their opinions and have in place a formal complaint procedure to facilitate any escalation to the management of our employees.

In our daily business, we also do not tolerate any form of intimidation or physical abuse. In case any child labour and forced labour is discovered, we will take immediate action to protect the victims and notify relevant social welfare agencies to ensure that they will receive appropriate assistance. During the Reporting Period, the Group has not noticed any serious violations of laws and regulations relating to child labour and forced labour, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Talent-oriented Employment

The Group recruits' talents on the basis of open recruitment, equal competition, merit-based recruitment and internal first then external, while external recruitments are conducted through various channels, including internet, talent market, schools, newspapers and headhunting companies. As an equal opportunity employer, we have always adhered to the concept of fair, open and diversified employment. Only candidates' qualifications and working abilities will be considered during the recruitment process, regardless of their age, gender, race, colour, sexual orientation, disability or marital status to ensure that they are not discriminated against or treated unfairly. In addition, the Group has a clear promotion ladder, and staff will be evaluated annually, providing them with feedback towards their work performance and career development. The result of the evaluation will provide a basis for our staff's remuneration and position adjustment. We also provide different training and learning opportunities for our staff, and offer them to participate in training courses and seminars organised by external organisations to add value, make progress and grow together with us.

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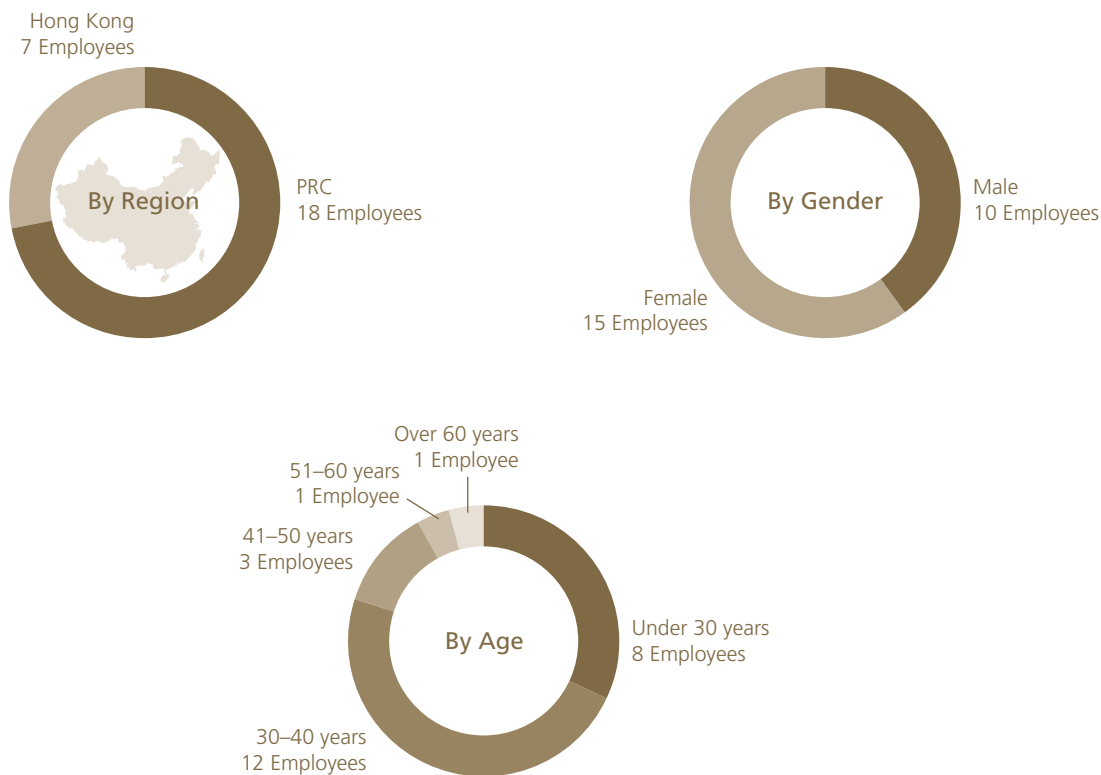
Remuneration and Benefits

We have established systems for remuneration, working hours and holidays, and relevant requirements are detailed in the Staff Handbook so that our staff can understand more. The Group is committed to providing competitive remuneration to attract and retain outstanding staff. The remuneration of staff consists of basic salary, position allowance and other subsidies. We will provide overtime subsidies or alternative leaves for our staff. We will also strive to comply with the laws and regulations on minimum wages and statutory social benefits, and provide social insurance for staff in the PRC, including pension, medical care, unemployment, work injury and maternity insurance.

Employment statistics

As of 31 March 2025, the Group had 25 employees, with a turnover rate of 148%(Note). Detailed classifications are listed below:

Employee Number
(as at 31 March 2025)



Environmental, Social and Governance Report

Employee Turnover Breakdown		Turnover Rate
Overall		148%
By Gender	Male	145%
	Female	151%
By Age Group	<30 years old	229%
	31–40 years old	105%
	41–50 years old	84%
	51–60 years old	141%
	>60 years old	63%
By Region	Hong Kong	40%
	Mainland China	174%

Note: Excluding employees leaving employment due to personal health issues, end of temporary employment and unsatisfactory performance during probationary period.

Regulatory compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations regarding employment and labour practices.

Health and Safety

None of our business operations involve any high-risk occupational health and safety issues. Regardless of this, the Group is committed to establishing and maintaining a working environment with “zero” work injury. Also, first aid boxes and emergency contact numbers are placed in convenient locations in the working environment to ensure that they can be accessed readily upon demand. We also provide our staff with medical insurances to safeguard their livelihoods in case the occurrence of any accidents. In the event of any major work injury event, we will investigate the cause of the event and identify appropriate corrective actions or improvement measures to prevent the reoccurrence of the incident. We have introduced the smoke-free policy into our workplace to protect the health of our staff. We have established procedures for our staff to follow in the event of typhoons and severe rainstorms to ensure their safety when travelling to and from the workplace.

During the Reporting Period, the Group has neither encountered any cases of injury or death at work, nor noticed any cases of serious violations of occupational safety related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance and the Law on the Prevention and Control of Occupational Diseases of the People’s Republic of China (《中華人民共和國職業病防治法》). There were also no fatality cases during each the three years ended 31 March 2025, 31 March 2024 and 31 March 2023.

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Regulatory Compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations regarding occupational health and safety.

Development and Training

The Group believes that the personal growth of our employees relates positively to the continuous growth of our businesses. Therefore, we strive to support our employees in professional development and seek to boost their sense of belonging to continuously grow in a harmonious working environment.

To ensure that our Directors are aware of and familiar with the latest listing requirements, we regularly circulate materials on the latest Listing Rules updates to them. We equip employees with the latest industry knowledge and expertise to maintain employees' competitiveness through training. During the Reporting Period, we encouraged our colleagues to seek various career training to enhance their capabilities to discharge their respective duties. We also offered basic training, including new employee orientation, on-the-job training, and safety and emergency training.

Employees are encouraged to develop and equip themselves with professional qualifications for future challenges. As part of the annual appraisal practice, employees are encouraged to discuss and formulate their development plans. The company facilitates and encourages employees to undertake relevant professional certifications and courses.

		2025	
Employee training statistics (excluding self-learning materials)		Percentage of employees training	Average trained hours
By gender	Male	76%	7.2
	Female	100%	11.4
By employee category	Management	65%	6.3
	General staff	100%	11.3

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Supply Chain Management and Quality Assurance

In order to protect the interests of our customers to the greatest extent, if our customers discover any quality problem in our products within seven days after receiving the goods, they can return or exchange them free of charge. Feedback from customers regarding the quality of our products will be reviewed thoroughly to ensure timely identification of significant issues within our value chain.

To guarantee product quality and safety from the source, we have established the “Factory Qualification Ranking Assessment Standard” (《工廠資質等級評審標準》) and “Product Quality Control System” (《產品品質管控制度》), and adopted various regulations to ensure all goods sold to our customers meeting quality standards. When selecting new suppliers, on-site inspections will be performed as part of the evaluation process prior to obtained qualification status. For qualified suppliers, we will sign a cooperation agreement with them and establish a half-year trial period. For existing suppliers, we will conduct qualification assessments on a regular basis to ensure their performance remains up to the Group’s standards. The assessment criteria include the quantity of supply, the number of complaints and the quality of service. For suppliers that fail to meet the qualification requirements, the Group will recommend corrective actions for the supplier to improve their performance. If no subsequent improvements were demonstrated by the suppliers involved, we will terminate our cooperation with them.

For suppliers which included as qualified, the products they provide must meet the following four quality testing standards:

- Environmental protection testing standard
- Coating wear resistance testing standard
- Salt mist corrosion testing standard
- Appropriateness of wearing standard

We not only value the quality of products supplied by our suppliers, but also focus on their environmental and social risks. In addition to requiring suppliers to meet environmental protection testing standards for their products, we also expect them to maintain good business ethics and integrity and prohibit any violations of laws and regulations on collusion, bribery and malpractice etc. If suppliers are found to have any material adverse impact on the environment or community they operate in, we will consider terminating our cooperation with them.

During the Reporting Period, the Group did not have experience any product recall, material non-compliance with laws and regulations in relation to product health and safety or receive any material complaints from consumers.

During the Reporting Period, the Group had 2 suppliers in Hong Kong and 31 in the PRC.

Environmental, Social and Governance Report

Quality Services

Caring Services

The mission of the Group is to offer quality products and services to customers, to develop and cultivate a group of loyal customers, as well as to be a trendsetter in the fashion accessories industry, offering a diverse selection of high quality products.

We are committed to listening to our customers' comments and feedbacks in order to maintain a strong relationship with our customers. Our sales platforms and channels provides instant customer service. If our customers have any enquiry or complaint, they can freely contact our customer service staff any time. If we receive complaints from customers, we will handle it seriously and provide appropriate and timely feedbacks and carry out remedial actions.

Privacy Protection

As an operator of an online platform, it is of utmost importance to strictly enforce privacy protection and information security. We have set out confidentiality statement in the Staff Handbook to strengthen our staff's awareness of protecting personal data, and stipulate that they are not allowed to leak out private information, such as customers' information to protect customer privacy. We also publish our Privacy Protection Statement on the Online Platform to clearly explain to our customers the use of their account information, including passwords, phone numbers, emails and credit card information, as well as measures taken by the Group to protect such information. Our sales platforms has adopted the encryption technology of Secure Sockets Layer (SSL) to encrypt data during data transmission to ensure that customers' personal data will not be leaked out. During the Reporting Period, the Group has neither noticed any major case of data leakage nor received any complaints from customers or regulators regarding the failure to protect customer privacy or loss of customer information.

Protection of Intellectual Property Rights

The Group respects intellectual property rights and prohibits any act that may violate these rights. Given the nature of our business operations, the areas of concern related to intellectual property rights are associated with the use of licensed software and marketing material of and the products offered on the sales platforms. We provide legally licensed software for all staff and prohibit the use or installation of pirated software. For marketing materials and the products offered on the sales platforms, we strictly abide by local regulations related to intellectual property rights.

Regulatory compliance

During the Reporting Period, we were not aware of any material non-compliance with laws and regulations regarding product responsibility.

Integrity

As a good corporate citizen, we strive to maintain good corporate governance and strictly comply with the applicable laws and regulations, including but not limited to, the Prevention of Bribery Ordinance and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), prohibiting any behaviour of corruption, bribery, money laundering, fraud and extortion, in order to maintain good moral integrity, establish a corporate culture of integrity and pragmatism, and safeguard the interests of the Group.

Employees at all levels are required to conduct themselves with integrity, impartiality and honesty. We make sure that all our employees are aware of the requirements upon recruitment with our staff handbooks, which guide how employees should conduct themselves and stipulate that employees are not allowed to demand or accept any benefit, including money, gifts, rewards, services or privileges, in connection with their duties.

Environmental, Social and Governance Report

We have “Anti-Corruption Policy” and “Whistleblowing Policy” in place, which applies to all employees. The documents provide details and examples on fraud and corruption activities prohibited within the Group to assist our employees’ understanding. Employees are encouraged to report any legitimate concern over possible improprieties in financial reporting, internal control or other unethical acts. The policy protects employees from any form of retribution for false allegations brought out of good faith. Following receipt of reported suspicious activities, the Group’s audit committee will perform an initial evaluation of the reported situation. Based on the criticality of the situation, confirmed violations may result in warnings, disciplinary actions, termination of employment, and/or reporting to regulatory authorities. During the Reporting Period, all directors attended anti-corruption training.

Regulatory Compliance

During the Reporting Period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees, and we were not aware of any material non-compliance with laws and regulations regarding anti-corruption.

Promotion and Advertising

The Group mainly conducts promotions through its webpage and social media. All materials (such as press releases, articles and webpage content) must be appropriately approved before being released to ensure compliance, accuracy and truthfulness of content. During the Reporting Period, the Group has not noticed any serious violations of laws and regulations, including but not limited to the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》), Law of the People’s Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and Internet Security Law of the People’s Republic of China (《中華人民共和國網絡安全法》), regarding product liability, including quality of product and service, advertising, labelling, customer privacy protection and consumer rights and interests protection.

Community Contribution

We always encourage our staff to participate in charitable activities actively, such as charitable donations, environmental protection activities and voluntary services, to contribute to the community. Looking ahead, the Group will devote more resources to society to build a better community and promote sustainable development through practical actions.

The Group did not make charitable donation during the Year. However, we will continue looking for opportunities to contribute our resources for improvement the wellbeing of the local communities where we operate in.

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APPENDIX I: HKEX ESG CONTENT INDEX

Mandatory Disclosure Requirements		Section	Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board's oversight of ESG issues;</p> <p>(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</p> <p>(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.</p>	The Group's ESG Governance Structure Board Direction on ESG Topics	–
Reporting Principles – Materiality	<p>(i) the process to identify and the criteria for the selection of material ESG factors; and</p> <p>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p>	Application of the Reporting Principles	–
Reporting Principles – Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).		–
Reporting Principles – Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.		–
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.	Reporting Period and Scope	–

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Subject Areas, Aspects and KPIs		Section	Remarks
A. Environmental			
A1 Emissions		Emissions and Use of Resources	–
KPI A1.1	The types of emissions and respective emissions data		–
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)		–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)		Given the nature of our business, we do not produce any significant amount of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)		–
KPI A1.5	Description of emission target(s) set and steps taken to achieve them		Emissions and wastes are not considered to be the most material issues comparatively given the Group's business nature. While we put effort to reduce our negative environmental impact, currently specific targets with respect to these aspects are not defined.
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		The Group reviews its operations and environmental performance on an ongoing basis and will consider rebaselining its targets as appropriate.

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Subject Areas, Aspects and KPIs		Section	Remarks
A2 Use of Resources		Emissions and Use of Resources	–
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity(e.g. per unit of production volume, per facility).		–
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		–
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		The Group is reviewing its operations and environmental performance in considering rebaselining its targets on energy and water consumption.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		–
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		–
A3 The Environment and Natural Resources		Emissions and Use of Resources	–
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.		The significant environmental issues in our business are already disclosed in sections "Emissions and Use of resources".
A4 Climate Change		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.		–

Environmental, Social and Governance Report

Subject Areas, Aspects and KPIs		Section	Remarks
B. Social			
B1 Employment		Employment and Labour Practices	–
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.		–
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		–
B2 Health and Safety		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.		–
KPI B2.2	Lost days due to work injury.		–
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		–
B3 Development and Training		Development and Training	–
KPI B3.1	The percentage of employees trained by gender and employee category.		–
KPI B3.2	The average training hours completed per employee by gender and employee category.		–
B4 Labour Standards		Employment and Labour Practices	–
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		–
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		–

Environmental, Social and Governance Report

Subject Areas, Aspects and KPIs		Section	Remarks
B5 Supply Chain Management		Supply Chain Management and Quality Assurance	–
KPI B5.1	Number of suppliers by geographical region.		–
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		–
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		–
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		–
B6 Product Responsibility		Quality Services	–
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		There was no major recall of products sold during the Reporting Period.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.		There was no substantial complaint received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		–
KPI B6.4	Description of quality assurance process and recall procedures.		–
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.		–

Environmental, Social and Governance Report

Subject Areas, Aspects and KPIs		Section	Remarks
B7 Anti-corruption		Integrity	–
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.		–
KPI B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.		–
KPI B7.3	Description of anti-corruption training provided to directors and staff.		–
B8 Community Investment		Community Contribution	–
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		–
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		–

Independent Auditor's Report

容诚 | RCHK

To the shareholders of Artini Holdings Limited

(Incorporated in the Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Artini Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 67 to 124, 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 ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(continued)*

Impairment assessment of intangible assets

Refer to note 18 to the consolidated financial statements.

As of 31 March 2025, the Group has intangible assets related to trademarks of approximately HK\$25,150,000.

The Group engaged an external valuation firm to perform the impairment assessments of trademarks by comparing the carrying values of cash generating units ("CGUs") to which the trademarks have been allocated to, with their respective recoverable amounts using discounted cash flow method. The preparation of discounted cash flow forecasts for the purpose of assessing the recoverable amount of trademarks involves significant estimation, including future revenue growth rates, future profit margins and discount rates applied.

We identified the impairment assessment of trademarks as a key audit matter because the balances of trademarks as of 31 March 2025 are material to the consolidated financial statements and the Group's impairment test involves significant management judgements, assumptions and estimates.

How our audit addressed the key audit matter

Our audit procedures in relation to the impairment assessment of trademarks included, but not limited to:

- evaluating the appropriateness of the methodology adopted by management in its impairment assessment;
- assessing the completeness, capabilities, independence and objectivity of the external valuer;
- assessing and challenging the reasonableness of the key assumptions adopted including discount rates, forecast revenue growth rates and forecast gross profit margins;
- obtaining supportive evidence for the significant judgements and estimates of the valuations and the key inputs used in the valuations;
- checking the mathematical accuracy of the valuation; and
- considering the reasonableness of the disclosures in the consolidated financial statements in reference to the requirements of prevailing accounting standards.

OTHER INFORMATION

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

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

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

Independent Auditor's Report

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

Independent Auditor's Report

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Leung Man Kit

Practising Certificate Number: P08413

Hong Kong, 30 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue	6	150,700	71,180
Cost of sales		(116,471)	(55,320)
Gross profit		34,229	15,860
Other income	7	683	364
Other gains and losses, net	8	10,144	19,541
Selling and distribution expenses		(17,978)	(16,391)
Administrative expenses		(18,126)	(12,450)
Finance costs	9	(360)	(129)
Profit before income tax	10	8,592	6,795
Income tax (expense)/credit	13	(983)	30
Profit for the year		7,609	6,825
Other comprehensive expense:			
Item that may be reclassified subsequently to profit and loss:			
Exchange differences arising on translation of foreign operations		(2,714)	(5,225)
Item that will not be reclassified to profit or loss:			
Reclassification of cumulative translation reserve upon deregistration of a subsidiary with foreign operation		–	(18,866)
Other comprehensive expense for the year, net of income tax		(2,714)	(24,091)
Total comprehensive income/(expense) for the year		4,895	(17,266)
Profit per share			
– Basic and diluted (HK\$)	14	0.006	0.006

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	2,102	139
Goodwill	16	–	–
Right-of-use assets	17	4,337	8,404
Intangible assets	18	29,515	25,167
Deferred tax assets	19	53	464
		36,007	34,174
CURRENT ASSETS			
Inventories	20	42,232	23,552
Trade and other receivables	21	65,854	44,201
Cash and bank balances	22	53,346	48,282
		161,432	116,035
CURRENT LIABILITIES			
Trade and other payables	23	2,456	8,955
Contract liabilities	24	7,125	5,946
Lease liabilities	27	2,727	3,093
Amount due to a director	25	–	1,299
Amount due to immediate holding company	26	–	676
Income tax payable		6,250	10,782
		18,558	30,751
NET CURRENT ASSETS		142,874	85,284
TOTAL ASSETS LESS CURRENT LIABILITIES		178,881	119,458
NON-CURRENT LIABILITIES			
Lease liabilities	27	1,925	5,894
Deferred tax liabilities	19	31	434
		1,956	6,328
NET ASSETS		176,925	113,130
CAPITAL AND RESERVES			
Share capital	28	66,198	55,198
Reserves		110,727	57,932
TOTAL EQUITY		176,925	113,130

Approved and authorised for issue by the board of directors on 30 June 2025.

Chen Long
Director

Chen Shaojia
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000 (Note (A))	Translation reserve HK\$'000	PRC statutory reserves HK\$'000 (Note (B))	Share-based payment capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2023	55,198	913,906	(16,415)	20,277	9,436	8,976	(860,982)	130,396
Profit for the year	–	–	–	–	–	–	6,825	6,825
Other comprehensive expense for the year, net of income tax	–	–	–	(24,091)	–	–	–	(24,091)
Total comprehensive (expense)/ income for the year	–	–	–	(24,091)	–	–	6,825	(17,266)
Reclassification of reserves upon deregistration of a subsidiary with foreign operation	–	–	(3,871)	–	(9,436)	–	13,307	–
Lapse of share options	–	–	–	–	–	(8,976)	8,976	–
As at 31 March 2024 and 1 April 2024	55,198	913,906	(20,286)	(3,814)	–	–	(831,874)	113,130
Profit for the year	–	–	–	–	–	–	7,609	7,609
Other comprehensive expense for the year, net of income tax	–	–	–	(2,714)	–	–	–	(2,714)
Total comprehensive (expense)/ income for the year	–	–	–	(2,714)	–	–	7,609	4,895
Placing of shares, net (note 28(a))	11,000	47,900	–	–	–	–	–	58,900
Profit appropriation to statutory reserves	–	–	–	–	796	–	(796)	–
As at 31 March 2025	66,198	961,806	(20,286)	(6,528)	796	–	(825,061)	176,925

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

Notes:

A. OTHER RESERVES

The other reserves comprise of the following:

i. Restructuring reserve

The restructuring reserve of debit balance of approximately HK\$23,486,000 (2024: HK\$23,486,000) represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries comprising of the Group prior to the reorganisation of the Group in 2008.

ii. Capital injection by a shareholder

Mr. Tse, Hoi Chau ("Mr. Tse") regards the integrated fashion accessories platform business a revitalisation of the Group's fashion accessories businesses, which had been in business for decades. As a vote of confidence in the Group's financial performance, Mr. Tse has personally provided a profit guarantee (the "Profit Guarantee") in favour of the Company in October 2018, pursuant to which Mr. Tse has guaranteed in favour of the Company that the audited consolidated net profit after tax (excluding non-recurring and extraordinary items and non-cash income and minority interests) of the Group (the "Adjusted Net Profit") for the year ended 31 March 2020 ("Year 2020") shall be no less than HK\$24.0 million. In the event the Adjusted Net Profit has fallen short of the Profit Guarantee, Mr. Tse shall pay to the Company for the shortfall on a dollar-to-dollar basis in cash.

The Adjusted Net Profit for the Year 2020 was approximately HK\$20.8 million. Due to the impact of the novel coronavirus epidemic, the performance of the Group for the Year 2020 was not as expected, therefore the Adjusted Net Profit did not meet the Profit Guarantee. Mr. Tse paid the compensation of approximately HK\$3.2 million to the Company during the year ended 31 March 2021.

B. PRC STATUTORY RESERVES

The amounts represent the transfers from retained earnings to PRC statutory reserves which are made in accordance with the relevant rules and regulations in the People's Republic of China (the "PRC") and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors which comprise of:

i. General reserve fund

Subsidiaries in the PRC are required to transfer 10% of the net profits, as determined in accordance with the PRC accounting rules and regulations, to general reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this fund must be made before distribution of dividends to equity holders.

General reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the general reserve fund after such conversion is not less than 25% of the subsidiary's registered capital.

ii. Enterprise expansion fund

Subsidiaries in the PRC are required to transfer a certain percentage of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the enterprise expansion fund. The percentage of appropriation is decided by the directors of the subsidiaries.

Enterprise expansion fund can be used for the subsidiaries' business development purposes and for working capital purposes. This fund can also be used to increase capital of the relevant subsidiaries, if approved. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distribution of dividends to the equity holders.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	8,592	6,795
Adjustments for:		
Depreciation of property, plant and equipment	713	145
Depreciation of right-of-use assets	2,846	920
Gain on early termination of leases	(128)	–
Amortisation of intangible assets	407	2
Impairment loss reversed in respect of trade receivables and contract assets	(1,028)	(1,132)
Impairment loss recognised/(reversed) in respect of other receivables	3	(158)
Finance costs recognised in profit or loss	360	129
Interest income recognised in profit or loss	(673)	(276)
Write-down of inventories	15	107
Impairment losses on goodwill	–	2,534
Gain on deregistration of a subsidiary	(9,116)	–
Unrealised exchange gains	6	(18,864)
Operating cash flows before changes in working capital	1,997	(9,798)
(Increase)/decrease in inventories	(18,863)	16,875
(Increase)/decrease in trade and other receivables	(21,225)	19,283
Decrease in trade and other payables	(2,667)	(3,062)
Increase in contract liabilities	1,247	5,622
Cash (used in)/generated from operations	(39,511)	28,920
Income taxes refund	–	–
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(39,511)	28,920
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,676)	(77)
Purchase of intangible assets	(4,751)	(19)
Interest received	673	276
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(6,754)	180
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)		
Proceeds from placing of shares	58,900	–
Principal elements of lease payments	(2,987)	(335)
Interest paid on lease liabilities	(360)	(129)
(Repayment to)/advance from a director	(1,299)	1,299
(Repayment to)/advance from immediate holding company	(676)	676
NET CASH GENERATED FROM FINANCING ACTIVITIES	53,578	1,511
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,313	30,611
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	48,282	18,886
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(2,249)	(1,215)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by cash and bank balances	53,346	48,282

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

Artini Holdings Limited (the “Company”) was incorporated in Bermuda on 30 May 2007 as an exempted company with limited liability under the Bermuda Companies Act 1981 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is Unit No.8502, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in the sale of a wide selection of fashion accessories products mainly through the Group’s self-operated online platform and third-party sales online platforms (the “Integrated Fashion Accessories Platform Business”) and the sale of skincare and health products through self-operated online platform (the “Skincare and Health Product Sales Platform Business”).

In the opinion of the directors of the Company (the “Directors”), the Company’s immediate holding company is Rapid Development Limited, a company incorporated in British Virgin Islands with limited liability and its ultimate controlling shareholders are Mr. Chen Long (“Mr. Chen”) and Ms. Lin Chenjie (wife of Mr. Chen).

The principal activities of its subsidiaries are set out in Note 34.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which includes all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and HK (IFRIC) Interpretations, HK Interpretations and HK (SIC) Interpretations (collectively referred to as “Interpretations”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users.

Going concern assessment

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

(c) Functional and presentation currency

The consolidated financial statements have been presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) 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 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
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial position 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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

(b) 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
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	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
HK Int 5	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments) 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 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.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 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. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRSs, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Note 4(n)), and whenever there is an indication that the CGU may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(d) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(d) Revenue recognition *(continued)*

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

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

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

- (i) Revenue from sale of fashion accessories products and skincare and health products are recognised at point in time when the goods are delivered to, and have been accepted by, customers.
- (ii) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. 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 to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

For sales of skincare and health products to the wholesale market and through retail outlets and internet sales, revenue is recognised by the group at a point in time in line with the policy outlined above. Under the Group's standard contract terms, customers have a right of return before acceptance of the goods and accordingly a refund liability and a right to returned goods asset are recognised in relation to goods expected to be returned.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(e) Leasing

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(f) 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 on 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 foreign 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 expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. 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.

(g) Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as expenses when employees have rendered service entitling them to the contributions.

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

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(i) Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 30.

The fair value determined at the grant date of the share options are expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in the share-based payment capital reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment capital reserve.

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

Share options granted to suppliers/consultants

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(j) Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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. In addition, deferred tax liabilities are not recognised if the temporary differences arise 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 leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(j) Taxation *(continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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 are recognised in profit or loss, except when it relates 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(k) Property, plant and equipment

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	Over the terms of the leases
Office equipment	3 to 10 years
Furniture and fixtures	5 years
Motor vehicles	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset’s estimated recoverable amount.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(l) Intangible assets (other than goodwill)

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Non-contractual customer lists and relationships	36 months
Software	28 to 60 months

Intangible assets including trademarks that are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see Note 4(n)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease to the extent of its revaluation surplus.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Hong Kong Companies Ordinance, Cap. 622, came into operation on 3 March 2014. Under the Ordinance shares of the Company do not have a nominal value. Consideration received or receivable for the issue of shares on or after 3 March 2014 is credited to share capital. Commissions and expenses are allowed to be deducted from share capital under s. 148 and s. 149 of the Ordinance.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Financial instruments *(continued)*

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the period.

(n) Impairment on non-financial assets (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is indication that they may be impaired.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(n) Impairment on non-financial assets (other than goodwill) *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale.

(p) 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 (where the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Cash and cash equivalents

Bank balances and cash included in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(r) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, 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 associated 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.

Key sources of estimation uncertainty

The following 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.

(i) Impairment of trade receivables, contract assets and other receivables

The Group estimates the impairment allowances for trade receivables, contract assets and other receivables by assessing the ECL based on historical credit loss experience, forward looking factors, and the economic environment. This requires the use of estimates and judgments. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables, and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of each reporting period.

During the year ended 31 March 2025, impairment loss reversed in respect of trade receivables and contract assets of HK\$1,028,000 (2024: reversal of HK\$1,132,000) and impairment loss recognised in respect of other receivables of HK\$3,000 (2024: reversal of HK\$158,000) have been recognised.

(ii) Estimated impairment of non-financial assets

Determining whether non-financial assets are impaired requires an estimation of the recoverable amounts of the CGUs to which non-financial assets have been allocated. The recoverable amount calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31 March 2025, no impairment loss on goodwill has been recognised (2024: HK\$2,534,000) and no impairment loss on intangible assets has been recognised (2024: HK\$nil). Further details are set out in notes 16 and 18.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

(iii) Estimation of income taxes

The Group is subject to income and other forms of taxes in different jurisdictions and significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for taxes based on estimates of the taxes that are likely to become due. The Group believes that its provisions for taxes is adequate for the reporting periods based on its assessment of many factors including past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

(iv) Impairment of investments in subsidiaries

The carrying amount of the Company's interests in subsidiaries is reviewed periodically in order to assess whether the recoverable amount has declined below the carrying amount. The asset is tested for impairment whenever events or changes in circumstances indicate that the recorded carrying amount may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate selling prices because quoted market prices for interests in subsidiaries are not readily available. In determining the value in use, expected cash flows generated by the Company's interests in subsidiaries are discounted to their present value, which requires significant judgement relating to level of sale volume and amount of operating costs of the subsidiaries. The Company uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume and amount of operating costs of the subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION

a. Revenue

Revenue represents the net amounts received and receivables that are derived from sales of fashion accessories products and sales of skincare and health products during the years ended 31 March 2025 and 2024.

	2025 HK\$'000	2024 HK\$'000
Types of goods and services:		
Wholesale, retail and distribution of fashion accessories	86,775	67,769
Wholesale, retail and distribution of skincare and health products	63,925	3,411
	150,700	71,180
Timing of revenue recognition:		
A point in time	150,700	71,180

b. Segment information

The Group's operating segments, based on information reported to the board of Directors, being the chief operating decision-maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments for the years ended 31 March 2025 and 2024 were as follows:

Integrated Fashion Accessories Platform Business	Wholesale, retail and distribution of fashion accessories mainly through self-operated online platform and third-party sales online platforms.
Skincare and Health Product Sales Platform Business	Wholesale, retail and distribution of skincare and health products mainly through self-operated online platform.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information

The following is an analysis of the Group's revenue and results, assets and liabilities and other information by reportable and operating segments:

Year ended 31 March 2025

	Integrated Fashion Accessories Platform Business HK\$'000	Skincare and Health Product Sales Platform Business HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Revenue (At point in time)				
Segment revenue – external sales	86,775	63,925	–	150,700
Results				
Segment results	7,352	158	–	7,510
Unallocated other profits				10,075
Unallocated expenses				
– Auditor's remuneration				(800)
– Depreciation of right-of-use assets				(2,442)
– Salaries and retirement benefit scheme				(2,583)
– Other professional fee				(1,149)
– Unallocated expenses				(1,690)
– Finance costs				(329)
Profit before income tax				8,592
Assets				
Segment assets	138,353	50,305	–	188,658
Unallocated assets				
– Property, plant and equipment				1,727
– Right-of-use assets				4,211
– Deferred tax assets				53
– Other receivables, prepayment and deposit				1,152
– Cash and bank balances				1,638
Total assets				197,439
Liabilities				
Segment liabilities	(14,143)	(946)	–	(15,089)
Unallocated liabilities				
– Other payables and accruals				(875)
– Lease liabilities				(4,519)
– Deferred tax liabilities				(31)
Total liabilities				(20,514)
Other information				
Depreciation of property, plant and equipment	(72)	(24)	(617)	(713)
Depreciation of right of use assets	(166)	(238)	(2,442)	(2,846)
Impairment loss reversed/(recognised) in respect of trade receivables and contract assets	1,039	(12)	1	1,028
Impairment loss recognised in respect of other receivables	(3)	–	–	(3)
Write-down of inventories	(15)	–	–	(15)
Amortisation of intangible assets	(17)	(390)	–	(407)
Interest income	93	145	435	673
Finance costs	(11)	(20)	(329)	(360)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information *(continued)*

Year ended 31 March 2024

	Integrated Fashion Accessories Platform Business HK\$'000	Skincare and Health Product Sales Platform Business HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Revenue (At point in time)				
Segment revenue – external sales	67,769	3,411	–	71,180
Results				
Segment results	289	(59)	–	230
Unallocated other profits				15,983
Unallocated expenses				
– Auditor's remuneration				(800)
– Depreciation of right-of-use assets				(744)
– Salaries and retirement benefit scheme				(3,912)
– Other professional fee				(1,187)
– Unallocated expenses				(2,669)
– Finance costs				(106)
Profit before income tax				6,795
Assets				
Segment assets	97,038	16,335	–	113,373
Unallocated assets				
– Property, plant and equipment				42
– Right-of-use assets				6,653
– Deferred tax assets				464
– Other receivables, prepayment and deposit				2,845
– Cash and bank balances				26,832
Total assets				150,209
Liabilities				
Segment liabilities	(12,163)	(6,651)	–	(18,814)
Unallocated liabilities				
– Other payables and accruals				(5,421)
– Lease liabilities				(7,115)
– Deferred tax liabilities				(434)
– Others				(5,295)
Total liabilities				(37,079)
Other information				
Depreciation of property, plant and equipment	(29)	–	(116)	(145)
Depreciation of right of use assets	(108)	(68)	(744)	(920)
Impairment loss reversed in respect of trade receivables and contract assets	1,132	–	–	1,132
Impairment loss reversed in respect of other receivables	158	–	–	158
Impairment losses on goodwill	(2,534)	–	–	(2,534)
Write-down of inventories	(107)	–	–	(107)
Amortisation of intangible assets	–	(2)	–	(2)
Interest income	136	27	113	276
Finance costs	(14)	(9)	(106)	(129)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

i. Segment revenue and results, assets and liabilities and other information *(continued)*

The accounting policies of the above reportable and operating segments are the same as the Group's accounting policies.

Revenue reported above represents revenue generated from external customers. There was no inter-segment sales transactions between the Group's subsidiaries in the different segments during the years ended 31 March 2025 and 2024.

Segment results represent the loss incurred or profit earned by each segment without allocation of items not directly related to the relevant segments. This is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

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

- All assets are allocated to reportable and operating segments other than certain property, plant and equipment, right-of-use assets, deferred tax assets, other receivables, prepayments and deposits, and cash and bank balances.
- All liabilities are allocated to reportable and operating segments other than certain other payable and accruals, deferred tax liabilities and lease liabilities.

ii. Geographical information

The following table provides an analysis of the Group's revenue from external customers based on the location where the goods were delivered:

	2025 HK\$'000	2024 HK\$'000
America	30,792	62,851
The PRC, other than Hong Kong and Macao	119,645	5,657
Others	263	2,672
	150,700	71,180

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION *(continued)*

b. Segment information *(continued)*

ii. Geographical information *(continued)*

The following table provides an analysis of the Group's non-current assets based on the geographical location of the assets:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	5,939	6,696
The PRC, other than Hong Kong and Macao	30,015	27,014
	35,954	33,710

Note: Non-current assets excluded deferred tax assets.

c. Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	—*	16,173
Customer B	—*	14,556
Customer C	—*	14,439
Customer D	16,955	—*

* Contributed less than 10% of the Group's total revenue for relevant year.

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Interest income	673	276
Others	10	88
	683	364

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Other gains and (losses), net comprise of:		
Net exchange (losses)/gains	(6)	20,785
Impairment loss reversed in respect of trade receivables and contract assets (note 21 (b))	1,028	1,132
Impairment loss (recognised)/reversed in respect of other receivables (note 21 (c))	(3)	158
Impairment losses on goodwill (note 16)	–	(2,534)
Gain on deregistration of a subsidiary (note)	9,116	–
Gain on early termination of leases	128	–
Others	(119)	–
	10,144	19,541

Note: During the year ended 31 March 2025, Primeview Technology Limited ("PVT"), an indirect wholly-owned subsidiary of the Company, was deregistered under the local law of Hong Kong Special Administrative Region. Net loss of HK\$19,000 generated by PVT during the year ended 31 March 2025 has been consolidated in the Group's consolidated statement of profit or loss and other comprehensive income. The group has recorded a gain on deregistration of PVT of HK\$9,116,000 during the year ended 31 March 2025.

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	360	129

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

10. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Staff costs (included directors' and chief executive's emoluments) (<i>note 11</i>)		
Salaries, wages and other benefits	9,106	6,284
Contributions to defined contribution retirement plans	1,273	510
	10,379	6,794
Auditor's remuneration	800	800
Cost of inventories recognised as an expense, including written-off of inventories and provision of impairment loss on inventories	116,471	55,320
Write-down of inventories	15	107
Depreciation of property, plant and equipment (<i>note 15</i>)	713	145
Depreciation of right-of-use assets (<i>note 17</i>)	2,846	920
Amortisation of intangible assets (<i>note 18</i>)	407	2
Short-term leases expenses	9	6
Other professional fee	2,516	1,148

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a. 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:

	Notes	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2025					
Executive directors					
Mr. Tse Hoi Chau	(i)	300	–	5	305
Mr. Chen Long		930	954	110	1,994
Mr. Chen Shaojia		750	774	100	1,624
Independent non-executive directors					
Ms. Ji Lingzi	(ii)	50	–	–	50
Mr. Lau Yiu Kit	(iii)	70	–	–	70
Mr. Ma Sai Yam		120	–	–	120
Mr. Yuen Wai Kin		120	–	–	120
		2,340	1,728	215	4,283
For the year ended 31 March 2024					
Executive directors					
Mr. Tse Hoi Chau	(i)	–	1,238	27	1,265
Mr. Tse Kin Lung	(iv)	–	416	21	437
Ms. Yu Zhonglian	(v)	–	79	4	83
Mr. Chen Long		100	529	20	649
Mr. Chen Shaojia		100	401	22	523
Independent non-executive directors					
Mr. Lau Fai Lawrence	(vi)	79	–	–	79
Mr. Lau Yiu Kit		120	–	–	120
Mr. Ma Sai Yam		120	–	–	120
Mr. Yuen Wai Kin		41	–	–	41
		560	2,663	94	3,317

Notes:

- (i) Mr. Tse Hoi Chau resigned as an executive director on 1 November 2024.
- (ii) Ms. Ji Lingzi was appointed as independent non-executive directors on 1 November 2024.
- (iii) Mr. Lau Yiu Kit resigned as an independent non-executive director on 1 November 2024.
- (iv) Mr. Tse Kin Lung resigned as an executive director on 29 November 2023.
- (v) Ms. Yu Zhonglian resigned as an executive director on 29 November 2023.
- (vi) Mr. Lau Fai Lawrence was resigned as independent non-executive directors on 29 November 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

a. Directors' and chief executive's emoluments *(continued)*

During the years ended 31 March 2025 and 2024, no emoluments was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the Directors has waived or agreed to waive any emoluments during the years ended 31 March 2025 and 2024.

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 non-executive director's emoluments shown above were mainly for their services as director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

b. Employees' emoluments

Of the five individuals with the highest emoluments, four (2024: four) of the Director for the year ended 31 March 2025, details of whose emoluments are included in the disclosure in Note 11(a) above.

The emoluments of the remaining one individual (2024: one) was as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	480	315
Retirement benefit scheme contributions	24	4
	504	319

The emoluments of the one individual (2024: one) who is not the Directors with the highest emoluments are within the following band:

	2025	2024
Nil to HK\$1,000,000	1	1

During the current and prior years, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. DIVIDENDS

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

13. INCOME TAX EXPENSE/(CREDIT)

	2025 HK\$'000	2024 HK\$'000
Current tax		
– PRC Enterprise Income Tax	975	–
	975	–
Deferred tax		
– Current year (note 19)	8	(30)
Income tax expense/(credit)	983	(30)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5% (the “Regime”). 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\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000. The Hong Kong profits tax for the years ended 31 March 2025 and 2024 is provided based on the Regime.

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 March 2025 and 2024.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% (2024: 25%) for the year ended 31 March 2025.

The income tax expense/(credit) for the years can be reconciled to the profit before income tax as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	8,592	6,795
Tax calculated at the rate applicable to the tax jurisdictions concerned	936	879
Tax effect of expenses not deductible for tax purposes	1,570	1,418
Tax effect income not taxable for tax purposes	(1,748)	(3,374)
Utilisation of tax loss previously not recognised	(164)	(195)
Tax effect of tax losses not recognised	389	1,242
Income tax expense/(credit)	983	(30)

As at 31 March 2025 and 2024, the Group did not have deductible temporary difference in respect of impairment of trade and other receivables. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not certain that taxable profit will be available which the deductible temporary differences can be utilised.

As at 31 March 2025, the Group had unused tax losses of approximately HK\$34,550,000 (2024: HK\$38,729,000) available for offsetting against future profits. No deferred tax assets have been recognised as certain entities of the Group have been loss making for several years and it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Tax losses may be carried forwards indefinitely except for those tax losses amounting to HK\$10,777,000 (2024: HK\$18,083,000) will expire in the coming few years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14. PROFIT PER SHARE

The calculation of basic profit per share is based on the profit for the year of approximately HK\$7,609,000 (2024: approximately HK\$6,825,000) and the weighted average of approximately 1,211,858,000 (2024: 1,103,968,000) ordinary shares of the Company in issue during the year.

Diluted profit per share equals to basic profit per share, as there were no potential dilutive ordinary shares in issue for the years ended 31 March 2025 and 2024.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
Cost					
As at 1 April 2023	21	714	63	1,315	2,113
Additions	–	77	–	–	77
Exchange adjustments	(1)	(8)	–	–	(9)
As at 31 March 2024 and 1 April 2024	20	783	63	1,315	2,181
Additions	2,303	95	278	–	2,676
Exchange adjustments	–	(3)	–	–	(3)
As at 31 March 2025	2,323	875	341	1,315	4,854
Accumulated depreciation and impairments					
As at 1 April 2023	4	639	28	1,231	1,902
Provided for the year (note 10)	9	40	13	83	145
Exchange adjustments	–	(5)	–	–	(5)
As at 31 March 2024 and 1 April 2024	13	674	41	1,314	2,042
Provided for the year (note 10)	583	82	47	1	713
Exchange adjustments	–	(3)	–	–	(3)
As at 31 March 2025	596	753	88	1,315	2,752
Carrying amounts					
As at 31 March 2025	1,727	122	253	–	2,102
As at 31 March 2024	7	109	22	1	139

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. GOODWILL

	HK\$'000
Cost	
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	152,181
Impairments	
As at 1 April 2023	149,647
Impairment losses recognised during the year (<i>note 8</i>)	2,534
As at 31 March 2024, 1 April 2024 and 31 March 2025	152,181
Carrying amount	
As at 31 March 2025	–
As at 31 March 2024	–

Notes:

- (a) Goodwill arises from acquisition of Primeview Technology Limited ("PVT") on 31 October 2016. The goodwill is allocated to the CGU of the electronic commerce ("E-commerce Business") and fully impaired in prior year.
- (b) Goodwill arises from acquisition of Magic B2B Limited and Guangzhou Artini Technology Limited on 31 October 2017. This goodwill is allocated to the CGU of Integrated Fashion Accessories Platform Business.

During the year ended 31 March 2024, the management has determined that an impairment loss of HK\$2,534,000 in relation to goodwill allocated to the CGU of the Integrated Fashion Accessories Platform Business.

The recoverable amount of the CGU has been determined from value in use calculation based on cash flow projection from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2.5%.

	2024
Discount rate	19.97%
Operating margin	20.00%
Average growth rate within the five-year period	9.50%

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience.

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For the year ended 31 March 2025

17. RIGHT-OF-USE ASSETS

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

	Office premises and warehouse HK\$'000
At 1 April 2023	211
Additions	9,125
Depreciation (<i>note 10</i>)	(920)
Exchange adjustments	(12)
At 31 March 2024 and 1 April 2024	8,404
Additions	323
Depreciation (<i>note 10</i>)	(2,846)
Early termination of leases	(1,540)
Exchange adjustments	(4)
At 31 March 2025	4,337

For both years, the Group leases office premises and warehouse for its operations. Lease contracts which effective interest rates of 5.86% (2024: 5.64%) are entered into for fixed terms of 12 months to 3 years (2024: 12 months to 2 years), but may have extension and termination options included. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

18. INTANGIBLE ASSETS

	Trademarks HK\$'000 (Note (a))	Customer lists HK\$'000 (Note (b))	Software HK\$'000 (Note (b))	Total HK\$'000
Cost				
As at 1 April 2023, 31 March 2024, 1 April 2024	32,840	109	19	32,968
Addition	–	–	4,751	4,751
As at 31 March 2025	32,840	109	4,770	37,719
Accumulated amortisation and impairments				
As at 1 April 2023	7,690	109	–	7,799
Amortisation (note 10)	–	–	2	2
As at 31 March 2024 and 1 April 2024	7,690	109	2	7,801
Amortisation (note 10)	–	–	407	407
Exchange adjustments	–	–	(4)	(4)
As at 31 March 2025	7,690	109	405	8,204
Carrying amounts				
As at 31 March 2025	25,150	–	4,365	29,515
As at 31 March 2024	25,150	–	17	25,167

Notes:

- (a) The Group acquired trademarks related to an Italian brand ("Asbeny"), which are considered to have indefinite useful lives, in March 2018. The recoverable amounts of the CGUs to which Asbeny has been allocated, has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2.0% (2024: 2.5%).

	2025	2024
Discount rate	22.03%	22.95%
Operating margin	76%	50.90%
Growth rate within the five –year period	3–5%	8–13%

The discount rates used are pre-tax and reflect specific risks relating to the Asbeny. The operating margin and growth rate within the five-year period have been based on past experience.

As at 31 March 2025, the Group estimates the recoverable amounts of the CGUs to which Asbeny has been allocated based on higher of fair value less costs of disposal and value in use. The carrying amount of trademarks of HK\$25,150,000 does not exceed the recoverable amount based on value in use calculations and no impairment has been recognised.

- (b) The Group's customer lists with finite useful lives were amortised on a straight-line basis over a period of 36 months, and the Group's software with finite useful lives were amortised on a straight-line basis over a period ranging from 28 to 60 months during the year ended 31 March 2025 (2024: over a period of 36 months).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

19. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	53	464
Deferred tax liabilities	(31)	(434)
	22	30

Details of the deferred tax assets/(liabilities) recognised and movements during the current and prior years:

	Lease liabilities HK\$'000	Rights-of-use assets HK\$'000	Total HK\$'000
As at 1 April 2023	–	–	–
Credit/(charge) to profit or loss (note 13)	464	(434)	30
As at 31 March 2024 and 1 April 2025	464	(434)	30
(Charge)/credit to profit or loss (note 13)	(411)	403	(8)
As at 31 March 2025	53	(31)	22

Below tax losses arising from the PRC operations will be expired as follows:

	2025 HK\$'000	2024 HK\$'000
Year 2024	–	5,541
Year 2025	3,997	4,034
Year 2026	3,028	3,056
Year 2027	3,105	3,134
Year 2028	2,150	2,318
Year 2029	1,321	–

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences amounting to approximately HK\$22,000 (2024: approximately HK\$30,000) representing the accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

20. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw material	18,175	–
Work in progress	7,234	–
Finished goods	16,823	23,552
	42,232	23,552

As at 31 March 2025, provision of impairment loss of inventories of HK\$15,000 (2024: HK\$107,000) is made and recognised as cost of inventories sold during the year.

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For the year ended 31 March 2025

21. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables (<i>note (a)</i>)	53,858	43,004
Less: Allowances (<i>note (b)</i>)	(3,625)	(4,653)
Trade receivables, net	50,233	38,351
Other receivables (<i>note (c)</i>)	1,616	1,334
Less: Allowances	(19)	(16)
Other receivables, net	1,597	1,318
Deposits and prepayment	14,024	4,532
	65,854	44,201

Notes:

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

As at 31 March 2025 and 2024, included in other receivables were receivables from a few independent third parties.

(a) Trade receivables

The Group generally allows an average credit period of 30 to 180 days (2024: 30 to 90 days) to its customers. The ageing analysis of the Group's trade receivables presented (net of allowances) based on invoice date as at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	10,669	441
31–60 days	9,989	1,615
61–90 days	10,554	6,110
91–180 days	11,530	18,209
181–365 days	7,472	7,568
Over 365 days	19	4,408
	50,233	38,351

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of each individual group entity:

	2025 HK\$'000	2024 HK\$'000
Renminbi	46,378	313
United States Dollars	3,855	38,038
	50,233	38,351

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

21. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(b) Movements in loss allowance account in respect of trade receivables and contract assets during the years are as follows:

	Contract assets HK\$'000	Trade receivables HK\$'000	Total HK\$'000
As at 1 April 2023	1	5,784	5,785
Impairment loss reversed (<i>note 8</i>)	(1)	(1,131)	(1,132)
As at 31 March 2024 and 1 April 2024	–	4,653	4,653
Impairment loss reversed (<i>note 8</i>)	–	(1,028)	(1,028)
As at 31 March 2025	–	3,625	3,625

Other than the above allowances, the Group did not provide any allowances on the remaining past due receivables as, in the opinion of the Directors, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

(c) Other receivables

Movements in loss allowance account in respect of other receivables during the years are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 April	16	174
Impairment loss recognised/(reversed) (<i>note 8</i>)	3	(158)
As at 31 March	19	16

Other than the above allowances, the Group did not provide any allowances on the remaining past due receivables as, in the opinion of the Directors, there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

Furthermore, in the opinion of the Directors, there has not been a significant change in credit quality of the Group's other receivables which are neither past due nor impaired and the amounts are still considered recoverable.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

22. CASH AND BANK BALANCES

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	53,346	48,282

As at 31 March 2025, the Group's bank balances carry interest at market rates ranged from 0.1% to 3.5% (2024: 0.001% to 0.875%) per annum.

The Group's cash and bank balances denominated in Renminbi ("RMB") which is not a freely convertible currency in the international market and the remittance of RMB out of the PRC is subject to exchange restrictions imposed by the Government of the PRC in respect of the relevant group companies were as follows:

	2025 HK\$'000	2024 HK\$'000
Currency:		
RMB	34,636	15,132

23. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	982	1,636
Other tax payables	289	3,138
Payrolls and staff cost payables	317	1,422
Other payables and accruals	868	2,759
	2,456	8,955

The Group's trade payables principally comprise amounts outstanding for trade purchases. Payment terms with suppliers are mainly on credit term of 30 to 90 days (2024: 30 to 90 days).

The ageing analysis of the Group's trade payables presented based on invoice date as at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 3 months	539	1,627
More than 3 month less than 1 year	443	–
Over 1 year	–	9
	982	1,636

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

24. CONTRACT LIABILITIES

The Group has recognised the following revenue – related contract liabilities:

	2025 HK\$'000	2024 HK\$'000
As at 1 April	5,946	411
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(71,224)	(12,526)
Increase in contract liabilities as a result of receipt in advance of sales of products	72,403	18,061
As at 31 March	7,125	5,946

Note: The deposits of the Group receives on sales of products remains as a contract liability until the date deliver products to customers and are expected to be utilised within one year.

25. AMOUNT DUE TO A DIRECTOR

	2025 HK\$'000	2024 HK\$'000
Amount due to a director (<i>note (a)</i>)	–	1,299

Note:

(a) As at 31 March 2024, the amount due to a director is unsecured, non-interest bearing and have no fixed repayment term.

26. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

The amount due to immediate holding company is unsecured, non-interest bearing and have no fixed repayment term.

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For the year ended 31 March 2025

27. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of year	8,987	210
Additions	323	8,861
Early termination of leases	(1,668)	–
Interest expense	360	129
Payments during the year	(3,347)	(200)
Exchange adjustments	(3)	(13)
At the end of year	4,652	8,987
Lease liabilities payable		
Within one year	2,727	3,093
More than one year but less than five years	1,925	5,894
	4,652	8,987
Less: Amounts for settlement within 12 months shown under current liabilities	(2,727)	(3,093)
Amounts due for settlement after 12 months shown under non-current liabilities	1,925	5,894

The weighted average incremental borrowing rates applied to lease liabilities range from 4.35% to 5.88% (2024: from 4.35% to 5.88%).

28. SHARE CAPITAL

	Number of ordinary shares HK\$0.05 each	Amount HK\$'000
Authorised:		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	6,000,000,000	300,000
Issued and fully paid:		
As at 1 April 2023, 31 March 2024 and 1 April 2024	1,103,968,128	55,198
Placing of shares (note (a))	220,000,000	11,000
As at 31 March 2025	1,323,968,128	66,198

Note:

- (a) On 4 October 2024, the Company placed 220,000,000 new shares to not less than six placees at the placing price of HK\$0.270 per placing share with total gross proceeds of HK\$59,400,000 and the related issue expenses were approximately HK\$500,000.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

29. RETIREMENT BENEFIT SCHEMES

The employees of the Group in the PRC are members of government-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions under the schemes.

The Group participates in a defined contribution scheme which is registered under the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. For member of the MPF Scheme, the Group contributes 5% or HK\$1,500 in maximum of relevant payroll costs to the scheme, which contribution is matched by employees. As at 31 March 2025, the Group was not entitled to any forfeited contributions to reduce its future contributions (2024: Nil).

The amounts of contributions made by the Group in respect of the retirement benefit scheme during the current and prior years are disclosed in note 10.

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS

2008 Share Option Scheme

The Company has a share option scheme which were adopted on 23 April 2008 whereby the Directors are authorised, at their discretion, to invite directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers for the Group, to take up options at nominal consideration to subscribe for shares of the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the schemes shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the schemes, unless the Company obtains a fresh approval from its shareholders. Notwithstanding this, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the schemes shall not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to any individual in any 12-month period shall not exceed 1% of the total number of shares in issue at any point in time, without prior approval from the Company's shareholders. Options granted to any individual who is a substantial shareholder of the Company or independent non-executive director or any of their respective associates in the 12-month period up to and including date of such grant in excess of 0.1% of the Company's share capital at the date of grant and with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Options granted under the share option scheme must be taken up within 28 days of the date of grant upon payment of HK\$1 per grant of option. Options may generally be exercised at any time during the period after the options have been granted, such period to expire not later than 10 years after the date of the grant of the options. The subscription price for shares will not be less than the higher of (i) the closing price of the Company's shares on the date of options granted; (ii) the average closing price of the Company's shares for the 5 business days immediately preceding the date of options granted; and (iii) the nominal value of the Company's share.

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For the year ended 31 March 2025

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

2019 Share Option Scheme

The Company adopted a new share option scheme on 26 August 2019 (the “2019 Share Option Scheme”). The purpose of the 2019 Share Option Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the shareholders of the Company as a whole. The 2019 Share Option Scheme was adopted for a period of 10 years commencing from 26 August 2019.

2024 Share Option Scheme

The Company adopted a new share option scheme on 30 September 2024 (the “2024 Share Option Scheme”). It is proposed that the 2019 Share Option Scheme will be terminated upon adoption of the 2024 Share Option Scheme and no further options will be granted under the 2019 Share Option Scheme up to 30 September 2024. Termination of the 2019 Share Option Scheme shall not affect the validity of the outstanding options (if any) which shall continue to be enforceable according to the terms of the 2019 Share Option Scheme.

The purposes of the 2024 Share Option Scheme are to enable the Company to grant options to the eligible participants, including employee(s), related entity participant(s) and service provider(s), as incentives or rewards for their contribution or potential contribution to the growth and development of the Group and/or to enable the Group to attract and retain the best quality personnel for the development of the Group’s businesses. The Company has no intention to use treasury Shares for the 2024 Share Option Scheme.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

The movements of the options granted during the year ended 31 March 2024 are as follows:

Year ended 31 March 2024

Name of category of participant	Particulars	Date of grant	Exercise price HK\$	Exercise period	As at beginning of the year	Addition during the year	Lapsed during the year	As at end of the years
Directors								
Mr. Tse Hoi Chau	<i>Note (a)</i>	15 July 2020	0.197 [#]	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Mr. Tse Kin Lung	<i>Note (a)</i>	15 July 2020	0.197 [#]	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Ms. Yu Zhonglian	<i>Note (a)</i>	15 July 2020	0.197 [#]	15 July 2020 to 14 July 2023	11,000,000	–	(11,000,000)	–
Others								
– Consultants	<i>Note (a)</i>	15 July 2020	0.197 [#]	15 July 2020 to 14 July 2023	71,000,000	–	(71,000,000)	–
– Employees	<i>Note (a)</i>	15 July 2020	0.197 [#]	15 July 2020 to 14 July 2023	6,200,000	–	(6,200,000)	–
					110,200,000	–	(110,200,000)	–
Weighted average exercise prices					0.1970	–	–	–

[#] Adjustments were made to the exercise price and the number of Shares entitled to be issued upon full exercise of the share options as a result of the Share Consolidation became effective on 11 September 2020. The exercise price of the share options was adjusted from HK\$0.0394 per Share to HK\$0.197 per Share.

Note:

- a. Pursuant to the Company's announcement on 15 July 2020, a total of 551,000,000 share options to subscribe for ordinary shares of HK\$0.01 each of the Company were granted to eligible participants, including the directors and employees of the Company and the consultants under the share option scheme adopted by the Company on 23 April 2008. Details of the share options granted are as follows:

Date of grant:	15 July 2020
Exercise price of share options granted:	HK\$0.0394 per share
Number of share options granted:	551,000,000 share options
Closing price of the share on the date of grant:	HK\$0.0390
Exercise periods:	15 July 2020 to 14 July 2023

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

Note: (continued)

a. *(continued)*

Each of the share option shall entitle the holder of the share option to subscribe for one share upon exercise of such share option at an exercise price of HK\$0.0394 per share, which represents the higher of (i) the closing price of HK\$0.0390 per share as stated in the daily quotations sheet issued by the Stock Exchange on 15 July 2020, being the date of grant (the "Date of Grant 2020"); (ii) the average closing price of HK\$0.0394 per share as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant 2020; and (iii) the nominal value of the share of HK\$0.01 each in the capital of the Company.

As at 31 March 2023, the outstanding options granted on 15 July 2020 had an exercise price of HK\$0.1970, after the adjustment of Share Consolidation and a weighted average remaining contractual life of 0.29 year.

No share options were exercised during the current year. Each option holder is entitled to subscribe for one ordinary share in the Company.

The fair values of share options granted on 15 July 2020 were determined by the Directors with reference to a valuation performed by an independent firm of professionally qualified valuers, Royson Valuation Advisory Limited. No liabilities were recognised due to these equity-settled share-based payment transactions.

The fair values of the share options granted which are existed during the year was measured based on the binomial option pricing model. The inputs into the model were as follows:

Granted on	15 July 2020			
Fair value per share option at measurement date (HK\$)				
– Directors				HK\$0.017
– Employees				HK\$0.016
– Consultants				HK\$0.016
Exercise price (HK\$)				HK\$0.0394
Expected volatility (%)				70.40%
Expected option period (Years)				3 years
Risk-free rate (based on Hong Kong Exchange Fund Notes) (%)				0.094%
Expected dividend yield (%)				0%
Fair value				8,976,000

Granted on	9 July 2015	9 July 2015	27 November 2015	27 November 2015
Tranche	K	L	M	N
Fair value per share option at measurement date (HK\$)				
– Directors	HK\$0.079	HK\$0.082	N/A	N/A
– Employees	HK\$0.072	HK\$0.076	HK\$0.071	HK\$0.075
– Consultants	HK\$0.072	HK\$0.076	HK\$0.071	HK\$0.075
Exercise price (HK\$)	HK\$0.147	HK\$0.147	HK\$0.1488	HK\$0.1488
Expected volatility (%)	88.18%	88.18%	88.81%	88.81%
Expected option period (Years)	5 years	4 years	5 years	4 years
Risk-free rate (based on Hong Kong Exchange Fund Notes) (%)	1.129%	1.129%	1.053%	1.053%
Expected dividend yield (%)	0%	0%	0%	0%
Fair value	2,368,000	2,462,000	9,105,000	9,627,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

Note: (continued)

a. *(continued)*

The expected volatility was based on the historical volatility of the share price of the Company and comparable companies. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Changes in the subjective input assumptions could materially affect the fair value estimate.

As at 31 March 2025, the Company had nil (2024: nil) share options outstanding under the share option scheme. The exercise in full of the remaining share options under the present capital structure of the Company, would not result in issue of additional ordinary shares of the Company (2024: nil) and additional share capital (2024: nil) and share premium (2024: nil) (before the cost of issuance).

31. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

a. Balances with related parties

Saved as disclosed in these consolidated financial statements, in the opinion of the Directors, the Group did not have any other significant balances with the related parties as at the end of the reporting period.

b. Key management personnel remuneration

During the years ended 31 March 2025 and 2024, the Group had remuneration paid to the Directors and other members of key management of the Group as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits:		
Salaries and other benefits	4,068	3,223
Post-employment benefits:		
Retirement benefit scheme contributions	215	94
	4,283	3,317

Details of related party transactions of the Group are set out in the consolidated financial statements. None of the related party transactions disclosed in the consolidated financial statements constitute connected transaction or continuing connected transaction (as defined in Chapter 14A of the Listing Rules) of the Company for the years ended 31 March 2025 and 2024. Accordingly, the Company has complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.

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For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSET			
Interests in subsidiaries		2,083	2,083
Right-of-use assets		4,211	6,618
Property, plant and equipment		1,727	–
		8,021	8,701
CURRENT ASSETS			
Cash and bank balances		848	1,222
Deposit paid		1,149	2,805
		1,997	4,027
CURRENT LIABILITY			
Other payables		808	795
Lease liabilities		2,594	2,450
		3,402	3,245
NET CURRENT (LIABILITIES)/ASSETS		(1,405)	782
TOTAL ASSETS LESS CURRENT LIABILITIES		6,616	9,483
NON-CURRENT LIABILITIES			
Lease liabilities		1,925	4,639
		1,925	4,639
NET ASSETS		4,691	4,844
EQUITY			
Share capital	28	66,198	55,198
Reserves	a	(61,507)	(50,354)
TOTAL EQUITY		4,691	4,844

Approved and authorised for issue by the board of directors on 30 June 2025.

Chen Long
Director

Chen Shaojia
Director

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

a. Deficits of the Company

	Share premium HK\$'000	Contributed surplus HK\$'000 <i>(Note)</i>	Share-based payment capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 April 2023	913,906	136,624	8,976	(1,105,809)	(46,303)
Loss and total comprehensive expense for the year	–	–	–	(4,051)	(4,051)
Lapse of share options	–	–	(8,976)	8,976	–
As at 31 March 2024 and 1 April 2024	913,906	136,624	–	(1,100,884)	(50,354)
Loss and total comprehensive expense for the year	–	–	–	(59,053)	(59,053)
Placing of shares, net <i>(note 28(a))</i>	47,900	–	–	–	47,900
As at 31 March 2025	961,806	136,624	–	(1,159,937)	(61,507)

Note: The contributed surplus of the Company represented the difference between the underlying net tangible assets of the subsidiaries acquired by the Company, nominal value of the share capital issued by the Company at the time of the reorganisation of the Group in 2008, and compensation received from Mr. Tse in respect of a profit guarantee in 2022.

33. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes net of cash and cash equivalents and total equity of the Company, comprising issued share capital and reserves.

The management reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as raising of new borrowings.

The gearing ratio at the end of reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Total liabilities	20,514	37,079
Equity	176,925	113,130
Gearing ratio	11.6%	32.8%

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

33. CAPITAL MANAGEMENT *(continued)*

a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets measured at amortised cost		
– Trade and other receivables (exclude prepayments)	63,708	42,117
– Cash and bank balances	53,346	48,282
	117,054	90,399
Financial liabilities		
Financial liabilities measured at amortised cost		
– Trade and other payables	1,588	6,196
– Amount due to a director	–	1,299
– Amount due to immediate holding company	–	676
– Lease liabilities	4,652	8,987
	6,240	17,158

b. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and other receivables exclude prepayments, cash and bank balances, trade and other payables amount due to a director/immediate holding company and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

c. Market risk

The Group's activities expose it primarily to the market risks including foreign currency risk.

Foreign currency risk management

Foreign currency risk is the risk that the holding of monetary assets and liabilities and entering into transactions denominated in foreign currencies which will affect the Group's financial position and performance as a result of a change in foreign currency exchanges rates. At the end of the financial years, certain trade and other receivables, cash and bank balances and trade and other payables of the Group are denominated in or linked to foreign currencies, details of which are set out in respective notes, expose the Group to foreign currency risk.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

33. CAPITAL MANAGEMENT (continued)

c. Market risk (continued)

Foreign currency risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	2025 HK\$'000	2024 HK\$'000
Assets		
United States dollars ("US\$")	14,977	5,699
RMB	596,802	86,542
Liabilities		
RMB	982	18,814
Net assets		
US\$	14,977	5,699
RMB	595,820	67,728

As HK\$ is linked to US\$, the Group does not have material exchange rate risk on such currency. Thus, the Group is mainly exposed to the currency risk of RMB.

The following table demonstrates the sensitivity analysis of the carrying amounts of significant outstanding monetary assets and monetary liabilities denominated in RMB at the end of reporting period if there was a 5% change in the exchange rate of the HK\$ against RMB, with all other variables held constant, of the Group's post-tax profit. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Increase/ (decrease) in RMB rate %	2025 Increase/ (decrease) in profit HK\$'000	2024 Increase/ (decrease) in profit HK\$'000
If HK\$ weakens against RMB	5	29,791	3,386
If HK\$ strengthens against RMB	(5)	(29,791)	(3,386)

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure during the year ended 31 March 2025. The analysis is performed on the same basis in 2024.

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33. CAPITAL MANAGEMENT *(continued)*

d. Credit risk management

As at 31 March 2025 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

At the end of reporting period, the Group has a certain concentration of credit risk as 21% (2024: 46%) and 71% (2024: 93%) of the total trade and other receivables was due from the Group's largest debtor and the five largest debtors respectively within both the Skincare and Health Product Sales Platform Business and the Integrated Fashion Accessories Platform Business segments. In order to minimise the credit risk, the management continuously monitor the level of exposure to ensure that follow up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts. The Group has no significant concentration of credit risk on the remaining trade receivables, with exposure spread over a number of counterparties and customers.

The amounts presented in the consolidated statement of financial position are net of ECL allowances for receivables, if any, estimated by the Directors based on prior experience and adjustment of forward-looking factors. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

33. CAPITAL MANAGEMENT *(continued)*

d. Credit risk management *(continued)*

(a) Trade receivables and contract assets

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
As at 31 March 2025			
Current	1.13%	42,255	476
0–30 days past due	2.81%	2,495	70
31–60 days past due	6.00%	999	60
61–365 days past due	36.79%	8,053	2,963
Over 1 year past due	100.00%	56	56
		53,858	3,625
As at 31 March 2024			
Current	1.10%	7,340	81
0–30 days past due	2.72%	4,496	122
31–60 days past due	5.51%	6,426	373
61–365 days past due	16.47%	24,739	4,074
Over 1 year past due	100.00%	3	3
		43,004	4,653

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

(b) Other receivables

The ECLs of other receivables are based on the 12-month ECLs that results from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since its initial recognition, the loss allowance will be based on life-time ECLs. When determining whether the credit risk has been increased significantly since its initial recognition, the Group considers reasonable and supportable information that is relevant, including both quantitative and qualitative information and analysis with reference to the Group's historical experience and informed credit assessment with forward-looking information. As at 31 March 2025, accumulated impairment loss on other receivables have been recognised at approximately of HK\$19,000 (2024: HK\$16,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

33. CAPITAL MANAGEMENT *(continued)*

e. Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Group's operations.

The following table details the Group's remaining contractual maturity for its non-derivative 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 table includes both interest and principal cash flows.

	Weighted average interest rate %	On demand or within 1 year HK\$'000	More than 1 year but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
At 31 March 2025					
Trade and other payables	–	1,588	–	1,588	1,588
Lease liabilities	5.86%	3,125	2,127	5,252	4,652
		4,713	2,127	6,840	6,240
At 31 March 2024					
Trade and other payables	–	6,196	–	6,196	6,196
Amount due to a director	–	1,299	–	1,299	1,299
Amount due to immediate holding company	–	676	–	676	676
Lease liabilities	5.64%	3,728	6,287	10,015	8,987
		11,899	6,287	18,186	17,158

f. Fair value measurement of financial instruments

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

34. SUBSIDIARIES

The following list contains the particular of the Company's subsidiaries as at 31 March 2025, all are private limited liability company and the class of shares held is ordinary unless otherwise stated:

Name of company	Place of	Place of operation	Percentage of		Proportion of		Issued and		Principal activities
	incorporation/		equity attributable to	voting power held by	fully paid-up/	registered capital			
	establishment						the Company	the Company	
			2025	2024	2025	2024			
Directly held by the Company									
Artist Star International Development Limited	British Virgin Islands ("BVI")	Hong Kong	100	100	100	100	1,000 ordinary shares of US\$1 each		Investment Holding
Indirectly held by the Company									
Artini International Company Limited	Hong Kong	Hong Kong	100	100	100	100	HK\$300,000		Inactive
China Regent Investments Limited	Hong Kong	Hong Kong	100	100	100	100	HK\$1		Operation of online platforms
China Traditional Medicine Group Co., Limited (formerly known as Q'ggle Biotech Development Limited)	Hong Kong	Hong Kong	100	100	100	100	HK\$100		Operation of online platforms
Gain Trade Enterprise Limited	Hong Kong	Hong Kong	100	100	100	100	HK\$100		Provision of management services
Gentleman Investments Limited	Hong Kong	Hong Kong	100	100	100	100	HK\$10,000		Inactive
Instar International Company Limited	BVI	Hong Kong	100	100	100	100	100 ordinary shares of US\$1 each		Investment holding
JCM Holding Limited	BVI	Hong Kong	100	100	100	100	500 ordinary shares of US1 each		Investment holding
King Erich International Development Limited	BVI	Hong Kong	100	100	100	100	300 ordinary shares of US\$1 each		Investment holding
Riccardo International Trading Limited	BVI	Hong Kong	100	100	100	100	700 ordinary shares of US\$1 each		Investment holding
Best Sign Limited	Samoa	Hong Kong	100	100	100	100	1 ordinary share of US\$1 each		Inactive
Guangzhou Artini Technology Limited (note (a))	The PRC	The PRC	100	100	100	100	CNY1,000,000		Operation of online platforms
Magic B2B Limited	Hong Kong	Hong Kong	100	100	100	100	HK\$100,000		Inactive
Traditional Medicine Health Technology (Shenzhen) Limited (formerly known as Artini Health (Guangzhou) Limited) (note (a))	The PRC	The PRC	100	100	100	100	CNY50,000,000		Operation of online platforms
Asbeny Jewelry (Shenzhen) Co. Ltd	The PRC	The PRC	100	–	100	–	CNY10,000,000		Operation of online platforms
Asbeny Jewelry (Guangzhou) Co. Ltd	The PRC	The PRC	100	–	100	–	CNY1,000,000		Operation of online platforms
Asbeny Jewelry (Xizang) Co. Ltd	The PRC	The PRC	100	–	100	–	CNY10,000,000		Operation of online platforms

Notes:

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

35. NOTES SUPPORTING CASH FLOW STATEMENT

Reconciliation of liabilities arising from financing activities:

	Amount due to immediate holding company (Note 26) HK\$'000	Amount due to a director (Note 25) HK\$'000	Lease liabilities (Note 27) HK\$'000
At 1 April 2023	–	–	210
Changes from cash flows:			
Principal elements of lease payment	–	–	(71)
Interest paid on lease liabilities	–	–	(129)
Advance from a director	–	1,299	–
Advance from immediate holding company	676	–	–
Total changes from financing cash flows	676	1,299	(200)
Other changes:			
Interest expenses on lease liabilities	–	–	129
Addition of lease liabilities	–	–	8,861
Exchange adjustments	–	–	(13)
Total other changes	–	–	8,977
At 31 March 2024 and 1 April 2024	676	1,299	8,987
Changes from cash flows:			
Proceeds from issuance of shares	–	–	–
Principal elements of lease payment	–	–	(2,987)
Interest paid on lease liabilities	–	–	(360)
Repayment to a director	–	(1,299)	–
Repayment to immediate holding company	(676)	–	–
Total changes from financing cash flows	(676)	(1,299)	(3,347)
Other changes:			
Interest expenses on lease liabilities	–	–	360
Addition of lease liabilities	–	–	323
Early terminating of leases	–	–	(1,668)
Exchange adjustments	–	–	(3)
Total other changes	–	–	(988)
At 31 March 2025	–	–	4,652