



偉俊集團控股有限公司*
Wai Chun Group Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 1013

2026
ANNUAL REPORT

* for identification purpose only

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Corporate Information

EXECUTIVE DIRECTOR

Lam Ka Chun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Wei (*resigned on 12 April 2025*)

Wan Bo (*resigned on 5 June 2025*)

Wong Po Keung (*appointed on 12 May 2025*)

Wang Ziniu (*appointed on 5 June 2025*)

Xu Huiling (*appointed on 5 June 2025*)

AUTHORISED REPRESENTATIVES

Lam Ka Chun

He Xiaoping (*appointed on 5 March 2026*)

COMPANY SECRETARY

He Xiaoping (*appointed on 5 March 2026*)

AUDIT COMMITTEE

Wong Po Keung (*appointed on 12 May 2025 as Chairman*)

Wang Wei (*resigned on 12 April 2025*)

Wan Bo (*resigned on 5 June 2025*)

Wang Ziniu (*appointed on 5 June 2025*)

Xu Huiling (*appointed on 5 June 2025*)

REMUNERATION COMMITTEE

Wang Ziniu (*appointed on 5 June 2025 as Chairman*)

Lam Ka Chun

Wang Wei (*resigned on 12 April 2025*)

Wan Bo (*resigned on 5 June 2025*)

Wong Po Keung (*appointed on 12 May 2025*)

NOMINATION COMMITTEE

Lam Ka Chun (*Chairman*)

Wang Wei (*resigned on 12 April 2025*)

Wan Bo (*resigned on 5 June 2025*)

Wang Ziniu (*appointed on 5 June 2025*)

Xu Huiling (*appointed on 5 June 2025*)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 4001-02, 40/F., China Resources Building
26 Harbour Road, Wanchai
Hong Kong

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
24/F, Siu On Centre
188 Lockhart Road
Wanchai
Hong Kong

SHARE REGISTRAR IN BERMUDA

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

REGISTRAR IN HONG KONG

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

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
China CITIC Bank Beijing Fuli Sub-branch
China Everbright Bank Beijing Feng Sheng
Sub-branch
Bank of China Beijing Dabeyao Sub-branch

STOCK CODE

1013

COMPANY WEBSITE

www.1013.hk

Chairman's Statement

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the year ended 31 March 2026, the Group recorded overall revenue of approximately HK\$264,153,000 (2025: approximately HK\$266,338,000) representing a slight decrease of approximately HK\$2,185,000 or 0.82% when compared to 2025. The slight decrease was mainly due to the decrease in revenue from sales and integration services during the year ended 31 March 2026.

The gross profit of the Group for the year ended 31 March 2026 amounted to approximately HK\$1,078,000 (2025: approximately HK\$2,153,000). The gross profit margin for the year ended 31 March 2026 was approximately 0.41% as compared to 0.81% for the year of 2025. The decrease in gross profit margin was mainly due to the decrease in gross profit margin derived from the sales and integration services that have a higher gross profit margin in last year. During the year ended 31 March 2026, the Group recorded revenue from sales and integration services in the amount of approximately HK\$31,102,000 (2025: approximately HK\$63,389,000), which represented a decrease of approximately 50.93% when compared to the year ended 31 March 2025.

During the year ended 31 March 2026, the Group recorded other losses of approximately HK\$649,000 (2025: other gains of approximately HK\$23,411,000), which represented the impairment losses on right-of-use assets.

During the year ended 31 March 2026, administrative expenses increased by 16.38% to approximately HK\$10,603,000 (2025: approximately HK\$9,111,000). Such increase was mainly due to the recognition of share-based payment expenses of approximately HK\$1,976,000 during the year ended 31 March 2026. During the year ended 31 March 2026, the finance costs increased by 5.45% to approximately HK\$29,719,000 as compared to approximately HK\$28,183,000 for the year ended 31 March 2025. Such increase was mainly due to the imputed interests for the new convertible bonds of HK\$45,000,000 issued on 26 June 2025.

During the year ended 31 March 2026, the Group recorded a loss attributable to owners of the Company of approximately HK\$42,516,000 (2025: approximately HK\$10,326,000).

FINANCIAL RESOURCES AND POSITION

Total debts of the Group amounted to approximately HK\$214,116,000 (2025: approximately HK\$189,080,000), comprising convertible bonds of approximately HK\$196,875,000 (2025: HK\$140,444,000), loans from ultimate holding company of approximately HK\$10,540,000 (2025: approximately HK\$26,122,000), amount due to ultimate controlling party of approximately HK\$6,054,000 (2025: approximately HK\$22,227,000), lease liabilities of approximately HK\$647,000 (2025: HK\$287,000). All the above mentioned borrowings are denominated in either Hong Kong Dollars or Renminbi. All of these debts are interest bearing or carried in an interest rate implicit in the lease liabilities.

FINANCIAL REVIEW (continued)

FINANCIAL RESOURCES AND POSITION (continued)

The net debts (net of cash and cash equivalents) to total assets ratio of the Group as at 31 March 2026 is approximately 254.7% as compared to approximately 324.6% as at 31 March 2025. The decrease of net debts to total assets ratio was mainly due to the increase in trade and other receivables and bank balances as at 31 March 2026. The cash and cash equivalents amounted to approximately HK\$2,570,000 as at the year ended 31 March 2026 (2025: approximately HK\$11,009,000), which are mostly denominated in Hong Kong Dollars and Renminbi.

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity.

As at 31 March 2026, the current ratio of the Group is approximately 0.71 times (2025: approximately 0.48 times). On the basis as set out under note 2 to the consolidated financial statements, the Directors believe that the Group has sufficient financial resources for its operations. The Directors will remain cautious in the Group's liquidity management.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2026 (2025: nil).

BUSINESS REVIEW AND FUTURE PROSPECT

The Group is principally engaged in (i) general trading of chemicals (ii) sales and integration services of computer and communication systems, design, consultation and production of information system software and management training service; and (iii) investment holdings.

During the year under review, the management continued to devote its effort to enhance the operational efficiency of the sale and integration services segment and the services income segment through stringent project selection and tighter cost control measures.

Looking forward, to turn the Group back to a profitable position, the Company (i) will continue to enhance operational efficiency by removing duplication and bottlenecks through standardisation of work procedures and simplification of operation process and; (ii) will further tighten its budgetary control by vigorously implementing measures for cost and expense control, optimising cost analysis and appraisal mechanism, and constantly strengthening cost management. In addition, the Group is monitoring closely the latest trends and the development of the global economy and to take advantage of all business opportunities.

The Company has been actively identifying projects with growth potential for acquisition or investment and has been in discussions with various parties for such acquisition or investment. Meanwhile, the Company intends to enrich and improve its financial resources by conducting fund raising exercises such as share placement or loan capitalisation, when necessary.

Biographical Details of Directors

EXECUTIVE DIRECTOR

Mr. Lam Ka Chun (“Mr. Lam”), aged 35, has been managing directors of the Company and Wai Chun Bio-Technology Limited (stock code: 660) (a company listed on the Main Board of the Stock Exchange) since 2017 and is responsible for the investment and operation of the listed companies. Mr. Lam served as chief executive officer in various companies from 2011 to 2017 and has accumulated extensive experience in projects investment and management. Mr. Lam studied chemistry at Imperial College London from 2009 to 2011. Mr. Lam has been appointed as chairman, chief executive officer and executive director of the Company on 27 October 2023. Mr. Lam is the son of Mr. Lam Ching Kui. Mr. Lam joined Wai Chun Bio-Technology Limited as an executive director since 13 March 2023.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Po Keung (“Mr. Wong”), aged 55, has ample experience in auditing, accounting, financial management and company secretarial practices in respect of listed companies in Hong Kong. Mr. Wong holds a Master degree in Business Administration from the University of South Australia and he is also a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Since 30 September 2013, Mr. Wong is the executive director of China Environmental Resources Group Limited, a company that listed on the Stock Exchange (stock code: 1130) and the Singapore Exchange Limited (Singapore Stock Code: RS1) while he also works as its financial controller. Mr. Wong is also an independent non-executive director of FSM Holdings Limited (stock code: 1721) since 8 April 2020, Wai Chun BioTechnology Limited (stock code: 660) since 12 May 2025 and Jiu Rong Holdings Limited (stock code: 2358) since 26 February 2026.

Within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Wong was interested in 561,250 shares of the Company through International Richway Limited, one of the wholly-owned subsidiaries of China Environmental Resources Group Limited that Mr. Wong is the executive director. Save as disclosed above, Mr. Wong did not hold any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Wang Ziniu (“Mr. Wang”), aged 64, studied university at Xi’an and during the period from 1989 to 1992, Mr. Wang was an engineer of the Foreign Trade and Economic Committee and an officer of the real estate administration at the city of Xi’an. During the period from 1992 to 2017, Mr. Wang served as a senior engineer at the Shenzhen Media Group.

Mr. Wang did not hold any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Ms. Xu Huiling (“Ms. Xu”), aged 34, has years of experience in biomedical teaching and research. She had studied statistics and psychology at Princeton University in the United States, life sciences at the Chinese University of Hong Kong and international economics at Huizhou University. During the period from 2015 to 2016, Ms. Xu worked as an assistant researcher responsible for research in relation to neuroscience. Ms. Xu also assisted in teaching and research in relation to neuropharmacology at the Medical College of Ohio in the United States. During the period from 2017 to 2020, Ms. Xu worked as an investment project manager at the AVIC Investment Group in Shenzhen, which focused on projects relating to biotechnology, financial technology and commercial real estate.

Ms. Xu did not hold any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Report of the Directors

The Directors submit their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding Company and the principal activities of its subsidiaries are set out in note 33 to the consolidated financial statements. There were no significant changes in the nature of the Company's and of the Group's principal activities during the year.

Discussions and reviews of the Group's business and possible risks and uncertainties that the Group may be facing are contained in the Chairman's Statement as set out on pages 4 to 5 of this annual report. The financial risk management objectives and policies of the Group are shown in note 6 to the consolidated financial statements of this annual report. These discussions form part of this Report of the Directors.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2026 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 79 to 167.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2026 (2025: Nil).

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity set out on page 83 and in note 30 to the consolidated financial statements respectively.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for each of the five financial years ended 31 March 2026 is set out on page 168.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant, equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

As at 31 March 2026, the Company did not have any reserves available for distribution to its shareholders (2025: Nil).

DIRECTORS

EXECUTIVE DIRECTOR

Mr. Lam Ka Chun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Wei (*resigned on 12 April 2025*)

Mr. Wan Bo (*resigned on 5 June 2025*)

Mr. Wong Po Keung (*appointed on 12 May 2025*)

Mr. Wang Ziniu (*appointed on 5 June 2025*)

Ms. Xu Huiling (*appointed on 5 June 2025*)

The biographical details of the Directors of the Company are set out on pages 6 and 7 of this annual report.

DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a service agreement with the Company for a term of not more than three years commencing from their date of appointment, which continues thereafter until terminated by either party giving not less than one month notice in writing to the other party.

Each independent non-executive Director, has entered into a letter of appointment with the Company for a term of two years from their date of appointment, which can be terminated by either party giving not less than one month notice in writing to the other party. Each of the independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting (the "AGM") of the Company in accordance with the Company's Bye-laws.

Pursuant to Bye-law 86 of the Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy. Any Director so appointed by the Board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election at the meeting.

In accordance with Bye-law 87 of the Bye-laws, Mr. Wong Po Keung, Mr. Wang Ziniu and Ms. Xu Huiling shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

DIRECTORS' REMUNERATION

Details of emoluments of the Directors are set out in note 14 to the consolidated financial statements.

The Directors' fees are subject to shareholders' approval at the AGM. Other emoluments are determined by the Board with reference to the recommendations from the remuneration committee of the Company ("Remuneration Committee") taking in to account the Directors' duties, responsibilities and performance and the results of the Group.

Report of the Directors

PERMITTED INDEMNITY

Pursuant to the Bye-laws of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur or about the execution and discharge of his duties or in relation thereto. A permitted indemnity provision that provides for indemnity against liability incurred by directors and other officers of the Group is currently in force and was in force during the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed below in the section headed “Connected Transactions and Continuing Connected Transactions” and in note 32 to the consolidated financial statements, there are no transactions, arrangements or contracts of significance to which the Company’s holding company, subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETING BUSINESS

None of the Directors had any interests in any business (apart from the Group’s business) which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

INTERESTS OF CONTROLLING SHAREHOLDER IN CONTRACTS

Save as disclosed below in the section headed “Connected Transactions and Continuing Connected Transactions” and in notes 24, 25, 26 and 32 to the consolidated financial statements, there was no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in paragraph 16 of Appendix D2 to the Listing Rules) or any of its subsidiaries, at any time during the year.

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2026, none of the Directors or chief executive of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2026, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of the Directors, the following shareholders (other than the Directors or chief executives of the Company as disclosed above) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name of Shareholder	Capacity	Number of ordinary shares/ underlying shares	Approximate percentage of shareholding (Note 3)
Lam Ching Kui	Beneficial owner	2,259,610,125 (Note 1)	845.06%
	Interests of controlled corporations	621,292,325 (Note 1)	232.35%
Wai Chun Investment Fund	Interests of controlled corporations	621,292,325 (Note 1)	232.35%
Ka Chun Holdings Limited	Beneficial owner	621,292,325 (Note 1)	232.35%
Chen Guanyu	Beneficial owner	3,580,000 (Note 2)	1.34%
	Interests of controlled corporations	16,918,075 (Note 2)	6.33%
FAIR CONCOURSE LIMITED	Beneficial owner	8,125,000 (Note 2)	3.04%
MERIT OCEAN INVESTMENTS LIMITED	Beneficial owner	8,125,000 (Note 2)	3.04%
DRAGON BOON LIMITED	Beneficial owner	231,725 (Note 2)	0.09%
MERIT KEEN LIMITED	Beneficial owner	436,350 (Note 2)	0.16%

Report of the Directors

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. Mr. Lam Ching Kui, directly holds 4,810,125 shares of the Company and is the beneficial owner of the entire issued share capital of Wai Chun Investment Fund. Ka Chun Holdings Limited, which is wholly owned by Wai Chun Investment Fund, holds 194,292,325 shares of the Company and is the holder of 0% coupon convertible bonds in the principal amount of HK\$42,700,000, under which 427,000,000 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 0% coupon convertible bonds. Therefore, Wai Chun Investment Fund is deemed to be interested in all the interests held by Ka Chun Holdings Limited under the SFO. Mr. Lam Ching Kui is also the holder of (i) 0% coupon convertible bonds in the principal amount of HK\$152,000,000 under which 1,520,000,000 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 0% coupon convertible bonds; and (ii) 0% coupon convertible bonds in the principal amount of HK\$23,480,000 under which 234,800,000 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 0% coupon convertible bonds; (iii) 2% coupon convertible bonds in the principal amount of HK\$45,000,000 under which 500,000,000 shares would be issued by the Company upon full exercise of the conversion rights under the aforementioned 2% coupon convertible bonds. Mr Lam Ching Kui is the director of Ka Chun Holdings Limited and Wai Chun Investment Fund.
2. These 16,918,075 shares of the Company were held by Fair Concourse Limited, Merit Ocean Investments Limited, Dragon Boon Limited and Merit Keen Limited which are wholly-owned by Ms. Chen Guanyu. For the purpose of SFO, Ms. Chen Guanyu is deemed to be interested in these 16,918,075 shares held by Fair Concourse Limited, Merit Ocean Investments Limited, Dragon Boon Limited and Merit Keen Limited. Ms. Chen Guanyu also directly holds 3,580,000 shares.
3. This percentage is based on 267,389,531 ordinary shares of the Company issued as at 31 March 2026.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons who, as at 31 March 2026, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY

As at 31 March 2026, the Company had not been notified of any short positions being held by any substantial shareholder in the Shares or underlying Shares.

OTHER PERSONS

As at 31 March 2026, the Company had not been notified of any interests or short positions being held by any person (other than the Directors and chief executives and the substantial shareholders as disclosed above) in the share capital of the Company that was required to be disclosed under Division 2 and 3 of Part XV of the SFO and the Listing Rules.

SHARE OPTION SCHEME

The share option scheme adopted by the Company (the “Share Option Scheme”) at the special general meeting held on 25 September 2015 (the “Adoption Date”), the scheme mandate limit for the Share Option Scheme was approved by the then shareholders to allow the Company to grant share options entitling holders thereof to subscribe for up to 26,738,953 shares, representing approximately 10% of the issued shares of the Company as at the date of this annual report.

The Share Option Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date to 24 September 2025. The number of share options available for grant under the scheme mandate limit of the Share Option Scheme as at 1 April 2025 and 31 March 2026 was 26,738,953 and zero respectively.

During the year ended 31 March 2026, 26,738,950 share options were granted and no share options were exercised or cancelled under the Share Option Scheme. As at 31 March 2026, the outstanding share options under the Share Option Scheme was 26,738,950, which are valid for seven years from the 22 September 2025 (the “Date of Grant”) unless lapsed pursuant to the terms of the Share Option Scheme and may be exercisable during such period. The share options granted shall be vested on the Date of Grant, the Share Option Scheme does not provide for any minimum vesting period. The Board and the Remuneration Committee are of the view that it is appropriate for the share options to be vested and exercisable on the Date of Grant, having considered that the grant of the share options serves as a recognition of the Grantees’ past contribution to the Group and the share options being vested on the Date of Grant would have the effect of retaining the Grantees for making continuous contribution to the development of the Group.

The following table discloses movements in the Company’s share options granted under the Share Option Scheme during the year:

Name of grantees	Date of grant	On 1 April 2025	Granted during the year	On 31 March 2026	Vesting period	Exercise period	Exercise price per share option HK\$
Employees	22 September 2025	-	26,738,950	26,738,950	The 2026 Share Options shall be vested on the date of grant.	22 September 2025 to 21 September 2032	0.191

Report of the Directors

SHARE OPTION SCHEME (continued)

Movements in the number of share options outstanding and their related weighted average exercise price as follows:

	2026		2025	
	Number of options	Exercise price per share option	Number of options	Exercise price per share option
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	<u>26,738,950</u>	<u>0.191</u>	<u>-</u>	<u>-</u>
Outstanding at the end of the year	<u>26,738,950</u>	<u>0.191</u>	<u>-</u>	<u>-</u>
Exercisable at the end of the year	<u>26,738,950</u>	<u>0.191</u>	<u>-</u>	<u>-</u>

None of the above Grantees is: (i) a Director, chief executive, or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with Share Options and awards granted and to be granted exceeding the 1% individual limit (as provided under Rule 17.03D of the Listing Rules); or (iii) a related entity participant or service provider (as defined in the Listing Rules) with Share Options granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Particulars of the Share Option Scheme, any grant of share options to a participant who is a Director, chief executive or substantial shareholder (as defined under the Listing Rules) of the Company or their respective associates (including a discretionary trust whose discretionary objects include a Director, chief executive or a substantial shareholder of a company beneficially owned by any Director, chief executive or substantial shareholder) must be approved by the independent non-executive Directors (excluding an independent non-executive Director who is the grantee of the Options).

SHARE OPTION SCHEME (continued)

Where the Board proposes to grant any share options to a participant who is a substantial shareholder or an independent non-executive Director, or their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive Director or a company beneficially owned by any substantial shareholder or independent non-executive Director) would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (1) representing in aggregate more than 0.1% of the total number of shares in issue; and
- (2) having an aggregate value, based on the closing price of the shares at the date of each grant, over HK\$5,000,000.00,

such proposed grant of share options must be approved by the shareholders in general meeting. In such a case, the Company shall send a circular to its shareholders containing all those terms as required under the Listing Rules. All connected persons of the Company must abstain from voting at such general meeting (except that any connected person may vote against the relevant resolution provided that his intention to do so has been stated in this circular). Any vote taken at the meeting to approve the grant of such share options must be taken on a poll.

As at 1 April 2025 and 31 March 2026, no share options were granted and to be granted to a related entity participant or service provider (as defined in the Listing Rules) in any 12-month period exceeding 0.1% of the total issued shares.

Further detail of share options granted under the Share Option Scheme during the year are set out in note 27 to the consolidated financial statements.

MANAGEMENT CONTRACTS

During the year under review, no management and administrative contracts regarding the entire or any major businesses of the Company have been entered into or have existed.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules (the “Model Code”) as the code of conduct regarding securities transactions by the Directors. All directors have confirmed, following specific enquiries by the Company that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2026.

Report of the Directors

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2026, the Group has not entered into any transaction which constituted non-exempt continuing connected transactions under the Listing Rules.

There is no other material connected transaction and material continuing connected transaction during and for the year ended 31 March 2026.

COMPLIANCE WITH DISCLOSURE REQUIREMENTS

Saved as disclosed in the above section headed “Connected Transactions and Continuing Connected Transactions”, all other transactions as shown in note 36 are connected transactions exempted from announcement, reporting, annual review and independent shareholders’ approval requirements under Rule 14A.76/14A.95/14A.90 of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of connected transactions.

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 report, there is sufficient public float of not less than 25% of the Company’s issued shares as required under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for approximately 81% of total turnover and sales to the largest customer accounted for approximately 32%. The five largest suppliers of the Group in aggregate accounted for about 100% of its total purchase costs for the year. Purchases from the largest supplier accounted for about 88% of its total purchase costs. None of the Directors, their associates, or any shareholder (who to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in the Group’s five largest customers or suppliers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2026.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

EMOLUMENT POLICY

As at 31 March 2026, the Group had a total of 18 employees, the majority of whom are situated in Hong Kong. In addition to offering competitive remuneration packages to employee, discretionary bonuses and share options may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced lifestyle and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing in his own remuneration.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it engages from time to time. The Group achieves this through rational resources utilisation and compliance with applicable environmental laws and practices of environmental protection, health and safety, workplace conditions and employment. The Group continues to improve the environmental performance as an integral and fundamental part of the business strategy and operating methods.

Details of the environmental, social and governance report are set out in the section headed "Environment, Social and Government Report" in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board considers compliance with laws and regulations are important element in the business operation of the Group. The Group's major operations and over half of its sales are located in China and compliance with domestic laws and regulations in China is particularly important. The Group has specific personnel to handle and update compliance works in China and they also have the assistance from external legal advisors. The Board considers that the Group's compliance with laws and regulations in China is well monitored.

Report of the Directors

RELATIONSHIPS WITH STAKEHOLDERS

The Group provides a harmonious and professional working environment to employees and ensures they all are reasonable remunerated. The Company regular reviews and updates its policies on remuneration and benefits, training, occupational health and safety.

The Group also recognises that it is important to maintain good relationship with business partners to achieve its long-term goals. During the year, there was no material and significant dispute between the Group and its business partners.

CORPORATE GOVERNANCE

Details of the corporate governance of the Company are set out in the section headed “Corporate Governance Report” in this annual report.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 March 2026 were audited by McMillan Woods (Hong Kong) CPA Limited (“McMillan”). McMillan will retire and, being eligible, offer themselves for re-appointment. The Board has taken the audit committee’s recommendation that a resolution for their re-appointment as independent auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lam Ka Chun

Chairman and Chief Executive Officer

Hong Kong, 30 June 2026

Corporate Governance Report

The Directors and other members of the management team of the Company are dedicated to maintain high standards of corporate governance. They will continue to exercise leadership, enterprise, integrity and judgement so as to achieve continuing prosperity and to act in the best interests of the Company and its shareholders in a transparent and responsible manner. Strategic development with prudence and adherence to ethical principles form the cores of the Company's corporate governance practices.

The Company continues to devote efforts on promoting good corporate governance so as to ensure its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholders' value.

CORPORATE GOVERNANCE

During the year ended 31 March 2026, the Company complied with the code provisions as set out in the Corporate Governance Code in Appendix C1 (formerly known as Appendix 14) (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except code provision C.2.1 and C.6.1.

Under code provision C.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Lam Ka Chun is the chairman and chief executive officer of the Company. He has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The balance of power and authorities is ensured by the operation of the Board which comprised of experienced and high caliber individuals with sufficient number thereof being independent non-executive directors.

Code provision C.6.1 provides that the company secretary should be an employee of the issuer and have day-to-day knowledge of the issuer's affairs. Where an issuer engages an external service provider as its company secretary, it should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. The Company did not appoint a company secretary prior to the appointment of Ms. He Xiaoping with effect from 5 March 2026 during the year.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

As at the date of this annual report, the composition of the Board is set out as follows:

EXECUTIVE DIRECTOR

Mr. Lam Ka Chun (*Chairman and Chief Executive Officer*)

Corporate Governance Report

BOARD OF DIRECTORS (continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Wei (*resigned on 12 April 2025*)

Mr. Wan Bo (*resigned on 5 June 2025*)

Mr. Wong Po Keung (*appointed on 12 May 2025*)

Mr. Wang Ziniu (*appointed on 5 June 2025*)

Ms. Xu Huiling (*appointed on 5 June 2025*)

RESPONSIBILITIES

The Board has a balance of skill and experience and a balanced composition of executive and independent non- executive Directors and is responsible for oversight of the management of the Company's business and affairs. The Board has delegated the day-to-day responsibility to the executive Director(s) and senior management of the Company.

The Board, headed by the Chairman and the Chief Executive Officer, is responsible for formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend and supervision of management.

The Chairman and Chief Executive Officer seeks to ensure that all Directors are properly briefed on issues brought up at Board meetings and receive adequate and reliable information in relation to matters discussed at Board meetings and also other affairs of the Group on a timely basis.

The Chairman and Chief Executive Officer is responsible for day-to-day management of the Company's operations, financial management and the effective implementation of the overall strategies and initiatives adopted by the Board.

The Company considers that internal control system and risk management function are essential, and the Board plays an important role in implementing and monitoring internal control system and risk management function.

BOARD OF DIRECTORS (continued)

RESPONSIBILITIES (continued)

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include:

- attending regular Board meetings focusing on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the quality, timeliness, relevance and reliability of internal and external reporting;

Corporate Governance Report

BOARD OF DIRECTORS (continued)

RESPONSIBILITIES (continued)

- monitoring and managing potential conflicts of interest of the Board, senior management and shareholders;
- consideration of misuse of corporate assets and abuse in related party transactions; and
- ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to meet their obligations, an appropriate organisational structure is in place with clearly defined responsibilities and limits of authority.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The appointment of all the Directors is for a specific term of not more than three years from date of appointment. The Company's Bye-laws provide for the retirement of Directors by rotation and any new Director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting following the appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's Bye-laws. The Board is responsible for the reviewing its composition, monitoring the appointment of Directors and assessing the independence of the independent non-executive Directors.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Mr. Wong Po Keung, Mr. Wang Ziniu and Ms. Xu Huiling who were appointed as independent non-executive Directors (the "INED(s)") on 12 May 2025, 5 June 2025 and 5 June 2025 respectively, obtained the legal advice referred to in Listing Rule 3.09D, and all of them had confirmed that they are full aware of their responsibility and obligations as Directors under the Listing Rules and the relevant regulatory requirements.

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

BOARD OF DIRECTORS (continued)

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT (continued)

To ensure that Directors' contribution to the Board/Board committees remains informed, the Company updates and provides continuous professional development, including training materials on directors' duties and responsibilities, legal and regulatory updates, corporate governance and environmental, social and governance ("ESG") matters, risk management and internal controls as well as industry-specific developments, business trends, and strategies relevant to the Company.

All Directors participated in appropriate continuous professional development and provided the Company with their records of training received for the year ended 31 March 2026. All of these are of sufficient quality adequately support Directors' development of their knowledge and expertise and cover the specified topics as required under Rule 3.09G of the Listing Rules.

The first-time Directors, Mr. Wang Ziniu and Ms. Xu Huiling will complete a minimum of 24 training hours within 18 months of their appointment on 5 June 2025 as required under Rule 3.09H of the Listing Rules.

In addition, all Directors are provided with monthly updates on the latest developments in the industry, business trends and strategies relevant to the Company, major business segments operating performance and year-to-date financials. All these will give the Board an overall understanding of the Group's business and other key information about the Group, and will provide up-to-date information to enable them to make informed decisions for the benefit of the Group and to perform their duties as Directors better.

BOARD MEETINGS

During the year ended 31 March 2026, the Board held seven regular board meetings. In addition, board meetings are convened when necessary to deal with everyday matters that require the Board's prompt decision, and are usually attended by executive Directors only. The Directors attended the meetings in person or through electronic means of communication. The attendance of each Director is set out as follows:

Name of Directors	Number of meetings attended/held
Mr. Lam Ka Chun (<i>Chairman</i>)	7/7
Mr. Wang Wei (<i>resigned on 12 April 2025</i>)	1/1
Mr. Wan Bo (<i>resigned on 5 June 2025</i>)	2/2
Mr. Wong Po Keung (<i>appointed on 12 May 2025</i>)	5/5
Mr. Wang Ziniu (<i>appointed on 5 June 2025</i>)	4/4
Ms. Xu Huiling (<i>appointed on 5 June 2025</i>)	4/4

Corporate Governance Report

BOARD OF DIRECTORS (continued)

GENERAL MEETINGS

During the year ended 31 March 2026, two special general meetings and one annual general meeting of the Company were held on 25 April 2025, 20 June 2025 and 26 August 2025 respectively. The attendance of each Director is set out as follows:

Name of Director	Number of meetings attended/held	
	Special general meeting	Annual general meeting
Mr. Lam Ka Chun (<i>Chairman</i>)	2/2	1/1
Mr. Wang Wei (<i>resigned on 12 April 2025</i>)	0/0	0/0
Mr. Wan Bo (<i>resigned on 5 June 2025</i>)	1/1	0/0
Mr. Wong Po Keung (<i>appointed on 12 May 2025</i>)	1/1	1/1
Mr. Wang Ziniu (<i>appointed on 5 June 2025</i>)	1/1	1/1
Ms. Xu Huiling (<i>appointed on 5 June 2025</i>)	1/1	1/1

BOARD PROCESS

Directors are provided with relevant information to make informed decisions. The Board and each Director have separate and independent access to the Company's senior management for information and making enquires if necessary. In addition, Directors may seek independent professional advice in appropriate circumstances at the Company's expenses.

Every Director is entitled to have access to the advice and services of the Company Secretary with a view to ensure that the Board procedures, and all applicable rules and regulations, are complied with. All minutes are kept by the Company Secretary and are opened for inspections by any Director during normal office hours by giving reasonable advance notice.

If a substantial shareholder or a Director has a conflict of interest in a matter before the Board, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

BOARD DIVERSITY POLICY

The Company is dedicated to having a diverse Board which can enable corporate issues be considered from different perspectives and appropriate level of examination and evaluation be conducted. In this connection, the Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board (the "Diversity Policy").

BOARD OF DIRECTORS (continued)

BOARD DIVERSITY POLICY (continued)

Pursuant to the Diversity Policy, the Company considers Board diversity from a number of perspectives, including but not limited to gender, age, nationality, cultural and educational background, professional experience, skills, knowledge, industry experience and length of service. The ultimate decision would be based on the merits and contributions the selected candidates can bring to the Board.

The Nomination Committee opined that the Company has a diverse Board. The Nomination Committee and the Board would review the Diversity Policy at least annually.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Lam Ka Chun, the Chairman of the Company, was also appointed as the Chief Executive Officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting, laws or economics. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

All independent non-executive Directors have been appointed for a term of two years from their date of appointment. Each of the independent non-executive Directors is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Company's Bye-laws.

BOARD COMMITTEES

The Company has set up three committees of the Board, including the Remuneration Committee, Audit Committee ("Audit Committee") and Nomination Committee ("Nomination Committee") of the Company, with specific terms of reference relating to their authority and duties, which strengthen the Board's functions and enhance its expertise.

Corporate Governance Report

BOARD OF DIRECTORS (continued)

REMUNERATION COMMITTEE

The primary function of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management. The Company's emolument policy is to ensure that the remuneration offered to employees including executive Directors and senior management is based on the skills, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages are also determined by reference to the Company's performance and profitability, remuneration level in the industry and the prevailing market conditions. The emolument policy for non-executive Directors, mainly comprising directors' fees, is subject to annual assessment with reference to the market standard. Individual Director and senior management would not be involved in deciding their own remuneration.

The model of remuneration committee described in code provision E.1.2(c)(ii) of the CG Code has been adopted by the Remuneration Committee.

During the year ended 31 March 2026, the Remuneration Committee held four meetings with attendance record as follows:

Name of Directors	Number of meetings attended/held
Mr. Wang Ziniu (<i>appointed on 5 June 2025 as Chairman</i>)	2/2
Mr. Lam Ka Chun	4/4
Mr. Wang Wei (<i>resigned on 12 April 2025</i>)	0/0
Mr. Wan Bo (<i>resigned on 5 June 2025</i>)	1/1
Mr. Wong Po Keung (<i>appointed on 12 May 2025</i>)	3/3

During the year under review, the Remuneration Committee reviewed matters relating to remuneration packages of Directors and senior management.

AUDIT COMMITTEE

The Company has the Audit Committee which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. A meeting of the Audit Committee was held to review the Group's audited consolidated financial statements for the year ended 31 March 2026, in conjunction with the Group's external auditor, McMillan Woods.

The Audit Committee also reports directly to the Board and reviews financial statements and the effectiveness of internal control, to protect the interests of the Company's shareholders.

BOARD OF DIRECTORS (continued)

AUDIT COMMITTEE (continued)

During the year ended 31 March 2026, the Audit Committee held two meetings with attendance record as follows:

Name of Directors	Number of meetings attended/held
Mr. Wong Po Keung (<i>appointed on 12 May 2025 as Chairman</i>)	2/2
Mr. Wang Wei (<i>resigned on 12 April 2025</i>)	0/0
Mr. Wan Bo (<i>resigned on 5 June 2025</i>)	0/0
Mr. Wang Ziniu (<i>appointed on 5 June 2025</i>)	2/2
Ms. Xu Huiling (<i>appointed on 5 June 2025</i>)	2/2

At the meetings, the Audit Committee reviewed the audited financial statements for the year ended 31 March 2025 and the interim results for the six months ended 30 September 2025 respectively. The Audit Committee has also reviewed the Group accounting principles and practices, Listing Rules and statutory compliance and financial reporting matters. The Audit Committee is satisfied with their review of the independence of the auditor and their audit process for the year ended 31 March 2025.

The Group's results and consolidated financial statements for the year ended 31 March 2026 have been reviewed by the Audit Committee.

NOMINATION COMMITTEE

The primary function of the Nomination Committee is to make recommendations to the Board on new appointment and re-appointment of Directors and senior management. New Directors are sought mainly through referrals and internal promotions. In evaluating whether an appointee is suitable to act as a Director, the Board will review the independence, experience and skills of the appointee as well as personal ethics, integrity and possible time commitment of the appointee with reference to the Diversity Policy adopted by the Board during the year and the requirements under the Listing Rules.

The Nomination Committee also reviews the structure, size and composition (including the skills, knowledge and experience) of the board at least annually, assist the board in maintaining a board skills matrix, and support the Company's regular evaluation of the board's performance.

Corporate Governance Report

BOARD OF DIRECTORS (continued)

NOMINATION COMMITTEE (continued)

During the year ended 31 March 2026, the Nomination Committee held three meetings, with attendance record as follows:

Name of Director	Number of meetings attended/held
Mr. Lam Ka Chun (<i>Chairman</i>)	3/3
Mr. Wang Wei (<i>resigned on 12 April 2025</i>)	0/0
Mr. Wan Bo (<i>resigned on 5 June 2025</i>)	1/1
Mr. Wang Ziniu (<i>appointed on 5 June 2025</i>)	1/1
Ms. Xu Huiling (<i>appointed on 5 June 2025</i>)	1/1

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board in compliance with the CG Code.

The corporate governance functions currently performed by the Board are to develop and review the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements; to oversee the Company's orientation program for new Director; to review and monitor the training and continuous professional development of Directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's disclosure in the Corporate Governance Report.

During the year ended 31 March 2026, the Board has reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of the Directors and senior management as well as the Company's compliance with the CG Code.

BOARD OF DIRECTORS (continued)

COMPANY SECRETARY

Ms. He Xiaoping was appointed as the company secretary of the Company on 5 March 2026. The company secretary functions to ensure a good information flow within the Board and between the Board and senior management of the Company, to provide advice to the Board in relation to the Directors' obligations under the Listing Rules and applicable laws and regulations and to assist the Board in implementing the corporate governance practices.

The company secretary of the Company had obtained not less than 15 hours of professional training as required under Rule 3.29 of the Listing Rules during the year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code"). The Company has made specific enquiries to all Directors and all Directors have confirmed with the Company that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the year.

EXTERNAL AUDITOR AND ITS REMUNERATION

Confucius International CPA Limited ("Confucius") was appointed as the auditor of the Company at the special general meeting held on 15 April 2024 to fill the casual vacancy following the resignation of CCH CPA Limited. On 26 March 2025, Confucius resigned as the auditor of the Company and McMillan has been appointed to fill in the vacancy at the special general meeting held on 25 April 2025. At the annual general meeting held 26 August 2025, McMillan was re-appointed as the auditor of the Company and to hold office until the conclusion of the forthcoming annual general meeting.

During the year ended 31 March 2026, the remuneration of the auditor of the Company was as follow:

Nature of work	Fee HK'000
Audit services	500

Corporate Governance Report

DIRECTORS' RESPONSIBILITY IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge that their responsibilities for preparing the consolidated financial statements and ensuring that the preparation of the accounts is in accordance with statutory requirements and applicable accounting standards.

The statement of the Auditors of the Company regarding their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditor's Report on pages 77 to 78 of this Annual Report.

GOING CONCERN

Save as disclosed in note 2 to the consolidated financial statements, the Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The objective is to cover all important controls, including financial, operational, compliance, and risk management functions to endure they are in place and functioning effectively for the Group.

The Group's risk management policy includes the following elements:

- Identification significant risks in the Group's operation environment and evaluate the impacts of those;
- Develop necessary measure to manage those risks;
- Risk and mitigate measures with risk ownership will be documented in a risk register; and
- Risk register will be monitored and reviewed the effectiveness of such measures regularly.

INTERNAL CONTROL (continued)

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Board has delegated the Audit Committee to perform its responsibilities of risk management and internal control systems by performing the following:

- Oversees the Group's risk management and internal control systems on an ongoing basis;
- Reviews the effectiveness of the Group's risk management and internal control systems annually, and such review should cover all material controls including financial, operational and compliance control;
- Considers major findings on risk management and internal control matters, implementation of the mitigation activities by the management team, and reports and makes recommendations to the Board.

The Group's internal control review is performed by an outsourced internal control consultant, which reports directly to the Audit Committee of the Group.

The Board has received a report from the outsourced internal control consultant summarizing internal control review results for the financial year. The report states the findings on internal control review and actions to be taken by management as a result. These findings and recommendations for improvement will be communicated to the respective management for their responses and corrective actions. The Group's management team monitors the implementation of its recommendations and reports the outcome to the Audit Committee.

The Board considers the Group internal control system and risk management is adequate and effective for the financial year.

Internal Audit Function

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-laws and the Companies Act of Bermuda. The procedures that shareholders can use to convene a special general meeting are set out in Bye-law 58 of the Company's Bye-laws.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

CONSTITUTIONAL DOCUMENTS

During the year, there was no significant change in the Company's Memorandum and Articles of Association.

EVENT AFTER THE REPORTING PERIOD

On 10 April 2026, the Company and Xarvi US Inc, a world-leading influencer agency and operator, collectively referred to as (the "Parties"), formally signed a Platform Company Cooperation Agreement. The Parties would form a powerful alliance to jointly fund and establish platform company(ies) which is/are controlled by the Company, so as to fully enter the highly dynamic global internet creator (influencer) economy and traffic monetization business.

As at the date of this report, the Parties has established the platform companies, but the Parties have not yet signed an agreement on succession of rights and obligations. Please refer to the announcements of the Company dated 13 April 2026 and 15 April 2026 for further information.

Environmental, Social and Governance Report

For the year ended 31 March 2026

ABOUT THIS REPORT

INTRODUCTION

In accordance to Appendix C2 Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Wai Chun Group Holdings Limited and its subsidiaries (collectively known as the “Group” or “We”) are pleased to present this Environmental, Social and Governance Report (the “Report”). The purpose of the ESG Report is to provide our stakeholders with a comprehensive view of our environmental, social and governance (“ESG”) performance, initiatives and achievements in four areas: environmental protection, employment and labour policies, operational practices and community involvement.

REPORTING PRINCIPLES

The ESG Report is prepared according to the “Comply or Explain” provisions and the four Reporting Principles as required by the ESG Reporting Code:

1. **Materiality:** Disclosure is required in this Report if ESG issues have a material impact on our investors and other stakeholders.
2. **Quantitative:** The identified ESG data are measurable, so that the key performance indicators (“KPIs”) in this report can be compared with peers, industry standards and our previous years’ performance.
3. **Balance:** The performance information in the Report is presented in an unbiased manner, avoiding selections, omissions or presentation that might inappropriately influence the decisions or judgments of stakeholder.
4. **Consistency:** To ensure comparability, all key performance indicators calculations and assumptions are consistent with previous years. Any changes in relevant assumptions or calculation methods are clearly disclosed to inform stakeholders.

Environmental, Social and Governance Report

For the year ended 31 March 2026

REPORTING BOUNDARY

The scope of the ESG Report mainly focuses on the Group's principal subsidiaries, Beijing HollyBridge System Integration Co., Limited (the "Beijing HollyBridge"), Beijing Plus Trading Co., Ltd. (the "Plus Trading") and Wai Chun Strategic Investment Limited (the "Wai Chun Strategy"). Beijing HollyBridge principally engaged in the sale and provision of integrated services of computer and communication systems, as well as design, consultancy and manufacture of information system software in the People's Republic of China ("PRC"). Plus Trading is engaged in chemical trade in the PRC. Wai Chun Strategy is located in Hong Kong and engages in investment holding. The information stated in this report covers the period from 1 April 2025 to 31 March 2026 (the "Reporting Period" or "2026"). This report focuses on three environmental aspects, eight social aspects and climate-related disclosures of policy and related performance disclosure.

In addition to achieving business objectives, the Group is aware of its responsibility to operate in a more responsible and sustainable manner by incorporating ESG considerations into its daily operations. For this reason, the Group has prepared ESG KPIs and compared the results of the reporting period in fiscal year 2025. The Group will improve the shortcomings and make appropriate revisions and implement corresponding measures when necessary.

ESG GOVERNANCE

OUR SUSTAINABILITY MISSION

The Group strives to be a leading network system integrator and software developer and supplier. In order to realize the concept of sustainable development and to create long-term value for shareholders and other stakeholders, the Group has incorporated ESG themes into its daily operations and as an important part of its corporate strategic objectives.

OUR APPROACH TO SUSTAINABILITY

The Group considers sustainable development as an important aspect of the Group's future development and that sustainable development should start with the internal management within the Group. The Board is fully responsible for setting the Group's sustainable development direction and strategy, conducting an enterprise risk assessment at least once a year to identify current and potential risks in our complex business environment, including but not limited to ESG aspects. The Board will assess or engage an independent third party to review the Group's existing strategies, objectives and internal controls, and will make the necessary improvements to mitigate risks. The Board is also responsible for overseeing and ensuring that management and the ESG work team have all appropriate tools and resources at their disposal to oversee ESG matters.

The Group reviews the performance and progress of implementation of ESG-related objectives and targets annually. If significant non-compliance is identified, the Group should analyse the variances, identify the causes in a timely manner, and communicate with stakeholders to revise the ESG strategy as appropriate to make it more relevant to business reality. The Group will also actively engage with various stakeholders to ensure that the ESG performance of the Group meets their expectations. The Board has set strategic objectives for the future to enable the Group to develop a practical way forward and focus on the direction of development to achieve its vision. The ESG work team will weigh up the Group's philosophy and objectives, and carefully examine whether they can be achieved.

Environmental, Social and Governance Report

For the year ended 31 March 2026

STAKEHOLDER ENGAGEMENT

The Group identifies stakeholders based on their relationship with the Group, and the extent to which they are affected by our business operations and the extent to which they influence the achievement of our business objectives. Stakeholders for the Reporting Period include employees, customers, shareholders, suppliers, regulatory bodies and the community. In order to strengthen relationships with internal and external stakeholders and to create social value more actively, the Group is committed to understanding the issues of concern to stakeholders through a wide range of communication channels. The following table provides an overview of the Group's key stakeholders, expectations, and the Group's communication and feedback:

Major Stakeholders		Expectations	Communication and Feedback
Internal	Employee	• Career development platform	• Annual performance appraisal system and staff communication
		• Salary and benefits and employee communication	• Training, seminars and briefing sessions
	Shareholders	• Communication with shareholders	• Annual general meeting and other general meetings
		• Corporate transparency	• Investor and press conferences, briefings and company website
		• Financial performance	• Corporate communications including announcements, press release, circulars, interim and annual reports
External	Customers	• Communication with customers	• Company website and customer service hotline
	Suppliers	• Integrity cooperation	• Regular supplier communications and reviews
	Regulators	• Response to inquiries from regulators	• Regular meeting and communications
		• Corporate governance and compliance	• Corporate governance report
		• Compliance training	• Training, focus groups and other events
	Community	• Community care	• Sponsorships and donations

Environmental, Social and Governance Report

For the year ended 31 March 2026

MATERIALITY ASSESSMENT

The Group conducted an annual materiality assessment to enhance stakeholders' understanding of the Group's ESG performance and sustainable development strategy during the Reporting Period. The detailed methodology of the materiality assessment approach is shown below:

1. Methodology design: Materiality analysis is designed around the implementation of the ESG initiative and complies with the materiality principles outlined in the Reporting Principles section and Listing Rules mentioned above.
2. Identify material ESG issues: The Group relies on significant ESG issues from the previous year and feedback from stakeholders, as well as policies and procedures, industry and international trend reports, regulatory updates, and external standards to identify ESG issues.
3. Stakeholder validation and participation: ESG issues are rated with internal and external stakeholders based on a range of ratings from 0 (no significance) to 9 (high significance). Additional ESG issues not covered in the above assessment can also be raised and stakeholders are encouraged to provide feedback on how we engage.
4. Prioritise significant ESG issues: Through statistical analysis of data, ESG issues are prioritised based on their importance and presented in a chart format.

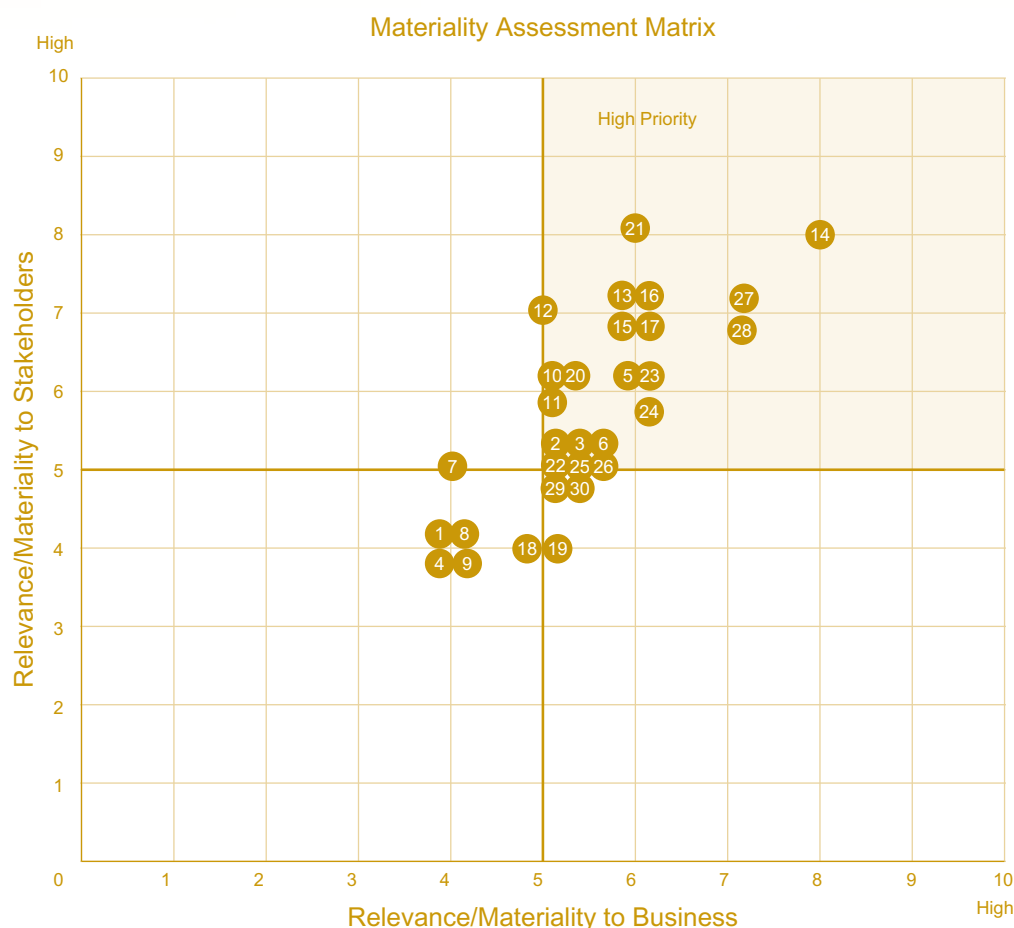
The significant ESG issues of the Group are shown in the table below:

Environmental Aspect		Social Aspect		Operation Aspect	
1.	Greenhouse Gas Emissions	12.	Community Contribution	21.	Anti-Corruption
2.	Energy Consumption and Resource Management	13.	Occupational Health and Safety	22.	Supply Chain Management
3.	Water Resource Management	14.	Child Labour	23.	Supplier Evaluation and Selection
4.	Waste Management	15.	Forced and Compulsory Labour	24.	Customer Service and Satisfaction
5.	Packing Material Usage	16.	Training and Development	25.	Customer Privacy
6.	Environmental Impact	17.	Compensation and Employee Benefits	26.	Handling of Feedback and Complaints
7.	Climate Change	18.	Diversity and Equal Opportunities	27.	Product Health and Safety
8.	Supplier Environmental Risks	19.	Talent Attraction and Retention	28.	Product and Service Labelling
9.	Environmental Protection	20.	Promotion of local Employment	29.	Protection of Intellectual Property
10.	Generation of Hazardous Waste			30.	Marketing
11.	Generation of Non-Hazardous Waste				

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The following table briefly shows the results of the assessment:



Based on the above analysis, the Group has identified “preventing child and forced labour”, “customer information and privacy”, and “observing and protecting intellectual property rights” as the top three areas of focus during the Reporting Period. The Board of Directors has set targets for each major KPI, and the ESG targets related to major KPIs will be reviewed annually to ensure that they still meet the needs of the Group.

INFORMATION AND FEEDBACK

The Group welcomes all feedback from investors and stakeholders in particular the important areas identified in the materiality assessment. Your opinion is highly valued, should you have any suggestions or comments, please contact us through the channels below:

Address: Rooms 4001-02, 40th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
 Telephone: 852-3102 9989
 E-mail: contactus@1013.hk
 Website: www.1013.hk

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A. ENVIRONMENT

A1 EMISSIONS

The Group understands its responsibility for environmental protection and sustainable development, and is committed to environmental protection and sustainable development as an important part of our business strategy. The Group's main business is to provide network system integration and software development services. Due to the nature of the business, except for the small amount of hazardous air emission generated from the use of fuel in private cars, the Group's business operations do not generate any hazardous emissions, waste or pollutants, nor do they generate any noise, light pollution or emissions that may have a significant impact on the environment. Although the direct impact of the business on the environment is minimal, the Group still makes every effort to comply with all laws, regulations, and rules related to air and greenhouse gas emissions in its operations, including but not limited to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), and the Ozone Layer Protection Ordinance (Cap. 403 of the Laws of Hong Kong). During the Reporting Period, the Group did not find any non-compliance with emission and environmental laws and regulations.

Air Emissions

In view of the daily business activities of the Group, direct emissions are mainly from the combustion of fuel in the operational vehicles. For 2026, the approximate amounts of nitrogen oxides ("NOx"), sulphur oxides ("SOx") and Particulate Matter ("PM") generated during the Group's operations are shown in the table below:

Emissions from Vehicles	Unit	2026	2025
Nitrogen Oxides (NOx)	Kilograms	—	—
Sulphur Oxides (SOx)	Kilograms	—	—
Particulate Matter (PM)	Kilograms	—	—

Note 1: The emission factors used to calculate the NOx, SOx and PM are sourced from: the Hong Kong Environmental Protection Department's EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's Vehicle Emission Modeling Software – MOBILE 6.1; and the assumptions of 80% relative humidity, a temperature of 25 degrees Celsius, an average speed of 30km/h, and include running exhaust emissions only.

Note 2: During the Year 2026, no motor vehicle was used.

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The Group endeavours to reduce the air emissions by implementing various energy saving measures. These measures include but not limited to encouraging employees to use video conferencing to reduce unnecessary travel, encouraging the use of public transportation for long distances and bicycles or walking for short distances; and exploring other alternatives such as the use of electric or energy efficient vehicles to reduce emissions.

The Group has set the following KPI targets for air emissions, and will keep monitoring on the emissions data and adjust emission reduction measures in a timely manner to ensure the targets are met.

Air Emissions	Reduction Target	Baseline Year	Status
Nitrogen Oxides (NOx) emission intensity	Reduce 2% by 2027	2022	In progress
Sulphur Oxides (SOx) emission intensity	Reduce 2% by 2027	2022	In progress
Particulate Matter (PM) emission intensity	Reduce 2% by 2027	2022	In progress

Greenhouse Gas (GHG) Emissions

Global warming is a key area of concern for climate change. Due to human activities such as burning fossil fuels and deforestation, global warming accelerates and disrupts the balance of the natural world, ultimately affecting the livelihoods of employees, customers, and communities. The Group has been closely monitoring greenhouse gas emissions levels and exploring different methods to reduce pollution.

The Group's greenhouse gas emissions can be broadly categorized into direct emissions (Scope 1), indirect emissions from energy (Scope 2) and other indirect emissions (Scope 3). During the Reporting Period, the greenhouse gas emissions are as follows:

Aspects	Unit	2026	2025
Scope 1	tCO ₂ e	—	—
Scope 2 <i>(Note 1, 2)</i>	tCO ₂ e	13.15	13.72
Scope 3 <i>(Note 3)</i>	tCO ₂ e	5.89	0.19
Total GHG Emissions	tCO₂e	19.04	13.91
GHG Emission Intensity	tCO₂e/no. of Employee	1.06	1.39

Note 1: Energy indirect emissions of the Group were from purchased electricity.

Note 2: Emission factor is sourced from the 2024 PRC Central Power Grid and HK Electric Investments sustainability reports for 2025. These data are calculated in accordance with the "Reporting Guidance on Environmental KPIs".

Note 3: All other indirect GHG emissions that occurred outside the Group, including: Category #5: waste generated in operations; Category #6: business travel; and Category #7: employee commuting.

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The Group endeavours to reduce the GHG emissions by reducing the energy consumption level and will continue to assess and record its greenhouse gas emissions and other environmental data annually to assist the Group in achieving the emission reduction targets in the future.

Air Emissions	Reduction Target	Baseline Year	Status
GHG emissions intensity (Scope 1)	Reduce 2% by 2027	2022	In progress
GHG emissions intensity (Scope 2)	Reduce 2% by 2027	2022	In progress

Waste Management

As the Group is mainly a software and information system designer, developer, integrator, and supplier, its activities are mostly similar to those of general offices and do not generate hazardous waste from our operations during the Reporting Period. The waste mainly comes from used papers, unpacked boxes and other general living wastes, which are non-hazardous. As part of the environmental protection strategy, non-hazardous wastes are transferred to the cleaning staff of the building management office for regular collection and treatment.

Environmental Indicators	Unit	2026	2025
Total amount of hazardous waste	Kilograms	<i>Note 1</i>	<i>Note 1</i>
Hazardous waste intensity	Kilograms/no. of Employee	N/A	N/A
Total amount of Non-hazardous waste	Kilograms	156	144
GHG Emission Intensity	Kilograms/no. of Employee	8.67	14.40

Note 1: The Group generated only an insignificant amount of hazardous waste, which did not have any substantial impact to the environment. Therefore, no data in this aspect was disclosed.

During the Reporting Period, the Group complied with all laws and regulations relating to the generation of hazardous waste and non-hazardous waste, including but not limited to the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). The Group advocates its employees to adopt paperless office, double-sided printing and other environmental protection measures to reduce non-hazardous waste as far as possible.

Environmental Indicators	Reduction Target	Baseline Year	Status
Non-hazardous waste produced intensity	Reduce 2% by 2027	2022	In progress

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A2 USE OF RESOURCES

The Group firmly believes that environmental protection is a key factor for sustainable business development, and therefore adheres to the highest environmental standards in business operations. The Group is committed to conserving and protecting resources such as energy, water, and paper, and promoting this awareness to employees and business partners. Although the Group is not a manufacturing company and the use of resources in business activities is minimal, it adheres to the 5R-principle as the guiding rule for the Group's resource conservation and reduction programs, which promotes measures for educating, reusing, recycling, replacing and recovering.

Owing to the nature of the Group's business, the Group's operations do not have issue in sourcing water that is fit for purpose during the Reporting Period.

The Group's resources use mainly includes fuel combustion in the operational vehicles, electricity and water consumed by the office. The approximate resource consumption of the Group during the Reporting Period is as follows:

Type of Sources	Unit	2026	2025
Energy			
Fuel consumption	kWh	<i>Note 1</i>	<i>Note 1</i>
Electricity consumption	kWh	22,000	22,350
Total energy consumption	kWh	22,000	22,350
Energy consumption intensity	kWh/no. of Employee	1,222	2,235
Water			
Water consumption	m ³	27	148
Water consumption intensity	m ³ /no. of Employee	1.50	14.80
Use of packaging materials			
Total packaging materials	Tonnes	<i>Note 2</i>	<i>Note 2</i>
Total packaging materials intensity	Tonnes/no. of Employee	N/A	N/A

Note 1: During the Year, no motor vehicle was used.

Note 2: As the Group is mainly a software and information system designer, developer, integrator, and supplier, its activities are mostly similar to those of general offices and do not involve packaging materials from the operations during the Reporting Period. As such, the Group does not quantify the relevant figures.

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As the greenhouse gas emissions depend largely on the energy consumption levels, the Group has established KPIs for electricity consumption, and also for water use, for daily monitoring and supervision. The Group has also developed and implemented a series of measures to regulate the use of resources. These measures include but are not limited to:

- Turn off the air conditioning and lighting systems during non-office hours;
- Encourage employees to turn off equipment and appliances when not in use;
- Choose energy-saving appliances, such as using LED energy-saving lights instead of traditional lighting fixtures;
- Encourage employees to develop the habit of saving water by turning off water taps with their hands;
- Post water-saving signs to enhance employees' water-saving awareness;
- Strengthen the management of water equipment to prevent water leakage.

Environmental Indicators	Reduction Target	Baseline Year	Status
Energy consumption intensity	Reduce 2% by 2027	2022	In progress
Water consumption intensity	Reduce 2% by 2027	2022	In progress

A3 THE ENVIRONMENT AND NATURAL RESOURCES

Because the Group is not engaged in production and manufacturing, our daily business and operational activities do not use a large amount of natural resources such as energy, water, wood, and paper, and do not cause any other significant pollution or damage to the environment or natural resources. Nevertheless, the Group still chooses to adopt policies and guidelines in line with the internationally recognized “5R” principles and practices, striving to make the best use of resources and avoid wastage as far as possible:

- Reduce: reduce waste material;
- Reuse: reuse waste material without processing;
- Recycle: reuse materials as resources;
- Refuse: avoid purchases;
- Recover: recover materials in a different form.

The Group complies with relevant laws and regulations, and no violations related to emissions and the environments were found during the Reporting Period. The Group will continue to assess the climate and environmental risks in our business operations, formulate countermeasures and regularly review and update our environmental policies. The administrative department of each operating location is responsible for monitoring the implementation of various environmental indicators to effectively implement all adopted measures and conventions.

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RESPONDING TO CLIMATE CHANGE

The Group recognises the importance of climate change and has been committed to enhancing its climate resilience, adhering to a sustainable development strategy, actively promoting low-carbon operations and green innovation, and continuously optimising resource utilisation and reducing its carbon footprint.

Climate change has increased the severity and frequency of global extreme weather events. In addition to the resulting increase in physical risks, governments worldwide have strengthened climate regulatory measures and promoted technological innovation to address the challenges. The Group faces transition risks brought about by the adjustment process to a low-carbon economy, such as policy shifts, market trends, and technology development, which may not only cause asset value fluctuations but also impact the supply chain, operational efficiency, and market demand, thereby affecting the enterprise's overall operating and financial conditions. Although climate change poses risks to enterprise operations, development opportunities also exist. The Group will create long-term value for the enterprise and achieve sustainable development by optimising its climate change measures and adjusting operational strategies.

The Group focuses on the opportunities and challenges brought by climate change to the enterprise and will continue to disclose climate-related information. Based on the disclosure frameworks of Task Force on Climate-related Financial Disclosures ("TCFD") and the International Sustainability Standards Board ("ISSB"), the Group has established a climate change management system covering four aspects: governance, strategy, risk management, and metrics and targets, and has integrated climate change response policies and measures into daily operations.

GOVERNANCE

The Group views responding to climate change as a essential element of sustainable development. To strengthen the governance of climate change issues, the Group continues to enhance its ESG governance framework, establishing a three-tier governance structure of supervision, management and execution. This structure incorporates climate change-related matters into the operations and responsibilities of all departments within the Group. Under the Board's supervision and management's leadership, an efficient corporate culture is established to manage climate-related risks and grasp relevant opportunities.

The Board and management possess sufficient knowledge of climate-related risks to address the impact of climate change on the Group, and will continuously enhance the awareness of ESG work team regarding climate change and risk contingency plans.

The Board is responsible for overseeing climate-related strategies, targets, and material issues, as well as climate-related risks and opportunities. Under the Board's supervision, management is responsible for identifying, assessing, and managing climate-related risks and opportunities, continuously tracking the implementation progress of metrics and targets, and reporting regularly to the Board to assist it in monitoring significant climate-related risks and material climate change matters.

ESG work team responsible for executing the climate change-related strategies and targets formulated by the Board and management and integrating them into daily business operations.

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STRATEGY

Based on its business types and operations, combined with industry development directions and stakeholder concerns, the Group conducts risk identification and analysis from multiple perspectives, and studies relevant response strategies to mitigate the short, medium and long-term adverse impacts of climate change on business and finance. The potential risks posed by climate change can be divided into physical risks and transition risks. Extreme weather poses acute and chronic physical risks; acute physical risks include sustained droughts and extreme cold weather, while chronic physical risks include global warming and changes in rainfall patterns. Transition risks are primarily caused by changes in markets, regulations, and policies, including policy and legal, technology, market and reputation risks.

POTENTIAL IMPACTS OF PHYSICAL RISKS ON THE GROUP AND MITIGATION MEASURES

Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Sustained drought	Sustained drought and water shortages	Water supply shortages may affect business operations and raw material supply	Short, Medium, Long	Formulate water-saving targets and management plans, and continuously collaborate with upstream raw material suppliers to find solutions
Extreme cold weather	Logistics and transportation disruptions caused by continuous snowstorms	- Raw material supply is affected, imposing higher requirements on supply chain and inventory management - Increased costs in raw material procurement, storage, and logistics transportation - Continuous low temperatures affect the operation of roads and ports, which may lead to logistics and transportation disruptions, affecting raw material supply	Short, Medium, Long	- Formulate extreme weather contingency plans, strengthen hidden danger investigations, and reduce potential losses caused by extreme weather - Improve the climate resilience of the supply chain by conducting diversified procurement

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Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Global warming	Prolonged periods of high temperatures and high humidity	- Sustained high temperatures will increase cooling demand, putting pressure on air conditioning in offices. The failure rate of cooling equipment may rise, bringing additional maintenance and increased equipment expenditure costs - Reduced productivity led to increase labor costs - Increase health risks for employees	Medium, Long	- Formulate contingency plans for high-temperature weather, and equip with heatstroke prevention and sun protection equipment and medicines - Offices can minimise operational interference by optimising cooling systems and improving ventilation facilities
Changes in rainfall patterns	Long-term shifts in rainfall patterns caused by temperature changes	Fluctuations in water resources may require increased infrastructure spending to optimize water storage and efficiency, increasing capital expenditures	Medium, Long	Optimise water use efficiency to reduce water waste

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POTENTIAL IMPACT OF TRANSITION RISKS ON THE GROUP AND MITIGATION MEASURES

Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Policy and Legal	Stricter regulations on carbon emissions globally and regionally, and stricter regulations on energy efficiency	- Increased demand to optimise operational efficiency to reduce resource consumption and material use - Increased litigation risks arising from failure to comply with stricter regulatory requirements	Short, Medium, Long	- Actively communicate with industry associations and regulatory bodies, and optimise operations to meet industry standards - Continuously monitor changes in domestic and foreign policies and regulations to ensure business activities comply with local laws and regulations - Continuously monitor changes in carbon pricing policies in various operating regions
Technology	Facing technological improvements for transitioning to low-carbon systems	- Sustainable or automated technologies may lead to increased operating costs - Reducing carbon emissions requires introducing and applying green technologies, which requires significant resource investment in R&D and promotion, with uncertain outcomes	Short, Medium, Long	Regularly allocate and reserve budgets for production facilities, and phase transition to low-carbon technologies through energy-saving projects and plans based on cost-effectiveness

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Risk category	Description of risk	The potential business/ financial impact of relevant risk	Time horizon	Mitigation measures
Market	Scarcity of non-renewable resources and energy, and low-carbon raw materials will affect product costs and prices; consumer demand for environmentally friendly products or services rises	• Rising energy prices increase operating costs • Sourcing low-carbon raw materials increases costs • Customers increasingly prefer environmentally friendly products or services; failing to promptly provide such options risks declining sales	Short, Medium, Long	• Introduce renewable energy supply to reduce reliance on traditional energy • Expand product or service ranges to cater to a broader customer base and adapt to changing customer preferences
Reputation	Investors and stakeholders attach increasing importance to climate change actions, and public expectations for climate risk management and disclosure continue to rise	• Implementing climate risk management and making related disclosures to meet stakeholder and public expectations increases operating costs	Short, Medium, Long	• Continuously monitor public opinion information and respond promptly • Closely follow domestic and foreign climate and environmental policies, actively communicate with industry associations and regulatory bodies, and optimise information disclosure to meet industry standards and compliance requirements

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OPPORTUNITIES BROUGHT BY CLIMATE CHANGE TO THE ENTERPRISE

Opportunity category	Description of opportunities	Potential benefits of relevant opportunity on business and/or financial	Time horizon	Opportunity initiative management
Resource Efficiency	Environmentally friendly practices can streamline operations and reduce waste	- Reducing energy consumption and waste disposal can save costs - Improving resource utilization and efficiency can generate higher profit margins	Medium, Long	Leverage green operational concepts to minimise waste generation in operations and promote the recycling of resources and raw materials
Energy Sources	Sources of low-emission energy	- Transitioning to renewable and low-carbon energy to replace traditional fossil fuels can reduce energy expenditures and increase resilience to energy supply in the long-term - Clean energy is expected to have more policy support in the future and can avoid future carbon emission trading costs	Medium, Long	Consider adopting clean energy, increase the proportion of renewable energy use, and reduce GHG emissions generated by office operations
Products/ Services	Develop environmentally friendly products or services	Create new business development opportunities, increase long-term revenue streams, and diversify business operational risks	Medium, Long	Explore new businesses and introduce environmentally friendly products or services

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Opportunity category	Description of opportunities	Potential benefits of relevant opportunity on business and/or financial	Time horizon	Opportunity initiative management
Market	Increased demand for green solutions may bring new business opportunities	Entering new markets can diversify revenue and reduce reliance on traditional businesses; consumers may be more willing to pay a premium for eco-friendly brands	Medium, Long	Identify customer segments with sustainable growth potential and target their needs to build a more flexible and resilient supply chain
Resilience	Strengthen infrastructure and operational resilience to guard against climate-related disruptions	Green infrastructure and adopting energy-saving measures can reduce the risk of downtime and value chain interruptions during extreme weather events	Medium, Long	- Invest in green infrastructure to cope with extreme weather - Integrate climate factors into business continuity plans

RISK MANAGEMENT

We continuously focus on the sustainable development of the enterprise, utilising scenario analysis to assess the risks and opportunities brought by climate change, enabling us to promptly identify issues and implement effective response measures. Climate scenario analysis is a forward-looking assessment method that helps enterprises identify potential climate risks and opportunities by simulating future evolutionary paths under different economic development models and energy use scenarios. This method provides a scientific basis for our decision-making, assists in formulating effective climate response plans, and enhances the enterprise's resilience to climate change. For physical risk assessment, we refer to the Intergovernmental Panel on Climate Change ("IPCC") and select Representative Concentration Pathway ("RCP") 2.6 and 8.5 as baseline scenarios. Under the RCP 2.6 scenario, it assumes that governments, industry chains, and all sectors of society can drive fundamental changes in production and consumption models through comprehensive measures such as legislative constraints and global carbon pricing, significantly reducing GHG emissions and ultimately limiting global temperature rise to within 1.5°C. Under the RCP 8.5 scenario, governments, industry chains, and relevant institutions fail to implement sufficient and effective policies and measures, leading to a continuous rise in GHG emissions, resulting in global average temperatures rising by over 4°C or more by 2100.

Risk category	Description of risk	Climate scenario	Probability of occurrence	Impact severity	Impact duration
Sustained drought	Drought and water shortages	RCP2.6	Medium	Low	Short, Medium, Long
		RCP8.5	Medium-High	Medium	Short, Medium, Long
Extreme cold weather	Snowstorms causing logistics and transportation disruptions	RCP2.6	Medium	Medium	Short, Medium, Long
		RCP8.5	Medium-High	Medium-High	Short, Medium, Long
Global warming	Prolonged periods of high temperature	RCP2.6	Medium	Medium-High	Long
		RCP8.5	High	High	Long
Changes in Rainfall Patterns	Long-term shifts in rainfall patterns	RCP2.6	Medium	Medium	Long
		RCP8.5	High	Medium	Long

For transition risk assessment, we adopt the International Energy Agency ("IEA")'s "Net Zero Emissions by 2050 Scenario" ("NZE 2050") and the "Stated Policies Scenario" ("IEA SPS") as the baseline analysis framework. The NZE 2050 scenario simulates a rapid decarbonization pathway adopted by the international community to achieve the 1.5°C control target, expecting the global energy system to reach net-zero emissions by 2050. The IEA SPS scenario considers only the impact of specific policies currently implemented or announced by governments, expecting the global average temperature rise to far exceed the 1.5°C control target.

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Risk category	Description of risk	Climate scenario	Probability of occurrence	Impact severity	Impact duration
Policy and Legal	Regulations tending to be stricter	NZE 2050 IEA SPS	High Medium	Medium-High Low	Short, Medium Medium, Long
Technology	Technological improvements for transitioning to low-carbon systems	NZE 2050 IEA SPS	Medium Medium	Medium-High Medium	Medium, Long Medium, Long
Market	Changes in consumer preferences	NZE 2050 IEA SPS	Medium Low	High Low	Medium, Long Short
Reputation	Stakeholders attach increasing importance to climate change actions and expectations for disclosure continue to rise	NZE 2050	High	Medium-High	Medium, Long

The Group regularly identifies, analyses, assesses, and addresses climate-related risks that may affect business operations and financial performance, and conducts constant management and supervision to maintain resilience and sustainable development capabilities in response to climate change. To conduct more effective management targeting climate-related risks, we have established a mechanism for identifying and overseeing climate-related risks, forming a climate risk management process of “Identify risks – Assess impacts – Formulate strategies – Supervise and improve”.

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Risk procedures	Specific details
Identify risks	Identify physical and transition risks that may impact business operations and financial status by collecting and analyzing climate risk-related information, such as actual climate change conditions, updates to policies and regulations, and market trends
Assess impacts	Based on the concerns of internal and external stakeholders, combined with industry practices and own operational status, analyse the potential impact of various climate-related risks on key areas of business operations, and prioritise them to allocate resources more effectively and rationally
Formulate strategies	Based on assessment results, formulate targeted response plans for different categories of risks, integrate corporate culture and business development to form climate response strategies. Incorporate climate risk management and response measures into daily operations, and rehearse response arrangements during disasters through simulated scenarios to ensure employees can respond effectively to emergencies
Supervise and improve	- Establish a dynamic monitoring mechanism to regularly review changes in climate risks and the execution of climate strategies to ensure the effective implementation of response measures - Regularly collect feedback and understand the regulatory requirements of operating locations, and continuously optimize risk management processes to enhance climate adaptability and resilience against climate change

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METRICS AND TARGETS

The Group has the strategic “Dual Carbon” target of achieving carbon peaking by 2030 and carbon neutrality by 2060. The Group realises that the key to long-term enterprise development lies in maintaining foresight and operational resilience while addressing climate change. We annually conduct comprehensive statistical analysis of GHG emissions and energy consumption to provide a scientific basis for green development, and consider our own business development and climate change trends to assess the risks and opportunities brought by climate change, thereby formulating short-term, medium-term and long-term carbon reduction strategies and targets.

The Group has actively launched energy conservation and emission reduction initiatives to reduce energy and resource consumption during office and operational processes, thereby reducing GHG emissions and waste generation. We continuously monitor various indicators related to climate risks, including direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and other indirect GHG emissions (Scope 3), to provide actual data support for addressing climate change. The Group will continuously assess and monitor GHG emissions within its business value chain and optimise relevant data statistics and analysis to ensure compliance with regulatory and disclosure requirements.

The Group has short-term, medium-term and long-term climate-related risks and opportunities. Regarding the amount and percentage of assets or business activities vulnerable to climate-related risks, as well as those aligned with climate-related opportunities, we do not currently have relevant quantitative data, but we will continue to refine our reporting content.

If regions globally continue to strengthen regulations on corporate carbon emissions, future carbon pricing or carbon taxes may increase indirect costs. We have not currently applied internal carbon pricing in decision-making, but we will continue to monitor changes in carbon pricing policies across operating regions. Furthermore, the Group has not offset emissions by purchasing carbon credits, but will continue to assess whether there is a need to purchase carbon credits in the future.

The Group has established a sound management remuneration system and will consider linking sustainability metrics with management performance.

Based on business materiality and industry practices, the Group discloses relevant emissions, GHG emissions, and resource usage, but has not adopted industry-based metrics related to business models and activities as our quantitative metrics. Although our targets are not derived from cross-industry metrics and industry-based metrics, we will regularly review the effectiveness of our climate change response measures based on scientific data and update our response strategies, thereby continuously strengthening our resilience to climate change.

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B. SOCIAL

B1 EMPLOYMENT

Employees are the cornerstone of a strong business and the essential foundation of business operations. The Group upholds the value of putting people first and is committed to striving to create a safe and healthy work environment and to provide a workplace free from any form of discrimination and harassment. To this end, the Group has also established appropriate policies and procedures, including but not limited to recruitment, transfer and promotion, termination, salary, capital calculation and compensation, and other benefits. Focusing on a transparent recruitment and hiring mechanism, the Group has also established a transparent platform to receive feedback from employees, measure their satisfaction, pay attention to their personal growth, and protect and respect their legitimate rights and interests.

At the end of the Reporting Period, The distribution of our workforce categorised by gender, age, employment type and geographical region are as follows:

Number of Employee of the Group	2026	2025
By Gender		
Male	10 (56%)	6 (60%)
Female	8 (44%)	4 (40%)
By Age		
Below 30 years old	—	—
Between 30 to 50 years old	10 (56%)	4 (40%)
Over 50 years old	8 (44%)	6 (60%)
By Employment Type		
Full-time	12 (67%)	8 (80%)
Part-time	6 (33%)	2 (20%)
By Geographic Location		
China	8 (44%)	3 (30%)
Hong Kong	10 (56%)	7 (70%)

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The employee turnover rate categorised by (i) gender; (ii) age group; and (iii) geographical region are presented in the table as follows: *(Note 1)*

	2026	2025
Turnover rate by gender		
Male	20%	83%
Female	25%	100%
Turnover rate by age		
Below 30 years old	—	—
Between 30 to 50 years old	40%	100%
Over 50 years old	—	83%
Turnover rate by geographical region		
China	—	100%
Hong Kong	40%	85%

Note 1: The employee turnover rate is calculated based on the number of employees who left employment in such category during the year divided by total number of employees as at year end in such category.

- Optimising the recruitment process to enable candidates to fully understand the working environment and welfare level of the Group.
- Attach importance to corporate culture training for employees, and improve employees' sense of cultural identity of the Group.
- Pay attention to employees' work stress and promote dialogue between management and employees to relieve employees' psychological stress.
- Expand the development channels for employees within the Group and provide employees with competitive career platform for employees, and enable the Group to fully meet their career development requirements.

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In all labour relations within the Group, whether for recruitment, promotion or dismissal, the Group only considers the qualifications, experience, and performance of candidates or employees related to job nature, ensuring equal employment opportunities for different genders, ages, races, and religions. The Group arranges fair and reasonable remuneration packages for all employees. The remuneration packages of employees are determined with reference to the prevailing market level, which is commensurate with the ability, qualification and experience of the employees. All employees of the Group are entitled to fixed working hours and all statutory holidays, as well as leave and benefits in compliance with laws and regulations, including but not limited to insurance, mandatory provident fund, sick leave, maternity leave, wedding leave, paternity leave and jury leave. In addition, the Group organizes various recreational activities for its employees, including but not limited to annual dinners, birthday or Christmas parties, to enhance staff cohesion.

During the Reporting Period, the Group complied with the labour-related laws and regulations, including but not limited to the Labour Law of the People's Republic of China, the Regulation on Labour Security Supervision, and the Labour Contract Law of the People's Republic of China and the Employment Ordinance of the HKSAR. There were no reports of material fines or nonmonetary sanctions due to violations of relevant laws and regulations in 2026.

B2 HEALTH & SAFETY

Building a positive health and safety culture has always been one of the Group's top priorities. A healthier workforce will lead to better productivity and higher morale, ultimately creating a high-performance and flexible organization. The Group is concerned about the safety and health of all employees and provides medical benefits and health insurance for all full-time employees, as well as employees' compensation insurance. In the event of an accident or injury at our premises, the management team will be immediately notified and an investigation is initiated to analyse the cause of the incident. First aid equipment and other medical facilities are also available at all times at all Group workplaces.

The Group provides a safe, clean and healthy working environment for employees who are required to work in the office to protect them from occupational hazards. The Group has also implemented a non-smoking policy which prohibits employees from smoking in any area of the office in order to provide a healthy, safe and free-breathing working environment.

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During the Reporting Period, the Group did not report any significant work-related fatalities or injuries. In addition, there were no significant fines or sanctions due to violations of relevant laws and regulations for 2026.

The total indicators regarding to health and safety are as follows:

Indicators	2026	2025	2024
Number of work-related fatalities	—	—	—
Rate of work-related fatalities <i>(Note 1)</i>	—	—	—
Number of reportable injuries <i>(Note 2)</i>	—	—	—
Number of reportable occupational diseases	—	—	—
Number of lost days due to work injury <i>(Note 3)</i>	—	—	—

Note 1: The rate of work-related fatalities is calculated based on the number of injuries per 200,000 hours worked (employees working 40 hours per week for 50 weeks).

Note 2: Reportable injuries refer to work-related accidents to employees resulting in incapacity for a period exceeding three days in Hong Kong.

Note 3: Lost days refer to the days that could not be worked as a consequence of a worker being unable to perform their usual work because an occupational accident or disease.

As a key component of human resources development, employee training plays an important role in improving employee quality, accelerating knowledge and technology accumulation, and enhancing enterprise cohesion, which is an effective way to enhance the competitiveness of the Group. The Group is concerned about the career planning and development of its employees and believes that providing good training can help improve their work quality and quickly integrate into the Group, help employees acquire professional knowledge to fulfill their responsibilities, and also help them develop lifelong careers.

The Group severally provides basic business skills training to all new employees, as well as on-boarding training on internal rules and regulations and training on corporate culture. The Group also encourages all employees to pursue further education and actively participate in job-related training organized by external organizations, and provides them with training allowances. During the Reporting Period, no training course is provided to the employees.

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B3 DEVELOPMENT AND TRAINING

The training information categorised by gender and employee category compared to last reporting period are as follows:

	2026	2025
Percentage of employees trained <i>(Note 1)</i>	—	30%
Percentage of employees trained by gender <i>(Note 2)</i>		
Male	—	33%
Female	—	67%
Percentage of employees trained by employee category <i>(Note 2)</i>		
Senior management	—	—
Middle management	—	—
Frontline and other employees	—	100%

Note 1: It is calculated by dividing the number of employees who took part in training by the number of employees as at reporting period end.

Note 2: It is calculated based on the number of employees trained in each category divided by the number of employees who took part in training.

	2026	2025
Average training hours completed per employee <i>(Note 1)</i>	—	1.0
Average training hours completed per employee by gender <i>(Note 2)</i>		
Male	—	0.6
Female	—	1.7
Average training hours completed per employee by employee category <i>(Note 2)</i>		
Senior management	—	—
Middle management	—	—
Frontline and other employees	—	1.7

Note 1: It is calculated by dividing the total number of training hours by the total number of employees as at reporting period end.

Note 2: It is calculated by dividing the total number of training hours for such category by the number of employees as at year end in such category.

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B4 LABOUR STANDARDS

The Group strictly abides by all laws and regulations related to the prohibition of child labour or forced labour, including but not limited to the Hong Kong Employment Ordinance, the Minors Protection Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Provisions on the Prohibition of Using Child Labour. The Group recognizes that child labour and forced labour are violations of basic human rights and all forms of child or forced labour are prohibited. The Group has adopted a series of measures to prevent such incidents. All personal documents provided by employees when applying for employment, including copies of ID cards and passports, academic qualifications and certificates, letter of recommendation, performance evaluation and other documents, must be their own authentic documents and must not be borrowed or forged to cheat the Group. The human resources department will verify the legality of the relevant documents and the authenticity of the holders.

The Group also strives to fulfill its responsibilities to employees by respecting their legitimate rights and interests, improving the working environment and caring for their physical and mental health in order to achieve mutual development of the Group and its employees. The Group adopts market practices as the minimum labour standards for labour protection and benefits. Information on employee vacations, holidays and benefits are also detailed in the Group's policies. In the event that an employee's personal rights are allegedly violated or infringed, the employee can report to the management through different communication channels. If there are cases of child labour and forced labour, the Group will immediately terminate the employment contracts with the relevant employees and hold the persons in charge of the relevant positions accountable.

During the Reporting Period, the Group did not find any significant violations of laws and regulations relating to the prohibition of child labour that had a significant impact on us, nor did it find any cases of forced or child labour.

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B5 SUPPLY CHAIN MANAGEMENT

Supply chain management directly affects the reliability and stability of operations, as well as service quality. Therefore, the Group is committed to managing the risks of its supply chain through established procedures, and has designated a Commercial Representative (“CR”) to be responsible for day-to-day procurement transactions. The responsibilities of CR include supplier management, negotiation and signing of procurement contracts, delivery of products and services, procurement acceptance, and contract payment.

When executing the procurement process, CR need to seek three or more suppliers to evaluate their background and qualifications, and conduct inquiries and price comparisons from suppliers who meet the qualification requirements. CR clearly sets the criteria for supplier selection, which should be objective and quantifiable to ensure that the supplier selection process is fair and equitable. If multiple suppliers meet the requirements, priority should be given to companies with good reputation in environmental protection and social responsibility or holding environmental certification.

The Group has also established a qualified supplier evaluation mechanism to conduct a comprehensive annual evaluation of cooperative suppliers, and the evaluation results of all suppliers are recorded. Suppliers who cannot pass the evaluation will be removed from the supplier list. Also, in the event of significant quality incidents related to products and services, the cooperation relationship with the relevant supplier will be terminated immediately and the supplier will be removed from the list of authorised suppliers.

The number of suppliers is listed below:

Number of Suppliers by Geographical Region	2026	2025
China	18	18
Hong Kong	—	—

During the Reporting Period, none of the Group’s suppliers had any significant actual or potential negative impact on business ethics, environmental protection, human rights, and labour practices, and there were no cases involving human rights violations.

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B6 PRODUCT RESPONSIBILITY

Product Quality and Recall

Good customer relationships not only help the Group to maintain customer loyalty, but also contribute to higher sales. Among them, providing high quality products and services is the key to maintaining good customer relationship. The Group is deeply aware of the importance of products and services, and therefore makes it a priority to win customers' trust and satisfaction in the course of business.

The Group mainly provides customized integrated network and system processing solutions to Chinese customers. The Group fully understands customers' needs and preferences by communicating with them, and designs solutions that are both user-friendly, easy-to-use and secure. The Group's sales staff maintain continuous communication with customers through regular emails, phone calls and social media to address customer complaints provide effective feedback in a timely manner. The Group will ensure all products installed should achieve the standards with the quality control measure in place. The Group will take the initiative to recall when significant deviation exist during the rectification period.

During the Reporting Period, the Group strictly complied with the Product Quality Law of the People's Republic of China, the Law of the People's Republic of China on Protection of Consumer Rights and Interests and other relevant laws and regulations. There were no complaints about defects in the products, technologies or services provided by the Group, and no recall of products due to health and safety issues.

Intellectual Property Rights

The Group integrates awareness of intellectual property protection into daily business operations. For the procurement of services and hardware, the Group relies on the procedures set out in its "Supply Chain Management" internal control system to prevent the purchase of inferior products or services or counterfeit items from suppliers. The Group also relies on intellectual property laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property, requiring employees and customers to enter into written confidentiality agreements at the outset of their relationship with us.

During the Reporting Period, the Group was not involved in any pending or threatened significant legal proceedings, claims, disputes, arbitrations or administrative proceedings against any member of the Group or any of its directors in relation to any intellectual property rights. However, the Group always adheres to the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patents Ordinance (Cap. 514 of the Laws of Hong Kong), and the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong). The Group will continue to assess whether intellectual property rights are important to its business and stipulate measures to protect them where necessary.

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Privacy and Consumer Data Protection

The Group is committed to protecting the personal information and privacy rights of customers, employees, and partners. The Group's confidentiality policy and privacy practices include, but are not limited to, the collection, processing, use and disclosure of personal data. The Group collects and uses personal information in a responsible and non-discriminatory manner, limiting the use of the information to consistent purposes as defined in the Personal Privacy Data Ordinance of the Law of Hong Kong. The Group has established a secure environment with data protection measures to store such data in internal systems. Only authorised employees have access to the data and the Group does not disclose the personal data of its employees, customers and suppliers without the permission of the relevant parties.

During the Reporting Period, the Group complied with the relevant laws and regulations relating to data protection, including but not limited to the Personal Information Protection Law of the People's Republic of China and the Personal Privacy Data Ordinance of the Law of Hong Kong. All businesses within the Group are required to comply with the privacy policy and maintain a zero tolerance for non-compliance. The Group did not record any material breach of consumer data and privacy during the Reporting Period.

B7 ANTI-CORRUPTION

A system with good ethical conduct and anti-corruption mechanisms is the cornerstone of the Group's sustainable and healthy development. The Group does not tolerate any corruption, fraud or other violations of professional ethics. In order to create a workplace free from corruption and bribery, the Group has established an anti-corruption policy with reference to the Anti-Money Laundering Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery, the Organized and Serious Crimes Ordinance (Cap.455 of the Laws of Hong Kong), the United Nations (Anti-Terrorism Measures) Ordinance (Cap.575 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap.615 of the Laws of Hong Kong). The policy clearly states that any form of bribery and corruption is strictly prohibited and that all employees must comply with the relevant internal rules as well as the relevant laws and regulations of each country of operation. The Group regularly provides anti-corruption education to directors and employees through online broadcasting or circulation of electronic training materials, in order to raise their awareness of ethical conduct and corruption issues. The Group did not provide anti-corruption training during the Reporting Period.

The Group encourages employees to and engage in behaviours that adhere to integrity and ethics, helping employees to correctly handle conflicts of interest and inappropriate temptations of interest that arise in their work. Meanwhile, the Group informs all stakeholders in society directly or indirectly related to the enterprise, including external stakeholders (customers, suppliers, regulatory agencies, and shareholders), in an appropriate form, of the information advocated by the enterprise for compliance with laws and integrity.

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Established control, such as a whistle-blowing mechanism, is in place as a private and confidential communication channel for external and internal parties to report suspicious fraudulent actions to the Company's management directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities. In addition, the Group has developed and regularly reviewed internal audit system to create a clean and honest business environment as a whole to prevent damage to the Group's reputation and interests.

During the Reporting Period, neither the Group nor its employees were involved in any legal cases related to bribery, extortion, fraud, and money laundering, and no litigation related to corruption was filed against the Group or its employees. The Group has not found any significant non-compliance with relevant laws and regulations, which has a significant impact on the Group regarding bribery, extortion, fraud, and money laundering.

B8 COMMUNITY INVESTMENT

The Group is well aware of our responsibility to community construction and development, and is committed to providing available resources to support the community. The Group actively seeks opportunities to cooperate with charitable organizations and participates in various charitable activities in order to attract social attention and encourage employees to further participate in community services. The Group also advocates employees to participate in volunteer services to serve the community and to participate in other voluntary and charitable activities, and provides them with paid leave as support and encouragement.

The Group has not designated a person to collect and count the specific data of resources invested in the local community. Looking ahead, the Group will continue to adhere to the principle of responsibility to our shareholders, investors, suppliers, customers and the public, seek further development opportunities and maintain a harmonious relationship with our stakeholders.

APPENDIX 1

INDEX OF ESG REPORTING CODE

Subject	Disclosure Requirements	Section
Environmental		
A1 Emissions	General Disclosure: Information on below relating to air emissions, discharges into water and land, and generation of hazardous and non hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Repealed 1 January 2025	–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Waste Management
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.	Waste Management
A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in kWh) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources

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Subject	Disclosure Requirements	Section
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.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources
A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Social		
B1 Employment	General Disclosure: Information on below relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full time or part time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
B2 Health and Safety	General Disclosure: Information on below relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Health and Safety
KPI B2.1	Number and rate of work related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted how they are implemented and monitored.	Health and Safety

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Subject	Disclosure Requirements	Section
B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Health and Safety
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Health and Safety
KPI B3.2	The average training hours completed per employee by gender and employee category.	Health and Safety
B4 Labour Standards	General Disclosure: Information on below relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

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Subject	Disclosure Requirements	Section
B6 Products Responsibility	General Disclosure: Information on below relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility
B7 Anti-corruption	General Disclosure: Information on below relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

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Subject	Disclosure Requirements	Section
B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Climate-related Disclosure	Disclosure Requirements	Section
Governance	a. The governance body(ies) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related. b. Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about.	Governance
Strategy	Climate related risks and opportunities.	Strategy
	Information for the current and anticipated effects of the business model and value chain.	Strategy
	Information for the effects as to climate related risk and opportunities on its strategy and decision making.	Strategy
	Current and anticipated financial effect, including financial position, financial performance and cash flows.	Strategy
	The resilience of the issuer's strategy and business model to climate related changes, developments and uncertainties, and whether and how to use climate related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances.	Strategy

Environmental, Social and Governance Report

For the year ended 31 March 2026

Climate-related Disclosure	Disclosure Requirements	Section
Risk Management	a. The processes and related policies that uses to identify, assess, prioritise and monitor climate related risks (including how to use climate related scenario analysis to identify climate related risks).	Risk Management
	b. The processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about how to use climate related scenario analysis to inform the identification of climate related opportunities).	Risk Management
	c. The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate related risks and opportunities are integrated into overall risk management process.	Risk Management
Metrics and Targets	Absolute gross greenhouse gas emissions generated during the reporting period (including Scope 1, Scope 2 and Scope 3).	Greenhouse Gas (GHG) Emissions
	The amount and percentage of assets or business activities vulnerable to climate related transition risks.	Disclosure to be enhanced
	The amount and percentage of assets or business activities vulnerable to climate related physical risks.	Disclosure to be enhanced
	The amount and percentage of assets or business activities aligned with climate related opportunities.	Disclosure to be enhanced
	The amount of capital expenditure, financing or investment deployed towards climate related risks and opportunities.	Disclosure to be enhanced
	Whether and how the issuer is applying a carbon price in decision making, and the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions, or an appropriate negative statement.	Metrics and Targets
	Whether and how climate related considerations are factored into remuneration policy, or an appropriate negative statement.	Metrics and Targets
	Industry based metrics that are associated with one or more particular business models and activities.	Metrics and Targets

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Climate-related Disclosure	Disclosure Requirements	Section
Metrics and Targets	The qualitative and quantitative climate related targets that set to monitor progress towards achieving its strategic goals.	Metrics and Targets
	Approach to setting and reviewing each target, and how it monitors progress against each target.	Metrics and Targets
	Information about the performance against each climate related target and an analysis of trends or changes in the performance.	Metrics and Targets
	For each greenhouse gas emissions target disclosed, types of the target, which greenhouse gases are covered, target approach and carbon credits utilisation status.	Air Emissions
	Applicability of cross industry metrics and industry based metrics.	Metrics and Targets

Independent Auditor's Report



TO THE SHAREHOLDERS OF WAI CHUN GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Wai Chun Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 79 to 167, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which mentions that the Group incurred a loss of approximately HK\$44,672,000 for the year ended 31 March 2026 and, as at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK\$34,170,000 and HK\$231,165,000 respectively. These events or conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern, we have determined the (i) impairment assessment on trade receivables, deposits and other receivables; and (ii) valuation of convertible bonds to be the key audit matters.

Key audit matter

How our audit addressed the key audit matter

Impairment assessment on trade receivables, deposits and other receivables

Refer to the material accounting policy information in note 4, critical accounting judgements and key sources of estimation uncertainty in note 5 and its relevant disclosure in note 20 to the consolidated financial statements.

As at 31 March 2026, the aggregate carrying amount of the Group's trade receivables, deposits and other receivables included in trade and other receivables is approximately HK\$80,449,000, net of allowance for expected credit losses (the "ECL") of approximately HK\$25,255,000. The total amount of the Group's trade receivables, deposits and other receivables represents approximately 97% of the Group's total assets and is considered quantitatively significant to the Group.

During the year ended 31 March 2026, the Group, based on the calculation of the allowance under the ECL model, recognised impairment loss on trade receivables, deposits and other receivables of approximately HK\$5,376,000.

The allowance for ECL on trade receivables, deposits and other receivables is estimated by the management and the independent professional valuer engaged by the management of the Group through the application of judgements and estimations. The allowance for ECL on trade receivables, deposits and other receivables are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information.

Our audit procedures in relation to the impairment assessment on trade receivables, deposits and other receivables included:

- Obtained an understanding of the impairment assessment performed by the independent professional valuer and management of the Group on the trade receivables, deposits and other receivables under the ECL model and evaluated the design and implementation of key controls over credit control;
- Evaluated the competence, capabilities and objectivity of the management's independent professional valuer;
- Assessed, with the assistance of the auditor's expert, the reasonableness of the Group's ECL model used for the impairment assessment by:
 - examining the model inputs used by management of the Group to form such judgements and estimates including testing the accuracy of the historical default data, on a sample basis;
 - evaluating whether the historical loss rates are appropriately adjusted based on current and forecast general economic conditions and forward-looking information including the economic variables and assumptions used in each of the economic scenarios with reference to our knowledge of the business obtained elsewhere during our audit and their probability weightings and assessing whether there was an indication of management bias when recognising allowance for ECL on trade receivables, deposits and other receivables; and

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on trade receivables, deposits and other receivables (continued)	
Due to the significance of the amount of the trade receivables, deposits and other receivables to the Group's consolidated financial statements and the involvement of significant management's judgements and estimations, we considered this as a key audit matter.	• recalculating the amount of the allowance for ECL on trade receivables, deposits and other receivables and assessing the appropriateness and adequacy of the loss allowance as at 31 March 2026; – Inspected the subsequent settlements of the trade receivables, deposits and other receivables as at 31 March 2026; and – Assessed the appropriateness of the disclosures related to impairment assessment on trade receivables, deposits and other receivables.

Valuation of convertible bonds

Refer to the material accounting policy information in note 4, critical accounting judgements and key sources of estimation uncertainty in note 5 and its relevant disclosure in note 26 to the consolidated financial statements.

During the year ended 31 March 2026, the Company issued an unlisted convertible bond with principal amount of HK\$45,000,000 for the extinguishment of portion of the loans from ultimate holding company and ultimate controlling party with aggregate carrying amount of HK\$45,000,000. The convertible bond contains interest-bearing bond, which is classified as financial liability, and conversion feature, which is classified as equity. The interest-bearing bond was initially measured at its fair value and subsequently measured at amortised cost using the effective interest method.

Our audit procedures in relation to the valuation of convertible bonds included:

- Evaluated the competence, capabilities and objectivity of the management's independent professional valuer;
- With the assistance of the auditor's expert, challenged the reasonableness of the significant unobservable inputs adopted in the calculation of the fair value of the financial liability portion, with reference to the available market sources; and
- With the assistance of the auditor's expert, reviewed the methodology and the data inputs used by the independent valuer engaged by the management of the Group in the calculation of the fair value of the financial liability portion.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
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Valuation of convertible bonds (continued)

In determining the fair value of the financial liability portion, the management of the Group has engaged the independent professional valuer. The fair value has been determined by using valuation technique with the involvement of management's judgements and estimates on (i) selecting the comparable companies for the market data used in the valuation; and (ii) determining credit spread of the Company.

With reference to the fair value as determined by the independent professional valuer and the management of the Group, an amount of approximately HK\$30,437,000 has been recognised at the date of issue of the convertible bond.

Due to the significance of the amount of the financial liability to be recognised and the involvement of significant management's judgements and estimations in the valuation, we considered this as a key audit matter.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 will not express any form of assurance conclusion thereon.

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the executive director of the Company is 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 executive director of the Company either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee assists the executive director of the Company in discharging his responsibility 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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

Independent Auditor's Report

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

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

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Yeung Man Sun

Audit Engagement Director

Practising Certificate Number: P07606

24/F., Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

30 June 2026

Consolidated Statement of Profit or Loss

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	8	264,153	266,338
Cost of sales		(263,075)	(264,185)
Gross profit		1,078	2,153
Other income	9	597	59
Other (losses)/gains, net	10	(649)	23,411
(Impairment losses)/reversal of impairment losses on trade and other receivables under expected credit loss ("ECL") model, net	13	(5,376)	1,372
Administrative expenses		(10,603)	(9,111)
Finance costs	11	(29,719)	(28,183)
Loss before tax		(44,672)	(10,299)
Income tax	12	–	–
Loss for the year	13	(44,672)	(10,299)
(Loss)/profit for the year attributable to:			
– Owners of the Company		(42,516)	(10,326)
– Non-controlling interests		(2,156)	27
		(44,672)	(10,299)
		HK cents	HK cents
Loss per share	17		
– Basic and diluted		(15.90)	(3.86)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Loss for the year	(44,672)	(10,299)
Other comprehensive expense		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	641	(178)
Total comprehensive expense for the year	(44,031)	(10,477)
Total comprehensive (expense)/income for the year attributable to:		
– Owners of the Company	(41,673)	(10,532)
– Non-controlling interests	(2,358)	55
	(44,031)	(10,477)

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	18	4	4
Right-of-use assets	19	—	—
Deposits	20	74	—
		78	4
Current assets			
Trade and other receivables	20	80,401	43,847
Bank balances and cash	21	2,570	11,009
		82,971	54,856
Current liabilities			
Trade and other payables	22	100,098	65,268
Lease liabilities	23	449	287
Loans from ultimate holding company	24	10,540	26,122
Loans from ultimate controlling party	25	6,054	22,227
		117,141	113,904
Net current liabilities		(34,170)	(59,048)
Total assets less current liabilities		(34,092)	(59,044)
Non-current liabilities			
Other payables	22	—	4,185
Lease liabilities	23	198	—
Convertible bonds	26	196,875	140,444
		197,073	144,629
Net liabilities		(231,165)	(203,673)

Consolidated Statement of Financial Position

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Capital and reserves			
Share capital	28	2,674	2,674
Reserves	29	(247,663)	(222,529)
Capital deficiency attributable to owners of the Company		(244,989)	(219,855)
Non-controlling interests		13,824	16,182
Capital deficiency		(231,165)	(203,673)

The consolidated financial statements on pages 79 to 167 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Lam Ka Chun
Director

Wong Po Keung
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company								
	Share capital	Share premium	Convertible bonds reserve	Share option reserve	Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Capital deficiency
	(Note 28)	(Note 29(C)(i))	(Note 29(C)(ii))	(Note 29(C)(iv))	(Note 29(C)(iii))				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	213,912	5,000	56,727	-	1,370	(533,424)	(256,415)	16,127	(240,288)
(Loss)/profit for the year	-	-	-	-	-	(10,326)	(10,326)	27	(10,299)
Other comprehensive (expense)/income for the year:									
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(206)	-	(206)	28	(178)
Total comprehensive (expense)/income for the year	-	-	-	-	(206)	(10,326)	(10,532)	55	(10,477)
Capital reduction (note 28(i))	(211,238)	-	-	-	-	211,238	-	-	-
Recognition of new convertible bonds (note 26)	-	-	103,819	-	-	-	103,819	-	103,819
Derecognition of convertible bonds (note 26)	-	-	(56,727)	-	-	-	(56,727)	-	(56,727)
At 31 March 2025	2,674	5,000	103,819	-	1,164	(332,512)	(219,855)	16,182	(203,673)
At 1 April 2025	2,674	5,000	103,819	-	1,164	(332,512)	(219,855)	16,182	(203,673)
Loss for the year	-	-	-	-	-	(42,516)	(42,516)	(2,156)	(44,672)
Other comprehensive income/(expense) for the year:									
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	843	-	843	(202)	641
Total comprehensive income/(expense) for the year	-	-	-	-	843	(42,516)	(41,673)	(2,358)	(44,031)
Recognition of share-based payments (note 27)	-	-	-	1,976	-	-	1,976	-	1,976
Recognition of new convertible bond (note 26)	-	-	14,563	-	-	-	14,563	-	14,563
At 31 March 2026	2,674	5,000	118,382	1,976	2,007	(375,028)	(244,989)	13,824	(231,165)

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(44,672)	(10,299)
Adjustments for:		
Share-based payment expenses	1,976	–
Interest income on rental deposits	(2)	(32)
Depreciation of right-of-use assets	288	187
Finance costs	29,719	28,183
Impairment loss on right-of-use assets	649	186
Impairment losses/(reversal of impairment losses) of trade and other receivables under ECL model, net	5,376	(1,372)
Gain on modification of convertible bonds	–	(23,598)
Operating cash flows before working capital changes	(6,666)	(6,745)
Increase in trade and other receivables	(38,548)	(10,985)
Increase in trade and other payables	36,490	6,725
Net cash used in operating activities	(8,724)	(11,005)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities and interest	(619)	(2,319)
Loans advanced from ultimate holding company	9,745	11,476
Loans advanced from ultimate controlling party	1,997	2,100
Loan advanced from a director	–	10,715
Repayment of loan advance from a director	(11,020)	–
Advance from a related company	–	1
Repayment to related company	(131)	–
Net cash (used in)/from financing activities	(28)	21,973
Net (decrease)/increase in cash and cash equivalents	(8,752)	10,968
Effect of changes in foreign exchange rate	313	(86)
Cash and cash equivalents at the beginning of the reporting period	11,009	127
Cash and cash equivalents at the end of the reporting period	2,570	11,009
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash (note 21)	2,570	11,009

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

1. GENERAL INFORMATION

Wai Chun Group Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors of the Company, the ultimate holding company of the Company, immediate holding company of the Company and the ultimate controlling party of the Company are Wai Chun Investment Fund (“Wai Chun IF”), which is a private limited company incorporated in the Cayman Islands, Ka Chun Holdings Limited (“Ka Chun”), which is a private limited company incorporated in the British Virgin Islands, and Mr. Lam Ching Kui (“Mr. Lam”), respectively. Mr. Lam is the father of Mr. Lam Ka Chun (“Mr. Lam KC”). Mr. Lam KC was appointed as chairman of the board of directors (the “Board”) and an executive director of the Company on 27 October 2023. The address of registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Rooms 4001–2, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the “Group”) are set out in note 33.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. In addition, the functional currency of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK\$44,672,000 for the year ended 31 March 2026 and, as at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK\$34,170,000 and HK\$231,165,000 respectively. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have prepared the consolidated financial statements on a going concern basis on the assumptions and measures that:

- (i) As at 31 March 2026, the amounts due to Wai Chun IF, Ka Chun and Mr. Lam comprise the followings:

	Notes	HK\$'000
Convertible bond coupon interest payables	(a)	20,440
Interest on overdue convertible bond coupon payables	(b)	5,360
Loans from ultimate holding company	(c)	10,540
Loans from ultimate controlling party	(d)	6,054
Convertible bonds – liability component	(e)	196,875
		<u>239,269</u>

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

2. GOING CONCERN BASIS (continued)

- (i) (continued)
 - (a) Mr. Lam and Ka Chun, being the bondholders of the convertible bonds, agreed not to demand the repayment of the outstanding convertible bond coupon interest payables until all other third-party liabilities of the Group have been satisfied;
 - (b) Mr. Lam and Ka Chun, being the bondholders of the convertible bonds, agreed not to demand the repayment of the outstanding overdue interest on convertible bond coupon payables until all other third-party liabilities of the Group have been satisfied;
 - (c) Wai Chun IF, the ultimate holding company of the Company, agreed not to demand the repayment of the outstanding loans from the ultimate holding company until all other third-party liabilities of the Group have been satisfied;
 - (d) Mr. Lam, the ultimate controlling party of the Company, agreed not to demand the repayment of the outstanding loans from the ultimate controlling party until all other third-party liabilities of the Group have been satisfied; and
 - (e) The maturity dates of the convertible bonds were ranged from December 2027 to June 2028, in which the convertible bonds are not required to be repaid in the next twelve months from the date of the approval of these consolidated financial statements.
- (ii) Mr. Lam has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due, ensuring the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the twelve months from the date of approval of these consolidated financial statements;
- (iii) Wai Chun Holdings Group Limited, a related company controlled by Mr. Lam and his spouse, has also agreed not to request for the repayment from the Group, whenever necessary, to settle the balance due to it included in trade and other payables amounted to approximately HK\$4,341,000 until all other third parties liabilities of the Group had been satisfied;
- (iv) The Company has planned and is in negotiation with potential investors to raise sufficient funds through fund-raising arrangement; and
- (v) The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring administrative and operating expenses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

2. GOING CONCERN BASIS (continued)

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group after taking into account the impact of above assumptions and measures, and based on the cash flow forecast of the Group, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the date of approval of these consolidated financial statements, and accordingly, are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amount, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

The Group has applied the following amendments to HKFRS Accounting Standards, which the collective term includes all applicable Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards ("HKASs") and interpretations ("Ints") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2025, for the preparation of these consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of new amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

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

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning on 1 April 2025. The new and amendments to HKFRS Accounting Standards include the followings which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contract Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of Company are in the process of making an assessment of what the impact of these new and amendments to HKFRS Accounting Standards are expected to be in the period of initial application. Except as described for below, the other amendments to HKFRS Accounting Standards are unlikely to have a significant impact on the consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements.

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

3.2 NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (continued)

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

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for the MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclose certain MPMs (e.g., adjusted operating profits and adjusted earnings before interest, taxes, depreciation and amortisation) in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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

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

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 5.

The material accounting policies are set out below.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FOREIGN CURRENCY

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

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

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

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses in the consolidated statement of financial position. Historical cost includes expenditure that is 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. All other repairs and maintenance are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation of property, plant and equipment is calculated at rates to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Leasehold improvement	5 years or shorter of the lease terms
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years

The estimated useful lives, residual value and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal or derecognition of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

LEASES

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

LEASES (continued)

The Group as a lessee (continued)

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses under HKAS 36, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

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

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

Refundable rental deposits

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

LEASES (continued)

The Group as a lessee (continued)

Lease liabilities

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

The lease payments include:

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS

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

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Impairment of financial assets

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

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Impairment of financial assets (continued)

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

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of the reporting period. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Impairment of financial assets (continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Impairment of financial assets (continued)

(v) *Measurement and recognition of ECL*

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

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Perpetual instruments which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including loans, trade payables, other payables and liability component of convertible bonds are subsequently measured at amortised cost, using the effective interest method.

Loans are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Extinguishment of financial liabilities

Where convertible bonds are issued in exchange for extinguishing existing loans that were originally provided by substantial shareholders of the Company, such loans are regarded as having been made in the capacity of shareholders. In these circumstances, the fair value of the convertible bonds is determined by reference to the carrying amount of the extinguished liabilities. Details of the initial recognition and measurement and subsequent measurement are set out in the material accounting policy under convertible bonds below.

Convertible bonds

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

FINANCIAL INSTRUMENTS (continued)

Convertible bonds (continued)

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

When the contractual terms of a convertible bond are modified, such as extending the tenure, change in exercise price of the underlying options, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

Derecognition/modification of financial liabilities

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

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

REVENUE FROM CONTRACT WITH CUSTOMERS

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

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

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

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

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

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group’s performance completed to date for example, service contracts in which the Group bills a fixed amount for each hour of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

EMPLOYEE BENEFITS

(a) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) *Retirement benefits costs*

The Group contributes to defined contribution retirement schemes which are available to all employees. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds, and recognised as an expense in profit or loss in the period when employees have rendered service entitling them to the contributions.

BORROWING COSTS

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

TAXATION

Income tax 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 tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

TAXATION (continued)

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.

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial assets 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 individually is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and cash on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Options which are cancelled prior to their exercise date or lapse are deleted from the register of outstanding options. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to accumulated losses as a movement in reserves.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

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

Going concern consideration

The assessment of the going concern assumptions involves making judgements by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in note 2.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

Significant increase in credit risk

As explained in note 4, ECL under general approach are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Revenue recognition in respect of trading of chemicals

In determining whether revenue from trading of chemicals shall be recorded on net basis or gross basis, the Group has made reference to indicators and requirements stated in HKFRS 15, and assess whether the Group is acting as a principal or an agent. In doing so, it requires judgement and consideration of all relevant facts and circumstances, and the Group considers itself as a principal regarding trading of chemicals based on the following considerations:

- The Group assesses its business relationships with suppliers and customers of the chemicals trading business;
- The Group is the primary obligor in the customer contract and is responsible for fulfilling the promise to provide the specified goods (i.e. chemicals) rather than the supplier;
- The Group has its own discretion in negotiating and establishing the prices of the chemicals with the suppliers and customers; and
- The earnings from trading of chemicals are not predetermined and negotiating by the Group with the suppliers and customers separately.

After assessing all above factors, the executive director of the Company concluded that the Group acts as the principal for such transactions as it controls the specified goods before it is transferred to the customers and therefore recognised the transaction at gross basis.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment assessment on trade receivables, deposits and other receivables

The allowance for ECL on trade receivables, deposits and other receivables is based on the Group's historical default rates taking into consideration the forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical default rates are reassessed and changes in the forward-looking information are considered. In addition, receivables with significant balances and credit-impaired are assessed for allowance for ECL individually.

The management of the Group has individually assessed all the receivables by taking into account the length of business relationship, reputation and repayment history of each of customers/debtors. As at 31 March 2026, the aggregate carrying amount of the trade receivables, deposits and other receivables amounted to approximately HK\$80,449,000 (net of allowance for ECL of approximately HK\$25,255,000) (2025: HK\$42,618,000 (net of allowance for ECL of approximately HK\$30,393,000)). Net impairment losses on trade and other receivables under the ECL model of approximately HK\$5,376,000 (2025: net reversal of HK\$1,372,000) has been recognised during the year ended 31 March 2026.

Valuation of convertible bonds

The directors of the Company use their judgements in selecting an appropriate valuation technique for the convertible bond not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Assumptions are made based on quoted market rates adjusted for specific features of the instrument. If the inputs and estimates applied in the model are different, the carrying amount of these convertible bonds may change. At the date of issuance of the convertible bond, the fair value of the liability component of the convertible bonds were approximately HK\$30,437,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

6. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The executive director of the Company reviews the capital structure periodically. As part of this review, the executive director considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the executive director, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

The externally imposed capital requirement for the Group is that in order to maintain its listing on the Stock Exchange, the Group is required to maintain a public float of at least 25% of the Company's shares. The Company has maintained a sufficient public float to comply with the Listing Rules throughout the year.

The Group monitors capital on the basis of the net indebtedness to total assets ratio. This ratio is calculated as net indebtedness divided by total assets. Net indebtedness is calculated as total borrowings less bank balances and cash. Total assets are calculated as sum of non-current assets and current assets.

The net indebtedness to total assets ratio at 31 March 2026 and 2025 was as follows:

	2026 HK\$000	2025 HK\$000
Indebtedness (<i>note</i>)	214,116	189,080
Less: Bank balances and cash	(2,570)	(11,009)
Total net indebtedness	211,546	178,071
Total assets	83,049	54,860
Net indebtedness to total asset ratio	254.7%	324.6%

Note: Indebtedness comprise lease liabilities of approximately HK\$647,000 (2025: HK\$287,000), loans from ultimate holding company of approximately HK\$10,540,000 (2025: HK\$26,122,000), loans from ultimate controlling party of approximately HK\$6,054,000 (2025: HK\$22,227,000) and convertible bonds of approximately HK\$196,875,000 (2025: HK\$140,444,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

	2026 HK\$'000	2025 HK\$'000
Financial assets		
Financial assets at amortised cost		
Trade receivables	55,975	10,814
Deposits and other receivables	24,474	31,804
Bank balances and cash	2,570	11,009
	83,019	53,627
Financial liabilities at amortised cost		
Trade payables	59,868	21,333
Other payables and accruals	37,136	45,196
Lease liabilities	647	287
Convertible bonds	196,875	140,444
Loans from ultimate controlling party	6,054	22,227
Loans from ultimate holding company	10,540	26,122
	311,120	255,609

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, deposits and other receivables, bank balances and cash, trade and other payables and accruals, loans from ultimate controlling party, lease liabilities, convertible bonds and loans from ultimate holding company. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (including foreign currency risk and interest rate 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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment

As at 31 March 2026, 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 amounts of the respective recognised trade and other receivables and bank balances as stated in the consolidated statement of financial position.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2026

	12m ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Trade receivables	-	-	-	80,896	80,896
Deposits	690	-	-	-	690
Other receivables	24,118	-	-	-	24,118
Bank balances and cash	2,570	-	-	-	2,570
	27,378	-	-	80,896	108,274

As at 31 March 2025

	12m ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Trade receivables	-	-	-	38,806	38,806
Deposits	671	-	-	-	671
Other receivables	31,498	-	2,036	-	33,534
Bank balances and cash	11,009	-	-	-	11,009
	43,178	-	2,036	38,806	84,020

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

Trade receivables

Customer's credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 0–90 days (2025: 0–90 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group applies the simplified approach under HKFRS 9 to measure the lifetime ECLs for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As at 31 March 2026, the Group has concentration of credit risk as 53.38% (2025: 50.73%) and 100% (2025: 100%) of trade receivables was due from the Group's largest customer and the five largest customers respectively. The directors of the Company are of the opinion that the credit risk exposure in relation to these customers is not significant as these customers had sound financial position for whom there was no recent history of default. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

Information regarding ECLs on and trade receivables is detailed in note 20.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and impairment assessment (continued)

Deposits and other receivables

For deposits and other receivables, the management makes individual assessment on the recoverability of deposits and other receivables based on historical settlement records and the pay back ability of counterparty. The management performs periodic review to assess if there is any significant increase in credit risk of these amounts since initial recognition.

Information regarding ECL on deposits and other receivables is detailed in note 20.

Bank balances

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

Market risk

(i) Foreign currency risk

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(ii) Interest rate risk

The Group's exposure to cash flow interest rate risk primarily relates to bank balances due to the fluctuation of the prevailing market interest rates for the years ended 31 March 2026 and 2025.

The Group does not have an interest rate hedging policy. However, the management closely monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's convertible bonds are arranged at fixed interest rates and therefore subject to fair value interest rate risk.

The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of the reporting period, its income and operating cash flows are substantially independent of changes in market interest rates. In this regard, no sensitivity analysis is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

The Group is exposed to liquidity risk of being unable to finance its future working capital and financial requirements when they fall due.

The capital deficiency attributable to owners of the Company as at 31 March 2026 was approximately HK\$244,989,000. In view of this, the executive director of the Company has given careful consideration to the future liquidity of the Group and details of which are set out in note 2. The management will closely monitor the cash flow generated from operations and the Group's needs for different types of external financing and will negotiate for proper facilities and consider proper means of equity financing as appropriate.

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

	Effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2026						
Trade payables	-	59,868	-	-	59,868	59,868
Other payables and accruals	-	37,136	-	-	37,136	37,136
Lease liabilities	4.75%-6.10%	473	201	-	674	647
Convertible bonds	15.93%-16.74%	900	214,716	44,325	259,941	196,875
Loans from ultimate controlling party	-	6,054	-	-	6,054	6,054
Loans from ultimate holding Company	-	10,540	-	-	10,540	10,540
		<u>114,971</u>	<u>214,917</u>	<u>44,325</u>	<u>374,213</u>	<u>311,120</u>

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Effective interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2025						
Trade payables	-	21,333	-	-	21,333	21,333
Other payables and accruals	-	41,011	4,185	-	45,196	45,196
Lease liabilities	4.75%-9.73%	292	-	-	292	287
Convertible bonds	16.74%	-	-	213,816	213,816	140,444
Loans from ultimate controlling party	-	22,227	-	-	22,227	22,227
Loans from ultimate holding Company	-	26,122	-	-	26,122	26,122
		<u>110,985</u>	<u>4,185</u>	<u>213,816</u>	<u>328,986</u>	<u>255,609</u>

(C) FAIR VALUE MEASUREMENTS

The carrying values of the Group's financial assets and financial liabilities approximates to their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies in conformity with HKFRS Accounting Standards, that are regularly reviewed by the executive director of the Company, being the chief operating decision maker (the “CODM”) of the Group, for the purpose of resource allocation and assessment of segment performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

OPERATING SEGMENTS

The CODM regularly reviews revenue and operating results derived from two operating segments – sales and integration services and general trading. These segments are the basis on which the Group reports its primary segment information. Principal activities are as follows:

Sales and integration services: Sales and provision of integration services of computer and communication systems; and design, consultation and production of information system software and management training services

General trading: Revenue from trading of chemicals

Revenue from sales and integration services:

Revenue from sales of information system software is recognised at a point in time when the customer takes possession of and accepts the goods.

Revenue from trading of chemicals

Revenue from trading of chemicals is recognised at a point in time when the customer takes possession of and accepts the goods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(A) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 March 2026

	Sales and integration services HK\$'000	General trading HK\$'000	Total HK\$'000
SEGMENT REVENUE			
Revenue from external customers recognised at a point in time in accordance with HKFRS 15	31,102	233,051	264,153
SEGMENT RESULTS	(4,400)	(921)	(5,321)
Unallocated corporate income			597
Unallocated corporate expenses			(10,018)
Unallocated other losses, net			(467)
Unallocated finance costs			(29,463)
Loss before tax			(44,672)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(A) Segment revenue and results (continued)

For the year ended 31 March 2025

	Sales and integration services HK\$'000	General trading HK\$'000	Total HK\$'000
SEGMENT REVENUE			
Revenue from external customers recognised at a point in time in accordance with HKFRS 15	63,389	202,949	266,338
SEGMENT RESULTS			
	54	2,160	2,214
Unallocated corporate income			59
Unallocated corporate expenses			(8,216)
Unallocated impairment losses on other receivables under ECL model, net			(7)
Unallocated other gains, net			23,598
Unallocated finance costs			(27,947)
Loss before tax			(10,299)

Segment results represent the (loss)/profit incurred/earned by each operating segment without allocation of certain impairment losses on other receivables under ECL model, other income, certain other (losses)/gains, net, certain finance costs and central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(B) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 March 2026

	Sales and integration services HK\$'000	General trading HK\$'000	Total HK\$'000
Segment assets	42,760	37,336	80,096
Unallocated assets			2,953
Consolidated assets			83,049
Segment liabilities	26,896	42,700	69,596
Unallocated liabilities			244,618
Consolidated liabilities			314,214

At 31 March 2025

	Sales and integration services HK\$'000	General trading HK\$'000	Total HK\$'000
Segment assets	43,345	10,844	54,189
Unallocated assets			671
Consolidated assets			54,860
Segment liabilities	25,774	14,395	40,169
Unallocated liabilities			218,364
Consolidated liabilities			258,533

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(B) Segment assets and liabilities (continued)

For the purposes of monitoring segment performance and allocating resources between operating segments, all assets are allocated to reporting segments other than certain other receivables and bank balances and cash for central administration while all liabilities are allocated to reporting segments other than certain other payables, loans from ultimate holding company, loans from ultimate controlling party, certain lease liabilities and convertible bonds.

(C) Other segment information

For the year ended 31 March 2026

	Sales and integration services HK\$'000	General trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to right-of-use assets	–	189	748	937
Depreciation of right-of-use assets	–	7	281	288
Impairment loss on right-of-use assets	–	182	467	649
Impairment losses on trade and other receivables under ECL model, net	4,774	602	–	5,376
Finance costs	24	232	29,463	29,719
Interest income on rental deposits	–	–	(2)	(2)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(C) Other segment information (continued)

For the year ended 31 March 2025

	Sales and integration services HK\$'000	General trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to right-of-use assets	–	373	–	373
Depreciation of right-of-use assets	–	187	–	187
Impairment loss on right-of-use assets	–	186	–	186
Gain on modification of convertible bonds	–	–	(23,598)	(23,598)
Impairment losses/(reversal of impairment losses) on trade and other receivables under ECL model, net	1,190	(2,569)	7	(1,372)
Finance costs	21	215	27,947	28,183
Interest income on rental deposits	–	–	(32)	(32)

(D) Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC"). Information about the Group's revenue from external customers is presented based on the location of the customer's operation. Information about the Group's non-current assets (excluding deposits) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
The PRC, excluding Hong Kong	264,153	266,338	4	4

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

8. REVENUE AND SEGMENT INFORMATION (continued)

OPERATING SEGMENTS (continued)

(E) Information about major customers

Revenue from major customers, each of whom amounted to 10% (2025: 10%) or more of the Group's revenue, is set out below:

	2026 HK\$'000	2025 HK\$'000
General trading		
Customer A	Nil	35,506
Customer B	83,819	Nil
Customer C	41,563	N/A*
Customer D	33,118	Nil
Customer E	35,180	Nil
Sales and integration services		
Customer F	N/A*	39,404

* Contributed less than 10% of the Group's revenue of the respective reporting period.

9. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Interest income on rental deposits	2	32
Sundry income	595	27
	597	59

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

10. OTHER (LOSSES)/GAINS, NET

	2026 HK\$'000	2025 HK\$'000
Exchange losses, net	–	(1)
Impairment loss on right-of-use assets (<i>note 19</i>)	(649)	(186)
Gain on modification of convertible bonds (<i>note 26</i>)	–	23,598
	(649)	23,411

11. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on lease liabilities	32	86
Imputed interest on convertible bonds (<i>note 26</i>)	26,669	24,350
Interest expenses on:		
– Loans from ultimate holding company	653	971
– Loans from ultimate controlling party	549	1,300
– Advance from a related party	287	269
– Overdue convertible bond coupon interest payables	1,529	1,207
	29,719	28,183

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

12. INCOME TAX

Under the two-tiered profit tax rates regime, the first HK\$2 million of profits of the qualifying group entity in Hong Kong will be taxed at 8.25% and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a rate of 16.5%. No provision for Hong Kong Profits Tax has been provided in the consolidated financial statements as the Company and its subsidiaries in Hong Kong have no assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. No provision for PRC Enterprise Income Tax has been made for the years ended 31 March 2026 and 2025 as the Group’s PRC entities either had no assessable profits arose in the PRC for current year or had sufficient tax losses brought forward to set off against current year’s assessable profits for both years.

Income tax for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

	2026 HK\$'000	2025 HK\$'000
Loss before tax	(44,672)	(10,299)
Tax at the applicable income tax rate of 25% (2025: 25%)	(11,168)	(2,575)
Tax effect of non-taxable income	–	(3,899)
Tax effect of non-deductible expenses	6,501	6,076
Tax effect of tax losses not recognised	61	4
Tax effect of utilisation of unused tax losses previously not recognised	(82)	(328)
Tax effect of temporary differences not recognised	1,344	–
Tax effect of utilisation of temporary differences previously not recognised	–	(344)
Effect of different tax rates of entities operating in other jurisdictions	3,344	1,066
	–	–

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For the year ended 31 March 2026

12. INCOME TAX (continued)

As at 31 March 2026, tax losses of approximately HK\$134,595,000 (2025: HK\$138,043,000) are available for offset against future profits. Deferred tax assets have not been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available for the companies in which the tax losses arose. Included in unrecognised tax losses are tax losses of approximately HK\$5,028,000 (2025: HK\$8,476,000) which will expire within 5 years from the year the tax losses incurred. Other tax losses may be carried forward indefinitely.

13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the followings:

	2026 HK\$'000	2025 HK\$'000
Cost of inventories recognised as an expense	263,057	264,118
Staff costs (including directors' emoluments (<i>note 14</i>))		
– Salaries, wages and other benefits	4,195	4,833
– Retirement benefit scheme contributions	89	171
– Share-based payment expenses (<i>note 27</i>)	1,976	–
	6,260	5,004
Depreciation of right-of-use assets (<i>note 19</i>)	288	187
Auditor's remuneration - audit services	500	500
Expenses related to short-term leases (<i>note 19</i>)	1,735	121
Impairment losses/(reversal of impairment losses) on:		
– Trade receivables	5,426	830
– Deposits and other receivables	(50)	(2,202)
	5,376	(1,372)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

14. BENEFITS AND INTERESTS OF DIRECTORS

(A) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments for the year ended 31 March 2026, disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of directors) Regulation, are as follows:

Year ended 31 March 2026

	Director's fees <i>HK\$'000</i>	Salaries, wages and other benefits <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total emoluments <i>HK\$'000</i>
Executive director				
Lam Ka Chun <i>(Chief Executive Officer)</i>	–	2,600	18	2,618
Independent non-executive directors				
Wang Wei <i>(note (i))</i>	4	–	–	4
Wan Bo <i>(note (ii))</i>	22	–	–	22
Wong Po Keung <i>(note (iii))</i>	53	–	–	53
Xu Huiling <i>(note (iv))</i>	–	–	–	–
Wang Ziniu <i>(note (iv))</i>	–	–	–	–
	79	–	–	79
Total	79	2,600	18	2,697

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

14. BENEFITS AND INTERESTS OF DIRECTORS (continued)

(A) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Year ended 31 March 2025

	Director's fees <i>HK\$'000</i>	Salaries, wages and other benefits <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total emoluments <i>HK\$'000</i>
Executive director				
Lam Ka Chun <i>(Chief Executive Officer)</i>	–	2,600	18	2,618
Independent non-executive directors				
Wang Wei <i>(note (i))</i>	120	–	–	120
Wan Bo <i>(note (ii))</i>	120	–	–	120
Kung Ying Ting <i>(note (v))</i>	67	–	–	67
Kwok Kim Hung Eddie <i>(note (vi))</i>	17	–	–	17
	324	–	–	324
Total	324	2,600	18	2,942

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

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

Notes:

- (i) Dr. Wang Wei resigned as independent non-executive director of the Company on 12 April 2025.
- (ii) Mr. Wan Bo resigned as independent non-executive director of the Company on 5 June 2025.
- (iii) Mr. Wong Po Keung was appointed as independent non-executive director of the Company on 12 May 2025.
- (iv) Ms. Xu Huiling and Mr. Wang Ziniu were appointed as independent non-executive directors of the Company on 5 June 2025.
- (v) Ms. Kung Ying Tung was appointed as independent non-executive director of the Company on 25 July 2024 and resigned on 14 February 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

14. BENEFITS AND INTERESTS OF DIRECTORS (continued)

(A) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes: (continued)

- (vi) Mr. Kwok Kim Hung Eddie was appointed as independent non-executive director of the Company on 1 April 2024 and resigned on 21 May 2024.
- (vii) During the year ended 31 March 2026 and 2025, no director waived or agreed to waive any emoluments. No emoluments were paid by the Group to the directors as an inducement to join or joining the Group, or as compensation for loss of office for the year ended 31 March 2026 and 2025.

(B) DIRECTORS' RETIREMENT BENEFITS

Except for those disclosed above, none of the directors received or will receive any retirement benefits for the year ended 31 March 2026 (2025: Nil).

(C) DIRECTORS' TERMINATION BENEFITS

None of the directors received or will receive any termination benefits for the year ended 31 March 2026 (2025: Nil).

(D) CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 31 March 2026, the Company did not pay any consideration to any third parties for making available directors' services (2025: Nil).

(E) INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS, CONTROLLED BODIES CORPORATES AND CONNECTED ENTITIES WITH SUCH DIRECTORS

During the year ended 31 March 2026, there are no loan, quasi-loan and other dealing arrangement in favour of the directors, or controlled body corporates and connected entities of such directors (2025: Nil).

(F) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for notes 22 and 32, no other significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company and his/her connected person had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 March 2026 and 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals in the Group during the year ended 31 March 2026 included one director (2025: two directors), details of whose emoluments are presented above. The emoluments of the remaining four (2025: three) highest paid individuals are set out below:

	2026 HK\$'000	2025 HK\$'000
Salaries, wages and other benefits	1,105	1,271
Retirement benefit scheme contributions	87	103
Share-based payment expenses	790	—
	1,982	1,374

The emoluments fell within the following band:

	Number of individuals	
	2026	2025
Nil – HK\$1,000,000	4	3

During the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16. DIVIDEND

The Board did not recommend the payment of any dividend for the years ended 31 March 2026 and 2025 and subsequent to the end of each reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

17. LOSS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(42,516)	(10,326)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	267,390	267,390

No adjustment was made in calculating the diluted loss per share for the years ended 31 March 2026 and 2025 as the conversion of convertible bonds and exercise of outstanding share options would result in decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
At 1 April 2024	12,982	659	5,141	18,782
Exchange realignment	—	(7)	—	(7)
At 31 March 2025 and 1 April 2025	12,982	652	5,141	18,775
Written off	(12,982)	—	(5,141)	(18,123)
Exchange realignment	—	37	—	37
At 31 March 2026	—	689	—	689
Accumulated depreciation				
At 1 April 2024	12,982	655	5,141	18,778
Exchange realignment	—	(7)	—	(7)
At 31 March 2025 and 1 April 2025	12,982	648	5,141	18,771
Written off	(12,982)	—	(5,141)	(18,123)
Exchange realignment	—	37	—	37
At 31 March 2026	—	685	—	685
Carrying amount				
At 31 March 2026	—	4	—	4
At 31 March 2025	—	4	—	4

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

19. RIGHT-OF-USE ASSETS

The Group leases various office premises located in Hong Kong and the PRC with the lease term for a fixed periods of 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowings purposes.

Movement of right-of-use assets are as follows:

	Office premises HK\$'000
Net book value	
At 1 April 2024	—
Addition	373
Depreciation	(187)
Impairment	(186)
At 31 March 2025 and 1 April 2025	—
Additions	937
Depreciation	(288)
Impairment	(649)
At 31 March 2026	—

Lease liabilities of approximately HK\$647,000 (2025: HK\$287,000) are recognised with the related right-of-use assets of approximately nil (2025: nil) as at 31 March 2026.

	2026 HK\$'000	2025 HK\$'000
Additions to right-of-use assets	937	373
Depreciation of right-of-use assets	288	187
Impairment loss on right-of-use assets	649	186
Expenses related to short-term leases	1,735	121
Interest on lease liabilities	32	86

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

19. RIGHT-OF-USE ASSETS (continued)

The Group has performed impairment assessment on the right-of-use assets as at 31 March 2026 and 2025 due to a deterioration in economic conditions and continuing loss making of the Group. The Group identified that the carrying amount of right-of-use assets is in excess of its estimated recoverable amount due to operating loss generated from the general trading cash-generating unit. As a result, an impairment loss of right-of-use assets of approximately HK\$649,000 was recognised for the year ended 31 March 2026 (2025: HK\$186,000).

20. TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	80,896	38,806
Less: allowance for ECL on trade receivables	(24,921)	(27,992)
	55,975	10,814
Other receivables	24,118	33,534
Prepayments	26	1,229
Deposits	690	671
Less: allowance for ECL on deposits and other receivables	(334)	(2,401)
	24,500	33,033
	80,475	43,847
Analysed as:		
Current assets	80,401	43,847
Non-current assets	74	—
	80,475	43,847

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

20. TRADE AND OTHER RECEIVABLES (continued)

The following is an aging analysis of trade receivables, net of allowance for ECL, presented based on the date of invoices:

	2026 HK\$'000	2025 HK\$'000
Within 90 days	2,950	–
91–180 days	39,012	4,514
181–365 days	14,013	5,290
Over 365 days	–	1,010
	55,975	10,814

According to the contracts entered into with trade customers of sales and integration services, on average the contract revenue is normally collected within 90 days from the date of receipt of customers' acceptance/date of rendering services, except for certain contracts with longer implementation schedules where the credit period may extend beyond 90 days, or may be extended for major or specific customers. The credit terms granted to trade customers in respect of sales of chemicals are due up to 90 days from the date of invoices.

The Group does not hold any collateral as security over the trade receivables.

MOVEMENT OF ALLOWANCE FOR ECL ON TRADE RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
At 1 April	27,992	36,173
Impairment loss recognised	5,426	830
Written off during the year	(9,985)	(8,591)
Exchange realignment	1,488	(420)
At 31 March	24,921	27,992

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

20. TRADE AND OTHER RECEIVABLES (continued)

The Group applies the simplified approach under HKFRS 9 to measure the lifetime ECLs for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The following table provides information about the Group's exposure to credit risk and the allowance for ECL on trade receivables as at 31 March 2026 and 2025:

	As at 31 March 2026			
	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Allowance for ECL HK\$'000	Net carrying amount HK\$'000
Not past due	0.87	2,976	26	2,950
1-90 days past due	1.60	39,648	636	39,012
181-365 days past due	8.83	15,370	1,357	14,013
More than 365 days past due	100.00	22,902	22,902	–
		80,896	24,921	55,975

	As at 31 March 2025			
	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Allowance for ECL HK\$'000	Net carrying amount HK\$'000
1-90 days past due	0.88	4,554	40	4,514
181-365 days past due	9.08	5,818	528	5,290
More than 365 days past due	96.45	28,434	27,424	1,010
		38,806	27,992	10,814

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

20. TRADE AND OTHER RECEIVABLES (continued)

MOVEMENT OF ALLOWANCE FOR ECL ON DEPOSITS AND OTHER RECEIVABLES

	12-month ECLs HK\$'000	Lifetime ECLs (not credit impaired) HK\$'000	Lifetime ECLs (credit impaired) HK\$'000	Total HK\$'000
At 1 April 2024	–	4,638	–	4,638
Transfer to credit impaired	–	(2,059)	2,059	–
Impairment loss/(reversal of impairment loss)	368	(2,570)	–	(2,202)
Exchange realignment	(3)	(9)	(23)	(35)
At 31 March 2025 and 1 April 2025	365	–	2,036	2,401
Written off during the year	–	–	(2,094)	(2,094)
Reversal of impairment loss	(50)	–	–	(50)
Exchange realignment	19	–	58	77
At 31 March 2026	334	–	–	334

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

21. BANK BALANCES AND CASH

The Group's bank balances denominated in RMB amounting to approximately RMB55,000 (equivalent to approximately HK\$63,000) (2025: RMB10,128,000 (equivalent to HK\$10,852,000)) were deposited with banks in the PRC. The conversion of the RMB-denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the Government of the PRC.

The bank balances carried interest at prevailing market interest rate as at 31 March 2026 and 2025.

22. TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables	59,868	21,333
Accruals and other payables		
– Convertible bond coupon interest payables (<i>note (a)</i>)	20,440	19,765
– Interest on overdue convertible bond coupon interest payables (<i>note (b)</i>)	5,360	3,831
– Advance from a related party (<i>note (c)</i>)	4,341	4,185
– Advance from a director (<i>note (e)</i>)	–	10,715
– VAT tax payables in PRC	3,094	2,924
– Others (<i>notes (d) and (f)</i>)	6,995	6,700
	40,230	48,120
	100,098	69,453
Analysed as:		
Current liabilities	100,098	65,268
Non-current liabilities	–	4,185
	100,098	69,453

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

22. TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables, presented based on the date of goods delivered/ date of invoices:

	2026 HK\$'000	2025 HK\$'000
Within 30 days	37,686	—
31–180 days	4,817	3,857
Over 180 days	17,365	17,476
	59,868	21,333

The average credit period on purchases ranged from 60 to 180 days.

Notes:

- (a) Included in convertible bonds coupon interest payables are approximately HK\$17,921,000 and HK\$2,519,000 (2025: HK\$17,246,000 and HK\$2,519,000) due to ultimate controlling party and immediate holding company of the Company respectively.
- (b) Regarding the overdue convertible bond coupon interest payables, interest was charged at 6.25% per annum based on monthly outstanding coupon interest. Included in overdue interest on convertible bond coupon interest payables are approximately HK\$4,945,000 (2025: HK\$3,593,000) due to ultimate controlling party of the Company and approximately HK\$415,000 (2025: HK\$238,000) due to immediate holding company of the Company.
- (c) Advance from a related party represents advance for settlement of the operating expenses of the PRC subsidiaries of the Company. The balances are charged at 6.25% per annum, unsecured and with no fixed term of repayment.
- (d) In September 2023, the Company received a writ of summons issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by a plaintiff against the Company for the outstanding rental and related expenses amounted to approximately HK\$2,672,000, and those amounts have already been recorded in the consolidated financial statements as at 31 March 2025. Subsequent to the end of the reporting period, the Company paid HK\$2,095,000 to the plaintiff as a global settlement. As the settlement provides evidence of conditions that existed as at 31 March 2026, the consolidated financial statements have been adjusted to reflect the settlement amount. Upon payment of the settlement, the Company was discharged from all further liabilities in relation to the outstanding rental and related expenses of approximately HK\$2,672,000, thereby concluding the litigation and resolving all outstanding matters in respect of the writ of summons.
- (e) Advance from a director represents advance from Mr. Lam KC. The balance is interest free, unsecured and repayable on or before 5 April 2025. Such balance has been fully settled during the year ended 31 March 2026.
- (f) Included in others as at 31 March 2026 were directors' emoluments payables amounted to approximately HK\$738,000 (2025: HK\$774,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

23. LEASE LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Lease liabilities payable:		
Within one year	449	287
More than one year but less than two years	198	—
	647	287
Less: Amount due for settlement within 12 months shown under current liabilities	(449)	(287)
Amount due for settlement after 12 months shown under non-current liabilities	198	—

The weighted average incremental borrowing rates applied to lease liabilities range from 4.75% to 6.10% (2025: 4.75% to 9.73%) per annum.

Maturity of the lease liabilities based on undiscounted cash flows is as below:

	2026 HK\$'000	2025 HK\$'000
Repayable within one year	473	292
Repayable more than one year but less than two years	201	—
	674	292

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

24. LOANS FROM ULTIMATE HOLDING COMPANY

The loans were sub-ordinated in nature which were unsecured, carried fixed interest rate at 6.25% per annum and repayable within one year. Wai Chun IF has confirmed that it will not demand the Group for repayment of such loans until all the other third-party liabilities of the Group have been satisfied.

25. LOANS FROM ULTIMATE CONTROLLING PARTY

The loans were unsecured, carried interest at fixed rate at 6.25% per annum and repayable on demand. The ultimate controlling party has confirmed that he will not demand the Group for repayment until all the other third-party liabilities of the Company have been satisfied.

26. CONVERTIBLE BONDS

	2026 HK\$'000	2025 HK\$'000
Liability component		
Convertible bond of HK\$152,000,000 (the "CB1")	113,962	97,843
Convertible bond of HK\$23,480,000 (the "CB2")	17,604	15,114
Convertible bond of HK\$42,700,000 (the "CB3")	32,015	27,487
Convertible bond of HK\$45,000,000 (the "CB4")	33,294	—
Total liability component of convertible bonds	196,875	140,444
Equity component		
CB1	72,328	72,328
CB2	11,173	11,173
CB3	20,318	20,318
CB4	14,563	—
Total equity component of convertible bonds	118,382	103,819

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

The movements of liability component and equity component of CB1, CB2, CB3 and CB4 for the years ended 31 March 2026 and 2025 are set out below:

	Liability component					Equity component				
	CB1	CB2	CB3	CB4	Total	CB1	CB2	CB3	CB4	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	128,944	19,876	39,729	-	188,549	28,339	4,429	23,959	-	56,727
Imputed interest expenses (<i>note 11</i>)	16,993	2,717	4,640	-	24,350	-	-	-	-	-
Coupon payable	(949)	(176)	(640)	-	(1,765)	-	-	-	-	-
Derecognition of convertible bonds	(142,089)	(21,969)	(42,914)	-	(206,972)	(28,339)	(4,429)	(23,959)	-	(56,727)
Recognition of new convertible bonds	94,944	14,666	26,672	-	136,282	72,328	11,173	20,318	-	103,819
At 31 March 2025 and 1 April 2025	97,843	15,114	27,487	-	140,444	72,328	11,173	20,318	-	103,819
Recognition of new convertible bond	-	-	-	30,437	30,437	-	-	-	14,563	14,563
Imputed interest expenses (<i>note 11</i>)	16,119	2,490	4,528	3,532	26,669	-	-	-	-	-
Coupon payable	-	-	-	(675)	(675)	-	-	-	-	-
At 31 March 2026	113,962	17,604	32,015	33,294	196,875	72,328	11,173	20,318	14,563	118,382

CB1

On 31 August 2020, the Company issued an unlisted, unguaranteed and unsecured convertible bond with an aggregate principal amount of HK\$152,000,000 with maturity date of 30 August 2023 to two independent third parties.

The CB1 is convertible at the option of the bondholders into fully paid ordinary shares with a par value of HK\$0.01 each of the Company on or after 31 August 2020 up to and including 30 August 2023 at an initial conversion price of HK\$0.018 per share subject to adjustments upon occurrence of certain events.

The CB1 has coupon rate of 4% per annum on the principal amount outstanding and interest payable quarterly in arrears until the maturity date.

On 27 November 2020, the conversion price of CB1 has been adjusted upon completion of a share consolidation from HK\$0.018 per share to HK\$0.18 per share.

The Company shall be entitled at its sole discretion, by giving not less than fourteen days' notice to the bondholders, propose to the bondholders to redeem the outstanding CB1 (in multiples of HK\$5,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding CB1 at any time after 31 August 2020 up to and including the date falling fourteen days immediately before 30 August 2023.

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26. CONVERTIBLE BONDS (continued)

CB1 (continued)

On 15 October 2021, the Company and CB1 bondholders agreed to amend the CB1 terms as follows, which took effect on 19 January 2022 (the “CB1 2022 Amendments”):

- (i) the conversion price of the CB1 be reduced from HK\$0.18 (after share consolidation on 27 November 2020) per conversion share to HK\$0.048 per conversion share. The maximum number of ordinary shares of the Company can be converted is 3,166,666,666 shares per principal amount of the CB1 of HK\$152,000,000, which is also subject to adjustments upon occurrence of certain events;
- (ii) the coupon rate be reduced from 4% per annum to 2% per annum;
- (iii) the CB1 be redeemed at 98% of its principal amount at maturity; and
- (iv) the conversion rights attached to the CB1 be only exercised on the condition that any conversion of the CB1 does not: (a) trigger a mandatory general offer obligation on the CB1 bondholders under Rule 26 of the The Codes on Takeovers and Merger and Share Buy-backs; and (b) result in Mr. Lam and any parties acting in concert with him (including Ka Chun, immediate holding company of the Company) ceasing to be the controlling shareholder of the Company within the meaning of the Listing Rules.

On 2 March 2022, Mr. Lam and CB1 bondholders entered into the Convertible Bond Transfer Agreements, pursuant to which Mr. Lam agreed to acquire and the CB1 Bondholders agreed to sell the convertible bonds issued by the Company and held by CB1 Bondholders in the aggregate outstanding principal amount of HK\$152,000,000, which are convertible into a total of 3,166,666,666 new shares upon full conversion at the conversion price of HK\$0.048 per share, at a total consideration of approximately HK\$178,847,000.

On 29 August 2023, the Company and Mr. Lam entered into a conditional agreement to amend the CB1 terms as follows:

- (i) the interest rates be amended from 2% per annum to 1% per annum; and
- (ii) the maturity date of the existing convertible bonds be extended from 31 August 2023 to 31 August 2025.

The CB1 was matured on 30 August 2023 and transferred to other borrowings of HK\$152,000,000 as the extension of CB1 has not been completed.

The Company has obtained the listing approval regarding the alteration of terms and relevant ordinary resolutions were passed at the special general meeting of the Company held on 13 November 2023, the alteration of terms was completed and effective on 15 November 2023. Upon the completion of the alteration of terms, the maturity dates of the CB1 was extended to 31 August 2025. The Company completed the issue of new convertible bond (“CB1 (2023)”) with principal amount of HK\$152,000,000 to Mr. Lam for settlement of other borrowings arose from the CB1. Such transaction was treated as equity transaction as Mr. Lam is a shareholder of the Company. At the issuance date of the CB1 (2023), the fair value was determined to be approximately HK\$152,000,000.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB1 (continued)

On 15 November 2023, the conversion price of CB1 (2023) has been adjusted upon completion of share consolidation from HK\$0.048 per share to HK\$0.384 per share.

On 6 November 2024, the Company and Mr. Lam entered into another conditional agreement to amend the terms of the CB1 (2023) as follows, which took effect on 17 January 2025 ("CB1 2025 Amendments"):

- (i) the conversion price of the CB1 (2023) be amended from HK\$0.384 per conversion share to HK\$0.1 per conversion share. The maximum number of ordinary shares of the Company can be converted is 1,520,000,000 shares per principal amount of the CB1 (2023) of HK\$152,000,000, which is also subject to adjustments upon occurrence of certain events;
- (ii) the interest rates be amended from 1% to 0% per annum; and
- (iii) the maturity date of CB1 (2023) be extended from 31 August 2025 to 31 December 2027.

The Company has obtained the listing approval regarding the alteration of terms and relevant ordinary resolutions were passed at the special general meeting of the Company held on 8 January 2025, the alteration of terms was completed and effective on 17 January 2025.

The CB1 2025 Amendments were assessed as a substantial modification under HKFRS 9. Accordingly, the carrying amounts of original liability and equity components of CB1 (2023) were derecognised, and new liability and equity components of the convertible bond ("CB1 (2025)") were recognised upon the date of modification.

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For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB1 (continued)

The movements of the equity component and liability component of CB1 are as follows:

Equity Component	CB1 (2023) HK\$'000	CB1 (2025) HK\$'000
At 1 April 2024	28,339	—
Derecognition of CB1 (2023) upon substantial modification	(28,339)	—
Recognition of CB1 (2025)	—	72,328
At 31 March 2025, 1 April 2025 and 31 March 2026	—	72,328
Liability Component	CB1 (2023) HK\$'000	CB1 (2025) HK\$'000
At 1 April 2024	128,944	—
Imputed Interest expenses	14,094	2,899
Coupon payable	(949)	—
Derecognition of CB1 (2023) upon substantial modification	(142,089)	—
Recognition of CB1 (2025)	—	94,944
At 31 March 2025 and 1 April 2025	—	97,843
Imputed Interest expenses	—	16,119
At 31 March 2026	—	113,962

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB1 (continued)

The interest charged for the year is calculated by applying an effective interest rate of 16.74% (2025: 16.74%) to the liability component for the period since CB1 2025 Amendments.

CB2

On 30 November 2020, the Company issued an unlisted, unguaranteed and unsecured convertible bond with an aggregate principal amount of HK\$23,480,000 with maturity date of 29 November 2023 to another two independent third parties.

The CB2 is convertible at the option of the bondholders into fully paid ordinary shares with a par value of HK\$0.1 each of the Company on or after 30 November 2020 up to and including 29 November 2023 at an initial conversion price of HK\$0.18 per share subject to adjustments upon occurrence of certain events.

The CB2 has coupon rate of 4% per annum on the principal amount outstanding and interest payable quarterly in arrears until the maturity date.

The Company shall be entitled at its sole discretion, by giving not less than fourteen days' notice to the bondholders, propose to the bondholders to redeem the outstanding CB2 (in multiples of HK\$1,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding CB2 at any time after 30 November 2020 up to and including the date falling fourteen days immediately before 29 November 2023.

On 15 October 2021, the Company and CB2 bondholders agreed to amend the CB2 terms as follows, which took effect on 19 January 2022 ("CB2 2022 Amendments"):

- (i) the conversion price of the CB2 be reduced from HK\$0.18 per conversion share to HK\$0.048 per conversion share. The maximum number of ordinary shares of the Company can be converted is 489,166,666 shares per principal amount of the CB2 of HK\$23,480,000, which is also subject to adjustments upon occurrence of certain events;
- (ii) the coupon rate be reduced from 4% per annum to 2% per annum; and
- (iii) the CB2 be redeemed at 98% of its principal amount at maturity.

On 2 March 2022, Mr. Lam and CB2 bondholders entered into the Convertible Bond Transfer Agreements, pursuant to which the Mr. Lam agreed to acquire and the CB2 bondholders agreed to sell the convertible bonds issued by the Company and held by CB2 bondholders in the aggregate outstanding principal amount of HK\$23,480,000, which are convertible into a total of 489,166,666 new shares upon full conversion at the conversion price of HK\$0.048 per share, at a total consideration of approximately HK\$27,478,000.

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26. CONVERTIBLE BONDS (continued)

CB2 (continued)

On 29 August 2023, the Company and Mr. Lam entered into the conditional agreement to amend the CB2 terms as follows, which took effect on 15 November 2023 ("CB2 2023 Amendments"):

- (i) the interest rates be amended from 2% per annum to 1% per annum; and;
- (ii) the maturity date of the CB2 be extended from 30 November 2023 to 31 August 2025.

The Company has obtained the listing approval regarding the alteration of terms and relevant ordinary resolutions were passed at the special general meeting of the Company held on 13 November 2023, the alteration of terms was completed and effective on 15 November 2023. Upon the completion of the alteration of terms, the maturity dates of the CB2 was extended to 31 August 2025.

The CB2 2023 Amendments were assessed as a substantial modification under HKFRS 9. Accordingly, the carrying amounts of original liability and equity components of the CB2 were derecognised, and new liability and equity components of the convertible bond ("CB2 (2023)") were recognised upon the date of modification.

On 15 November 2023, the conversion price of CB2 (2023) has been adjusted upon completion of share consolidation from HK\$0.048 per share to HK\$0.384 per share.

On 6 November 2024, the Company and Mr. Lam entered into another conditional agreement to amend the terms of the CB2 (2023) as follows, which took effect on 17 January 2025 ("CB2 2025 Amendments"):

- (i) the conversion price of the CB2 (2023) be amended from HK\$0.384 per conversion share to HK\$0.1 per conversion share. The maximum number of ordinary shares of the Company can be converted is 234,800,000 shares per principal amount of the CB2 of HK\$23,480,000, which is also subject to adjustments upon occurrence of certain events;
- (ii) the interest rates be amended from 1% to 0% per annum; and
- (iii) the maturity date of CB2 (2023) be extended from 31 August 2025 to 31 December 2027.

The Company has obtained the listing approval regarding the alteration of terms and relevant ordinary resolutions were passed at the special general meeting of the Company held on 8 January 2025, the alteration of terms was completed and effective on 17 January 2025.

The CB2 2025 Amendments were assessed as a substantial modification under HKFRS 9. Accordingly, the carrying amounts of original liability and equity components of CB2 (2023) were derecognised, and new liability and equity components of the convertible bond ("CB2 (2025)") were recognised upon the date of modification.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB2 (continued)

The movements of the equity component and liability component of CB2 are as follows:

Equity Component	CB2 (2023) HK\$'000	CB2 (2025) HK\$'000
At 1 April 2024	4,429	—
Derecognition of CB2 (2023) upon substantial modification	(4,429)	—
Recognition of CB2 (2025)	—	11,173
At 31 March 2025, 1 April 2025 and 31 March 2026	—	11,173
Liability Component	CB2 (2023) HK\$'000	CB2 (2025) HK\$'000
At 1 April 2024	19,876	—
Imputed interest expenses	2,269	448
Coupon payable	(176)	—
Derecognition of CB2 (2023) upon substantial modification	(21,969)	—
Recognition of CB2 (2025)	—	14,666
At 31 March 2025 and 1 April 2025	—	15,114
Imputed interest expenses	—	2,490
At 31 March 2026	—	17,604

The interest charged for the year is calculated by applying an effective interest rate of 16.74% (2025: 16.74%) to the liability component for the period since CB2 2025 Amendments.

26. CONVERTIBLE BONDS (continued)

CB3

On 18 January 2022, the Company issued an unlisted, unguaranteed and unsecured convertible bond with principal amount of HK\$42,700,000 with maturity date of 17 January 2025, to Ka Chun, which is the immediate holding company of the Company.

The CB3 is convertible at the option of the bondholder into fully paid ordinary shares with a par value of HK\$0.1 each of the Company on or after 18 January 2022 up to and including 17 January 2025 at an initial conversion price of HK\$0.048 per share subject to adjustments upon occurrence of certain events.

The CB3 bears coupon rate of 2% per annum on the principal amount outstanding and interest payable quarterly in arrears until the maturity date.

The Company shall be entitled at its sole discretion, by giving not less than fourteen days' notice to the bondholder, propose to the bondholder to redeem the outstanding CB3 (in multiples of HK\$5,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding CB3 at any time after the issue date of CB3 up to and including the date falling fourteen days immediately before the maturity date of CB3.

On 15 November 2023, the conversion price of CB3 has been adjusted upon completion of share consolidation from HK\$0.048 per share to HK\$0.384 per share.

On 6 November 2024, the Company and Ka Chun entered into the conditional agreement to amend the CB1 terms as follows, which took effect on 17 January 2025 ("CB3 2025 Amendments"):

- (i) the conversion price of the CB3 be amended from HK\$0.384 per conversion share to HK\$0.1 per conversion share. The maximum number of ordinary shares of the Company can be converted is 427,000,000 shares per principal amount of the CB3 of HK\$42,700,000, which is also subject to adjustments upon occurrence of certain events;
- (ii) the interest rates be amended from 2% to 0% per annum;
- (iii) the maturity date of CB3 be extended from 17 January 2025 to 31 December 2027; and
- (iv) the CB3 be redeemed at 98% of its principal amount at maturity.

The Company has obtained the listing approval regarding the alteration of terms and relevant ordinary resolutions were passed at the special general meeting of the Company held on 8 January 2025, the alteration of terms was completed and effective on 17 January 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB3 (continued)

The CB3 Amendments were assessed as a substantial modification under HKFRS 9. Accordingly, the carrying amounts of original liability and equity components of CB3 were derecognised, and new liability and equity components of the convertible bond ("CB3 (2025)") were recognised upon the date of modification.

The movements of the equity component and liability component of the CB3 are as follows:

Equity Component	CB3 HK\$'000	CB3 (2025) HK\$'000
At 1 April 2024	23,959	—
Derecognition of CB3 upon substantial modification	(23,959)	—
Recognition of CB3 (2025)	—	20,318
At 31 March 2025, 1 April 2025 and 31 March 2026	—	20,318
Liability Component	CB3 HK\$'000	CB3 (2025) HK\$'000
At 1 April 2024	39,729	—
Imputed interest expenses	3,825	815
Coupon payable	(640)	—
Derecognition of CB3 upon substantial modification	(42,914)	—
Recognition of CB3 (2025)	—	26,672
At 31 March 2025 and 1 April 2025	—	27,487
Imputed interest expenses	—	4,528
At 31 March 2026	—	32,015

The interest charged for the year is calculated by applying an effective interest rate of 16.74% (2025: 16.74%) to the liability component for the period since CB3 2025 Amendments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB4

On 26 June 2025, the Company issued an unlisted, unguaranteed and unsecured convertible bond with principal amount of HK\$45,000,000 with maturity date of 26 June 2028, for the extinguishment of portion of the loans from ultimate holding company and ultimate controlling party with aggregate carrying amount of HK\$45,000,000.

The CB4 is convertible at the option of the bondholder into fully paid ordinary shares with a par value of HK\$0.01 each of the Company on or after 26 June 2025 up to and including 26 June 2028 at an initial conversion price of HK\$0.09 per share subject to adjustments upon occurrence of certain events.

The CB4 has coupon rate of 2% per annum on the principal amount outstanding and interest payable quarterly in arrears until the maturity date.

The Company shall be entitled at its sole discretion, by giving not less than fourteen days' notice to the bondholder, propose to the bondholder to redeem the outstanding CB4 (in multiples of HK\$1,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of the outstanding CB4 at any time after the issue date of CB4 up to and including the date falling fourteen days immediately before the maturity date of CB4.

The CB4 contains interest-bearing bond, which is classified as financial liability, conversion feature, which is classified as equity. The interest-bearing bond of the CB4 was initially measured at its fair value and subsequently measured at amortised cost using the effective interest method. At the date of issuance of the CB4, the fair value of liability component of the CB4 as determined by the independent professional valuer and management of the Group of approximately HK\$30,437,000 has been recognised and approximately HK\$14,563,000 has been recognised as equity component which is the variance between an aggregate carrying amount of HK\$45,000,000 for the extinguishment of portion of loans from ultimate holding company and ultimate controlling party by issuance of the CB4.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

26. CONVERTIBLE BONDS (continued)

CB4 (continued)

The movements of the equity component and liability component of CB4 are as follows:

Equity Component	CB4 HK\$'000
At 1 April 2024, 31 March 2025 and 1 April 2025	—
Recognition of CB4	14,563
At 31 March 2026	14,563
Liability Component	CB4 HK\$'000
At 1 April 2024, 31 March 2025 and 1 April 2025	—
Recognition of CB4	30,437
Imputed interest expenses	3,532
Coupon payable	(675)
At 31 March 2026	33,294

The interest charged for the year is calculated by applying an effective interest rate of 15.93% to the liability component for the period since issuance of the CB4.

At the date of issuance of the CB4, the fair value of liability component of the CB4 was approximately HK\$30,437,000.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

27. SHARE-BASED PAYMENTS

SHARE OPTION SCHEME

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company on 25 September 2015 ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Particulars of the Share Option Scheme are set out on pages 13 to 15 of this annual report.

On 22 September 2025, the Company granted an aggregate of 26,738,950 new share options with exercise price of HK\$0.191 per share to 10 employees of the Group (the "2026 Share Options"). Details of the Company's share options are set out below:

Name of grantee	Date of grant	On 1 April 2025	Granted during the year	On 31 March 2026	Vesting period	Exercise period	Exercise price per share option HK\$
Employees	22 September 2025	–	26,738,950	26,738,950	The 2026 Share Options shall be vested on the date of grant.	22 September 2025 to 21 September 2032	0.191

Movements in the number of share options outstanding and their related weighted average exercise price as follows:

	2026		2025	
	Number of options	Exercise price per share option	Number of options	Exercise price per share option
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	26,738,950	0.191	–	–
Outstanding at the end of the year	26,738,950	0.191	–	–
Exercisable at the end of the year	26,738,950	0.191	–	–

There is no share option was exercised, lapsed and forfeited during the year ended 31 March 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

27. SHARE-BASED PAYMENTS (continued)

SHARE OPTION SCHEME (continued)

As at 31 March 2026, options to subscribe for a total of 26,738,950 (2025: Nil) shares of the Company were still outstanding under the Share Option Scheme which represents approximately 10.00% (2025: Nil) of the issued ordinary shares of the Company.

The above options comprising at the end of the year have a weighted average remaining contractual life of 6.48 (2025: Nil) years and the exercise price is HK\$0.191 (2025: Nil). The estimated fair values of 2026 Share Options are determined using the Binomial Option Pricing Model. The estimated fair values and significant inputs into the models were as follows:

	2026 Share Options
Grantees	Employees
Option price model	Binomial Option Pricing Model
Estimated fair value at the measurement date	HK\$1,976,000
Number of options granted	26,738,950
Estimated fair value of each option	HK\$0.0739
Share price at the measurement date	HK\$0.183
Exercise price	HK\$0.191
Exercise multiple	2.2
Expected volatility	109.68%
Expected life	7 years
Risk-free rate	2.934%
Expected dividend yield	Nil

The expected volatility was derived from the historical volatility of the Company's share price over the previous seven years.

Peak Vision Appraisals Limited is an independent firm of professional valuer appointed by the Company to determine the fair value valuation of 2026 Share Options.

The expenses of share-based payment recognised in profit or loss during the reporting period are as follows:

	2026 HK\$'000	2025 HK\$'000
2026 Share Options	1,976	—

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

28. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised		
At 1 April 2024,		
ordinary shares of HK\$0.8 each	1,112,500	890,000
Share sub-division (<i>note (i)</i>)	87,887,500	—
At 31 March 2025, 1 April 2025 and 31 March 2026,		
ordinary shares of HK\$0.01 each	89,000,000	890,000
At 1 April 2024,		
convertible preference shares of HK\$0.8 each	137,500	110,000
Share sub-division (<i>note (i)</i>)	10,862,500	—
At 31 March 2025, 1 April 2025 and 31 March 2026,		
convertible preference shares of HK\$0.01 each	11,000,000	110,000
Issued and fully paid		
At 1 April 2024,		
ordinary shares of HK\$0.8 each	267,390	213,912
Capital reduction (<i>note (i)</i>)	—	(211,238)
At 31 March 2025, 1 April 2025 and 31 March 2026,		
ordinary shares of HK\$0.01 each	267,390	2,674

Notes:

- (i) A special resolution was passed at the special general meeting of the Company held on 8 January 2025 approving the Capital Reduction (defined below) and the Share Sub-division (defined below) (collectively, the “Share Reorganisation”) on the basis that:
- (a) the par value of each of the issued ordinary shares of HK\$0.8 each in the share capital of the Company be reduced from HK\$0.8 to HK\$0.01 per issued ordinary shares by cancelling the paid-up share capital to the extent of HK\$0.79 per issued ordinary share (the “Capital Reduction”);
 - (b) immediately following the Capital Reduction becoming effective, (i) each of the authorised but unissued ordinary share of par value of HK\$0.8 each be sub-divided into eighty new ordinary shares of the Company of par value of HK\$0.01 each; and (ii) each of the authorised but unissued preference share of par value of HK\$0.8 each be sub-divided into eighty new preference shares of the Company of par value of HK\$0.01 each (collectively, the “Share Sub-division”); and
 - (c) the credit arising from the Capital Reduction be applied to offset the accumulated losses of the Company as at the effective date of the Capital Reduction and the remaining balance of the credit (if any) be transferred to the contributed surplus account of the Company.

The Share Reorganisation was effected on 17 January 2025.

- (ii) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

29. RESERVES

(A) GROUP

The amounts of the Group's reserves and their movements therein are presented in the consolidated statement of changes in equity.

(B) COMPANY

The amounts of the Company's reserves and their movements therein are presented in note 30(B).

(C) NATURE AND PURPOSES OF RESERVE

(i) *Share premium*

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. The application of the share premium account is governed by the Company Act 1981 of Bermuda.

(ii) *Convertible bonds reserve*

The convertible bonds reserve represents the value of the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policies adopted for convertible bonds in note 4.

(iii) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4.

(iv) *Share option reserve*

Share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2026 HK\$'000	2025 HK\$'000
Non-current asset		
Interests in subsidiaries	1	1
Current assets		
Deposit and other receivables	444	444
Current liabilities		
Accruals and other payables	30,753	28,423
Amount due to a related party	6,732	—
Amounts due to subsidiaries	9,386	9,390
Loans from ultimate holding company	10,158	25,782
Loans from ultimate controlling party	1,259	12,029
	58,288	75,624
Net current liabilities	(57,844)	(75,180)
Total assets less current liabilities	(57,843)	(75,179)
Non-current liabilities		
Amount due to a related party	—	6,329
Convertible bonds	196,875	140,444
	196,875	146,773
NET LIABILITIES	(254,718)	(221,952)
Capital and reserves		
Share capital	2,674	2,674
Reserves	(257,392)	(224,626)
CAPITAL DEFICIENCY	(254,718)	(221,952)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (continued)

(B) RESERVE MOVEMENT OF THE COMPANY

	Share premium HK\$'000	Convertible bonds reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	5,000	56,727	–	(526,562)	(464,835)
Loss for the year	–	–	–	(18,121)	(18,121)
Capital reduction (note 28(i))	–	–	–	211,238	211,238
Recognition of new convertible bonds (note 26)	–	103,819	–	–	103,819
Derecognition of convertible bonds (note 26)	–	(56,727)	–	–	(56,727)
At 31 March 2025 and 1 April 2025	5,000	103,819	–	(333,445)	(224,626)
Loss for the year	–	–	–	(49,305)	(49,305)
Recognition of new convertible bonds (note 26)	–	14,563	–	–	14,563
Recognition of share-based payments (note 27)	–	–	1,976	–	1,976
At 31 March 2026	5,000	118,382	1,976	(382,750)	(257,392)

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, the Company and Mr. Lam entered into a subscription agreement, pursuant to which the Company agreed to issue and Mr. Lam agreed to subscribe a new convertible bond with the principal amount of HK\$45,000,000. The subscription amount payable by Mr. Lam was satisfied by way of offsetting the outstanding principal amount and accrued interest under loans from ultimate holding company and ultimate controlling party of approximately HK\$26,000,000 and HK\$19,000,000, respectively.

During the year ended 31 March 2026, the Group entered into new lease arrangements for the use of office premises. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$937,000 (2025: HK\$373,000).

During the year ended 31 March 2025, the existing convertible bonds were renegotiated and modified with the bondholders. The modified terms included (i) conversion prices be amended to HK\$0.1 per conversion share; (ii) interest rates be amended to 0%; and (iii) maturity dates be extended to 31 December 2027. These modified terms were assessed as substantial modification under HKFRS 9, the carrying amounts of these existing convertible bonds were derecognised and new convertible bonds were recognised upon the date of modification.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Convertible bonds HK\$'000	Lease liabilities HK\$'000	Loans from ultimate holding company HK\$'000	Loans from ultimate controlling party HK\$'000	Advance from a director HK\$'000	Advance from a related company HK\$'000	Total HK\$'000
At 1 April 2024	188,549	2,148	13,679	18,863	-	3,915	227,154
Changes in cash flows	-	(2,319)	11,476	2,100	10,715	1	21,973
Non-cash changes							
- interest expense	25,557	86	971	1,300	-	269	28,183
- recognition of the new convertible bonds	136,282	-	-	-	-	-	136,282
- derecognition upon modification of convertible bonds	(206,972)	-	-	-	-	-	(206,972)
- new lease	-	373	-	-	-	-	373
- coupon interest payables	(1,765)	-	-	-	-	-	(1,765)
- included in trade and other payables	(1,207)	-	-	-	-	-	(1,207)
- exchange realignment	-	(1)	(4)	(36)	-	-	(41)
At 31 March 2025	140,444	287	26,122	22,227	10,715	4,185	203,980
At 1 April 2025	140,444	287	26,122	22,227	10,715	4,185	203,980
Changes in cash flows	-	(619)	9,745	1,997	(11,020)	(131)	(28)
Non-cash changes							
- interest expense	28,198	32	653	549	-	287	29,719
- issuance of the CB4	30,437	-	(26,000)	(19,000)	-	-	(14,563)
- new lease	-	937	-	-	-	-	937
- coupon interest payables	(675)	-	-	-	-	-	(675)
- included in trade and other payables	(1,529)	-	-	-	-	-	(1,529)
- exchange realignment	-	10	20	281	305	-	616
At 31 March 2026	196,875	647	10,540	6,054	-	4,341	218,457

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(C) TOTAL CASH OUTFLOWS FOR LEASES

Amounts included in the consolidated statement of cash flows for leases comprise the followings:

	2026 HK\$'000	2025 HK\$'000
Within operating cash flows	1,735	121
Within financing cash flows	619	2,319
	2,354	2,440

These amounts related to the followings:

	2026 HK\$'000	2025 HK\$'000
Lease rental paid	619	2,319
Lease rental paid in respect of short-term lease	1,735	121
	2,354	2,440

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

32. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the years ended 31 March 2026 and 2025:

(A) TRANSACTIONS WITH RELATED PARTIES

	2026 HK\$'000	2025 HK\$'000
Convertible bonds coupon interest payable to Mr. Lam during the year (note (i))	675	1,125
Convertible bond coupon interest payable to Ka Chun during the year (note (ii))	—	640
Overdue convertible bonds coupon interest payable to Mr. Lam during the year (note (i))	1,352	1,069
Overdue convertible bond coupon interest payable to Ka Chun during the year (note (ii))	177	138
Interest expenses payable to Mr. Lam (note (i))	549	1,300
Interest expenses payable to Wai Chun IF (note (iii))	653	971
Interest expenses payable to Wai Chun Holdings Group Limited (note (iv))	287	269

Notes:

- (i) Mr. Lam is the ultimate controlling party of the Company.
- (ii) Ka Chun is an immediate holding company of the Company.
- (iii) Wai Chun IF is the ultimate holding company of the Company.
- (iv) Mr. Lam and Ms. Chan are the shareholders of Wai Chun Holdings Group Limited.

(B) KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel including amounts paid to the directors of the Company and all of the highest paid employees are disclosed in notes 14 and 15 respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of those subsidiaries which principally affect the results, assets or liabilities of the Group. The Company has interests in the following subsidiaries, all of which are private companies with limited liability, particulars of which as at 31 March 2026 and 2025 are set out below:

Name of subsidiary	Notes	Place of establishment/ incorporation/ operations	Issued and paid up capital	Percentage of ownership interest/ voting power		Principal activities
				Direct	Indirect	
Beijing HollyBridge System Integration Technology Company Limited ("Beijing HollyBridge") (北京合力金橋系統集成技術有限公司)	(i), (iii), (iv)	PRC	RMB82,000,000	-	51%	Sales and provision of integration services of computer and communication systems; and design, consultation and production of information system software and management training services
Beijing Plus Tiancheng Trading Company Limited (北京普納天成貿易有限公司)	(ii), (iii)	PRC	US\$900,000	-	100%	Trading of chemicals
Wai Chun Strategic Investment Limited		Hong Kong	HK\$1,000	100%	-	Investment holding

Notes:

- (i) The company is established in the PRC as joint venture with investors from Taiwan, Hong Kong and Macau.
- (ii) The company is established in the PRC as wholly foreign-owned enterprise.
- (iii) The company name in English is not the official name but a translation for reference only.
- (iv) The executive director of the Company consider the non-wholly owned subsidiary of the Group is not material, and accordingly, no summarised financial information in respect of relevant subsidiary has been presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

34. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group’s contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK\$1,500 (2025: HK\$1,500) per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees’ basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

There was no forfeited contribution in respect of the defined contribution plan available at 31 March 2026 and 2025.

35. EVENT AFTER THE REPORTING PERIOD

On 10 April 2026, the Company and Xavvi US Inc, a world-leading influencer agency and operator (collectively referred to as the “Parties”), formally signed a platform company cooperation agreement. The Parties will form a powerful alliance to jointly fund and establish a platform company which is controlled by the Company, so as to fully enter the highly dynamic global internet creator (influencer) economy and traffic monetisation business. Details of the above were disclosed in the Company’s announcements dated 13 April 2026 and 15 April 2026.

Five Years Financial Summary

For the year ended 31 March 2026

RESULTS

	Year ended 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	264,153	266,338	273,889	176,803	233,926
Loss before tax	(44,672)	(10,299)	(36,472)	(51,752)	(127,427)
Income tax	—	—	(2)	—	—
Loss for the year	(44,672)	(10,299)	(36,474)	(51,752)	(127,427)
(Loss)/profit for the year attributable to non- controlling interests	(2,156)	27	57	(1,031)	(344)
Loss for the year attributable to owners of the Company	(42,516)	(10,326)	(36,531)	(50,721)	(127,083)

ASSETS AND LIABILITIES

	As at 31 March				
	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Total assets	83,049	54,860	32,068	81,342	138,493
Total liabilities	(314,214)	(258,533)	(272,356)	(312,138)	(322,593)
	(231,165)	(203,673)	(240,288)	(230,796)	(184,100)
Non-controlling interests	(13,824)	(16,182)	(16,127)	(15,931)	(16,870)
Capital deficiency attributable to owners of the Company	(244,989)	(219,855)	(256,415)	(246,727)	(200,970)