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CHINA HONGBAO HOLDINGS LIMITED

中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8316)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Director(s)**”) of China Hongbao Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board (the “**Board**”) of Directors hereby announces the consolidated results of the Group for the year ended 31 March 2025 together with comparative figures for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	4	80,854	97,557
Cost of sales		(57,835)	(76,559)
Gross profit		23,019	20,998
Other income and gains	5	145	17,153
Impairment loss recognised on			
— trade receivables, net	11	(1,625)	(3,506)
— other receivables, net	11	(7)	(1)
— deposits		(53)	(3)
— contract assets		(531)	(5,107)
— property, plant and equipment		(1,694)	(2,782)
Administrative expenses		(27,421)	(32,227)
Finance costs	6	(1,222)	(2,002)
Loss before income tax	7	(9,389)	(7,477)
Income tax expense	8	(358)	(1)
Loss for the year		(9,747)	(7,478)
Other comprehensive (expenses)/income			
Item that may be reclassified			
subsequently to profit or loss:			
Exchange differences arising			
on translation of foreign operations		(78)	742
Loss and total comprehensive expenses for			
the year attributable to owners of			
the Company		(9,825)	(6,736)
		2025	2024
		HK cents	HK cents
Loss per share			
— Basic and diluted	10	(1.09)	(0.86)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current Assets			
Property, plant and equipment		1,327	6,183
Current Assets			
Trade and other receivables	<i>11</i>	11,211	8,111
Prepayments and deposits		9,538	7,321
Contract assets		2	529
Cash and cash equivalents		36,771	1,230
		57,522	17,191
Assets classified as held for sale		5	—
		57,527	17,191
Total Assets		58,854	23,374
Current Liabilities			
Trade and other payables	<i>12</i>	17,108	11,145
Contract liabilities		30,402	4,680
Income tax payable		204	—
Lease liabilities		1,686	2,875
Amount due to a director		1,184	—
Amount due to a shareholder		—	3,156
Loan from a related party		14,375	14,375
Other borrowings	<i>13</i>	2,200	16,446
		67,159	52,677
Liabilities directly associated with assets classified as held for sale		7,027	—
		74,186	52,677
Net Current Liabilities		(16,659)	(35,486)
Total Assets less Current Liabilities		(15,332)	(29,303)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current Liabilities		
Lease liabilities	<u>—</u>	<u>1,847</u>
	<u>—</u>	<u>1,847</u>
NET LIABILITIES	<u>(15,332)</u>	<u>(31,150)</u>
Equity attributable to owners of the Company		
Share capital	9,534	8,664
Reserves	<u>(24,866)</u>	<u>(39,814)</u>
TOTAL DEFICITS	<u>(15,332)</u>	<u>(31,150)</u>

NOTES

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands. The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company's head office and principal place of business is located at Unit Nos. 1–3 on Level 9 of Tower A of Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong. The Company is an investment holding company and its subsidiaries are principally engaged in foundation and other constructions business and internet services (including O2O commerce and supply chain management) in Hong Kong and Mainland China of the People's Republic of China (the “PRC”).

In the opinion of the Directors, the Company's ultimate controlling party is Mr. Cheng Jun (“Mr. Cheng”), who is also the chairman of the Board and an executive Director.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) New and Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

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

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

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

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

(b) New and Amendments to HKFRSs in issue but not yet effective

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

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

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

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

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

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

Except for the new and amendment to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis.

(b) Basis of preparation and going concern assumption

The Group incurred a net loss of approximately HK\$9,825,000 for the year ended 31 March 2025 and the Group had net current liabilities and net liabilities of approximately HK\$16,659,000 and HK\$15,332,000, respectively, as at 31 March 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis as the directors of the Company, based on a cash flow forecast of the Group that is prepared by them covering a period from 1 April 2025 to 30 September 2026 (the “**Cash Flow Forecast**”), and assuming that Mr. Cheng, Mr. Fu Yik Lung (“**Mr. Fu**”), Mr. Ng Yeuk Cheung (“**Mr. Ng**”) and Mr. Xing Yuan (“**Mr. Xing**”) would fulfill their undertakings as detailed below, are satisfied that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. In preparing the Cash Flow Forecast, the directors of the Company have taken account of the following:

Subsequent to the end of the reporting period, the parties listed below have undertaken not to demand repayment of the amounts due from the Company as at 31 March 2025, within eighteen months from 31 March 2025.

Name of party	Capacity	Nature of amount due	As at 31 March 2025 HK\$'000
Mr. Cheng	Chairman of the Board, an executive Director and the ultimate controlling party of the Company	Amount due to a Director	1,184
Mr. Fu	A former director of the ultimate holding company	Loan from a related party	14,375
Mr. Ng	A director of a wholly owned subsidiary of the Company	Other payable	3,104
Mr. Xing	A former executive director of the Company	Liabilities directly associated with assets classified as held for sale	4,138
			<hr/> 22,801 <hr/>

Should the adoption of the going concern basis in the preparation of the consolidated financial statements be considered to be inappropriate, adjustments would have to be made to write down the carrying amounts of the Group’s assets to their net realisable values, to provide for any further liabilities which might arise and to re-classify non-current assets and non-current liabilities to current assets and current liabilities respectively. The effect of these adjustments have not been reflected in these consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Operating segments

The Group was principally engaged in the provision of foundation and other construction works and internet services (including O2O commerce and supply chain management) in Hong Kong and Mainland China of the PRC for the year ended 31 March 2025. The executive directors have been identified as the chief operating decision-maker, responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

The reportable operating segments and their results are as below:

Year ended 31 March 2025

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	46,168	34,686	–	80,854
Cost of sales	(42,201)	(15,634)	–	(57,835)
Impairment loss recognised on financial assets and contract assets	(2,147)	(69)	–	(2,216)
Impairment loss recognised on property, plant and equipment	(1,694)	–	–	(1,694)
Finance costs	(42)	(12)	–	(54)
Segment profit	84	18,971	–	19,055
Unallocated other income and gains				145
Unallocated corporate expenses				(27,421)
Finance costs				(1,168)
Loss before income tax				(9,389)
Income tax expense				(358)
Loss for the year				(9,747)

Year ended 31 March 2024

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	59,550	38,007	–	97,557
Cost of sales	(54,600)	(21,959)	–	(76,559)
Impairment loss (recognised)/ reversed on financial assets and contract assets	(8,286)	68	(399)	(8,617)
Impairment loss recognised on property, plant and equipment	(2,782)	–	–	(2,782)
Finance costs	(87)	(36)	–	(123)
Segment (loss)/profit	(6,205)	16,080	(399)	9,476
Unallocated other income and gains				17,153
Unallocated corporate expenses				(32,227)
Finance costs				(1,879)
Loss before income tax				(7,477)
Income tax expense				(1)
Loss for the year				(7,478)

Revenue reported above represents revenue generated from external customers. These were no inter-segment sales for both of the years ended 31 March 2025 and 31 March 2024.

Other segment information

The following other segment information is included in the measure of segment profit or loss:

Year ended 31 March 2025

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	1,088	283	–	1,371
Gain on early termination of lease contract	–	(11)	–	(11)
Impairment loss recognised/ (reversed) on:				
Trade receivables, net	1,617	8	–	1,625
Other receivables, net	(1)	8	–	7
Deposits	–	53	–	53
Contract assets	531	–	–	531
Property, plant and equipment	1,694	–	–	1,694

Year ended 31 March 2024

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	2,498	705	–	3,203
Gain on early termination of lease contract	–	(12)	–	(12)
Impairment loss recognised/ (reversed) on:				
Trade receivables, net	3,574	(68)	–	3,506
Other receivables, net	3	–	–	3
Deposits	1	–	–	1
Contract assets, net	4,708	–	399	5,107
Property, plant and equipment	2,782	–	–	2,782

Segment assets and liabilities

Year ended 31 March 2025

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets				
Segment assets	7,071	3,078	5	10,154
Property, plant and equipment				1,327
Other receivables				10,602
Cash and cash equivalents				36,771
Consolidated total assets				58,854
Liabilities				
Segment liabilities	1,000	36,803	7,027	44,830
Other payables				10,158
Other borrowings				2,200
Amount due to a director				1,184
Loan from a related party				14,375
Lease liabilities				1,439
Consolidated total liabilities				74,186
Other segment information:				
Additions to non-current asset	–	–	–	–

Year ended 31 March 2024

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets				
Segment assets	10,535	1,405	–	11,940
Property, plant and equipment				2,759
Other receivables				7,445
Cash and cash equivalents				1,230
Consolidated total assets				23,374
Liabilities				
Segment liabilities	8,580	1,450	6,087	16,117
Other payables				4,256
Other borrowings				16,446
Loan from a related party				14,375
Lease liabilities				3,330
Consolidated total liabilities				54,524
Other segment information:				
Additions to non-current asset	1,006	952	–	1,958

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

- all assets are allocated to operating and reportable segments, other than certain unallocated property, plant and equipment, other receivables, cash and cash equivalents and asset classified as held for sale.
- all liabilities are allocated to operating and reportable segments, other than certain unallocated other payables, other borrowings, amount due to a director, amount due to a shareholder, loan from a related party, lease liabilities and liabilities directly associated with assets classified as held for sale.

Disaggregation of revenue from contract with customers

The following analysis of revenue under HKFRS 15 is disaggregated by timing of revenue recognition.

Year ended 31 March 2025

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue recognised				
At point in time	–	6,867	–	6,867
Over time	46,168	27,819	–	73,987
	<u>46,168</u>	<u>27,819</u>	<u>–</u>	<u>73,987</u>
	<u>46,168</u>	<u>34,686</u>	<u>–</u>	<u>80,854</u>

Year ended 31 March 2024

	Foundation and other construction works <i>HK\$'000</i>	Internet services <i>HK\$'000</i>	Supply and installation of new energy charging piles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue recognised				
At point in time	–	38,007	–	38,007
Over time	59,550	–	–	59,550
	<u>59,550</u>	<u>–</u>	<u>–</u>	<u>59,550</u>
	<u>59,550</u>	<u>38,007</u>	<u>–</u>	<u>97,557</u>

Geographical information

The Group's revenue was principally derived from Hong Kong and Mainland China of the PRC, based on the location of the customers.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	46,168	59,550
Mainland China	34,686	38,007
	<u>80,854</u>	<u>97,557</u>

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

		2025	2024
		HK\$'000	HK\$'000
Attributable to reportable segments			
Customer A	Foundation and other construction works	34,785	30,976
Customer B	Internet services	9,225	21,858
Customer C	Foundation and other construction works	N/A [#]	18,236

[#] The revenue from customer C for the year ended 31 March 2025 did not exceed 10% of the Group's revenue for the year.

5. OTHER INCOME AND GAINS

	2025	2024
	HK\$'000	HK\$'000
Bank interest income	9	5
Gain on disposal of subsidiaries	91	17,059
Gain on early termination of lease contract	11	12
Others	34	77
	<u>145</u>	<u>17,153</u>

6. FINANCE COSTS

	2025	2024
	HK\$'000	HK\$'000
Interest on loan from other borrowings	3	607
Interest on lease liabilities	189	361
Imputed interest for shareholder loans	1,030	1,034
	<u>1,222</u>	<u>2,002</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived after charging:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of property, plant and equipment:		
— Owned property, plant and equipment	644	1,298
— Right-of-use assets	2,167	3,465
	<u>2,811</u>	<u>4,763</u>
Auditor's remuneration	900	900
Employee benefit expenses	<u>14,739</u>	<u>27,844</u>

8. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 HK\$'000	2024 HK\$'000
Current tax		
PRC Enterprise Income Tax	358	—
Underprovision in prior years		
PRC Enterprise Income Tax	<u>—</u>	<u>1</u>
Income tax expense	<u>358</u>	<u>1</u>

Under the two-tiered Hong Kong profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% and profits above HK\$2 million will continue to be subject to the tax rate of 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

No provision for Hong Kong profits tax was made for the year ended 31 March 2025 (2024: nil) as the group entities which are subject to Hong Kong profits tax either incurred losses for the year or had tax losses brought forward to set off with the assessable profits for the year.

The basic tax rate of the Group's PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law. For the current year, certain subsidiaries of the Group qualified as small and micro enterprises and enjoy the reduction of the applicable tax rate to 10%.

9. DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

10. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss for the purpose of calculating basic loss per share		
Loss for the year attributable to owners of the Company	<u>(9,747)</u>	<u>(7,478)</u>
	Number of shares '000	Number of shares '000
Number of shares for the purpose of calculating basic loss per share		
Weighted average number of ordinary shares	<u>897,729</u>	<u>866,400</u>

There were no potential ordinary shares in issue for the years ended 31 March 2025 and 2024. Accordingly, the diluted loss per share presented is the same as the basic loss per share.

11. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables, gross	16,317	13,766
Less: provision of impairment loss (<i>Note (b)</i>)	<u>(6,170)</u>	<u>(5,779)</u>
Trade receivables, net (<i>Note (a)</i>)	<u>10,147</u>	<u>7,987</u>
Other receivables, gross	1,071	124
Less: provision of impairment loss (<i>Note (b)</i>)	<u>(7)</u>	<u>–</u>
Other receivables, net	<u>1,064</u>	<u>124</u>
	<u>11,211</u>	<u>8,111</u>

Note:

(a) Trade receivables

The following is an analysis of trade receivables by age, net of loss allowance, presented based on the invoice dates:

	2025 HK\$'000	2024 HK\$'000
Current or less than one month	4,477	1,837
One to three months	3,452	1,963
More than three months but less than one year	2,218	4,187
	10,147	7,987

(b) Movements in the loss allowance account in respect of trade receivables and other receivables during the year are as follows:

	Trade receivables		Other receivables		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April	5,779	2,495	–	6,996	5,779	9,491
Impairment losses recognised during the year	1,625	3,574	7	–	1,632	3,574
Impairment losses reversed during the year	–	(68)	–	–	–	(68)
Disposal of subsidiaries	–	(222)	–	(6,996)	–	(7,218)
Reclassified to asset classified held for sale	(1,159)	–	–	–	(1,159)	–
Exchange alignment	(75)	–	–	–	(75)	–
Balance at 31 March	6,170	5,779	7	–	6,177	5,779

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>Note</i>)	6,950	6,485
Accrued charges	1,146	2,797
Deposit received	–	1,084
Receipts in advance	5,788	684
Other payables	3,224	95
	<u>17,108</u>	<u>11,145</u>

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

	2025 HK\$'000	2024 HK\$'000
Current or less than one month	6,437	1,008
One to three months	29	–
More than three months but less than one year	23	2,950
More than one year	461	2,527
	<u>6,950</u>	<u>6,485</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 0 to 45 days.

13. OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Amounts due to:		
Mr. Zhang Weijie	–	11,446
Ms. Zhang Xiaoping	–	5,000
An independent third party	2,200	–
	<u>2,200</u>	<u>16,446</u>

At the end of the reporting date, total current and non-current other borrowings were scheduled to repay as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year and on demand	<u>2,200</u>	<u>16,446</u>

14. EVENT AFTER THE REPORTING PERIOD

An ordinary resolution will be proposed at the annual general meeting of the Company to be convened and held on Wednesday, 30 July 2025 to approve, among others, the proposed increase in authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 shares to HK\$30,000,000 divided into 3,000,000,000 shares by the creation of an additional 2,000,000,000 new shares.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the consolidated financial statement of the Group for the year ended 31 March 2025.

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

Material Uncertainty Related to Going Concern

The Group incurred a net loss of approximately HK\$9,825,000 for the year ended 31 March 2025 and the Group had net current liabilities and net liabilities of approximately HK\$16,659,000 and HK\$15,332,000, respectively, as at 31 March 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in Note 3(b) to the consolidated financial statements, the directors are of the opinion that the Group will be able to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has been engaging in foundation works business as a subcontractor and other construction works in Hong Kong for over 10 years. During the year ended 31 March 2025, the overall construction industry in Hong Kong was still facing various challenges. Furthermore, the construction industry in Hong Kong is fragmented with an increasing number of market players, resulting in keen competitions in the market and unstable and uncertain gross margin of construction projects. Despite the uncertain economic and political environment of Hong Kong and around the world, and the unfavourable conditions in the construction industry such as keen competition due to the growing number of market players, continuously increasing construction costs due to labour shortage, increasingly stringent regulatory controls and rising construction material and operation costs, the Directors are of the view that the market conditions of the construction industry will improve and consider that with the Group's business presence and good reputation in the market, the Group is well-positioned to compete with its competitors under the above-mentioned challenges that are commonly faced by all industry players. During the year ended 31 March 2025, the Group recorded revenue of approximately HK\$46.2 million (2024: approximately HK\$59.6 million) from this business segment of foundation and other construction works.

On the other hand, the Group engages in the provision of internet services (including supply chain management and O2O commerce). Having considered the stable economic growth in the PRC and good prospects in the PRC e-commerce market, the Group launched a one-stop e-commerce platform (the “**Platform**”) and carried out technological innovations and upgrades for the Platform in respect of the merchant-end of “on-demand delivery” in late 2023. Despite facing challenges in the PRC supply chain management business leading to the substantial decrease in demand for integrated digital supply chain solutions during the year ended 31 March 2025, the Directors remain confident that the performance of the internet services segment will improve, as supported by the growth of O2O commerce in the PRC and recent upgrades to the Platform. During the year ended 31 March 2025, the Group generated revenue of approximately HK\$34.7 million (2024: approximately HK\$38.0 million) and segment profit of approximately HK\$19.0 million (2024: approximately HK\$16.1 million) from the internet services segment.

Despite the challenges facing both the construction market in Hong Kong and the supply chain market in the PRC, the Group is strategically focusing on expanding its presence in the O2O commerce sector, which offers a higher gross profit margin. This strategic shift aims to offset any potential adverse impacts on the Group stemming from the conditions in the Hong Kong construction and the PRC supply chain markets. Furthermore, the Group remains committed to exploring new business opportunities in the market with the primary goal of delivering increased returns to the Shareholders. By diversifying our business portfolio and capitalizing on emerging sectors, we aim to strengthen our position in the industry and enhance the value of the Shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue for the year ended 31 March 2025 was approximately HK\$80.9 million, representing a decrease of approximately HK\$16.7 million or 17.1% as compared to approximately HK\$97.6 million for the year ended 31 March 2024. The decrease in revenue was attributable to decrease in revenue from both foundation and other construction works business and internet services business (O2O commerce and supply chain management). Such decrease is caused by the unfavorable business environment.

Cost of sales

The Group's cost of sales decreased from approximately HK\$76.6 million for the year ended 31 March 2024 to approximately HK\$57.8 million for the year ended 31 March 2025, representing a decrease of approximately HK\$18.8 million or 24.5%. Such decrease was driven by the decrease in revenue for the year ended 31 March 2025 and was also resulted from the enhancement of cost control measures adopted by the Group.

Gross profit and gross profit margin

For the year ended 31 March 2025, the Group recorded gross profit of approximately HK\$23.0 million (2024: approximately HK\$21.0 million) and gross profit margin of approximately 28.5% (2024: approximately 21.5%). The increase in gross profit was due to the gross profit generated from the internet services segment which has higher gross profit margin during the year ended 31 March 2025.

Other income and gains

Other income and gains of the Group decreased substantially by approximately HK\$17.0 million from approximately HK\$17.2 million for the year ended 31 March 2024 to approximately HK\$0.1 million for the year ended 31 March 2025. The decrease was substantially attributable to the decrease in recognition of gain on disposal of certain subsidiaries by the Group of approximately HK\$17.0 million.

Impairment loss on financial assets, contract assets and property, plant and equipment

During the year ended 31 March 2025, the Group recognised impairment loss on financial assets, contract assets and property, plant and equipment of approximately HK\$3.9 million in total (2024: approximately HK\$11.4 million). Such decrease was primarily attributable to (i) the decrease in impairment loss recognised on property, plant and equipment by approximately HK\$1.1 million arising from the poor performance in the foundation and other construction works business during the year ended 31 March 2025; and (ii) the decrease in impairment loss recognised in trade and other receivables and contract assets by approximately HK\$1.8 million and HK\$4.6 million, respectively, during the year ended 31 March 2025.

Administrative expenses

Administrative expenses of the Group decreased by approximately HK\$4.8 million or 14.9% from approximately HK\$32.2 million for the year ended 31 March 2024 to approximately HK\$27.4 million for the year ended 31 March 2025. The lower administrative expenses was primarily attributable to decrease in staff cost by approximately HK\$5.5 million. It was partially offset by increase in written off of prepayments of approximately HK\$2.0 million.

Finance costs

Finance costs of the Group decreased by approximately HK\$0.8 million or 39.0% from approximately HK\$2.0 million for the year ended 31 March 2024 to approximately HK\$1.2 million for the year ended 31 March 2025. Such decrease was mainly attributable to the decrease in interest on loan from other borrowings by approximately HK\$0.6 million. It was due to the fact that the Group disposed of the subsidiaries which owed those other borrowings of approximately HK\$10.2 million during the year ended 31 March 2024.

Loss before income tax

The Group recorded loss before income tax of approximately HK\$9.4 million for the year ended 31 March 2025 (2024: approximately HK\$7.5 million). The increase in loss before income tax was mainly contributed by the decrease in other income of approximately HK\$17.0 million. It was partially offset by increase in gross profit of approximately HK\$2.0 million and decrease in administrative expenses, impairment loss on financial assets, contract assets and property, plant and equipment and finance cost of approximately HK\$13.1 million in total.

Income tax expenses

The Group's income tax expense for the year ended 31 March 2025 was approximately HK\$0.4 million (2024: approximately HK\$1,000). Such increase was mainly due to the taxable profit made by the internet services segment during the year ended 31 March 2025.

Loss and total comprehensive expense for the year attributable to the owners of the Company

Loss and total comprehensive expense for the year ended 31 March 2025 was approximately HK\$9.8 million (2024: approximately HK\$6.7 million). Such increase in net loss was due to the above-mentioned reasons under the paragraph "Loss before income tax" and the effect from increase in income tax expense of approximately HK\$0.4 million.

Derecognition of an other borrowing

Reference is made to the announcement made by the Company dated 20 June 2025 (the "**Profit Alert Announcement**") regarding the consolidated results of the Group for the year ended 31 March 2025. The Board further considered recognition of the gain from the derecognition of other borrowing of approximately HK\$11.4 million directly in accumulated loss, rather than in the consolidated statement of profit or loss and other comprehensive income, due to the capital nature of the other borrowing. Consequently, the expected net profit of not less than approximately HK\$1.7 million for the year ended 31 March 2025, as mentioned in the Profit Alert Announcement, has resulted in a net loss of approximately HK\$9.7 million, as disclosed in this announcement.

Liquidity, Financial Resources and Capital Structure

The shares of the Company (the "**Shares**") were successfully listed on GEM on 10 August 2015 (the "**Listing Date**"). Save as disclosed in the section headed "Management Discussion and Analysis — Capital Structure" below, there has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement.

	2025	2024
	HK\$'000	HK\$'000
Current assets	57,527	17,191
Current liabilities	74,186	52,677
Current ratio (times)	0.78	0.33

The current ratio of the Group as at 31 March 2025 was approximately 0.78 times as compared to that of approximately 0.33 times as at 31 March 2024.

As at 31 March 2025, the Group had total cash and cash equivalents of approximately HK\$36.8 million (2024: approximately HK\$1.2 million).

As at 31 March 2025 and 31 March 2024, the Group had other borrowings, amount due to a shareholder, amount due to a director, loan from a related party and lease liabilities of approximately HK\$19.4 million and HK\$38.7 million in aggregate, respectively. The scheduled repayment date of the Group were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	19,445	36,852
Between one and two years	<u>–</u>	<u>1,847</u>
	<u>19,445</u>	<u>38,699</u>

Gearing Ratio

The Group monitors capital using a gearing ratio, which is net debt divided by total deficit. Net debts are calculated as the total of lease liabilities, amount due to a shareholder, amount due to a director, loan from a related party and other borrowings less cash and cash equivalents.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Total debts	19,445	38,699
Less: Cash and cash equivalents	<u>(36,771)</u>	<u>(1,230)</u>
Net (cash)/debts	(17,326)	37,469
Total deficits	<u>(15,332)</u>	<u>(31,150)</u>
Gearing ratio	<u>N/A</u>	<u>120.3%</u>

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group's credit risk is primarily attributable to contract assets, trade receivables and deposits with banks. The credit risk of the Group's contract assets and trade receivables is concentrated since approximately 89.6% of which was derived from the five largest customers as at 31 March 2025 (2024: approximately 91.7%). As the customers of the Group are reputable corporations, the credit risk is considered to be low. The Group's major bank balances are deposited with banks with good reputation and hence the management of the Company (the "**Management**") does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

Capital Structure

The Shares were successfully listed on GEM on the Listing Date. The issued share capital of the Company (the “**Issued Share Capital**”) only comprises ordinary shares.

The changes in the Issued Share Capital since the Listing Date and up to the date of this announcement were as follows:

	Number of Issued Share Capital
On the Listing Date	800,000,000
Completion of a subscription of new shares under general mandate on 16 January 2023 (<i>Note (a)</i>)	<u>28,050,000</u>
As at 16 January 2023	828,050,000
Completion of a subscription of new shares under general mandate on 13 March 2023 (<i>Note (b)</i>)	<u>38,350,000</u>
As at 13 March 2023 and 31 March 2024	866,400,000
Completion of the Subscription of New Shares A (as defined below) (<i>Note (c)</i>)	<u>41,666,000</u>
As at 31 July 2024	908,066,000
Completion of the Subscription of New Shares B (as defined below) (<i>Note (d)</i>)	<u>45,310,000</u>
As at 4 March 2025, 31 March 2025 and up to the date of this announcement	<u><u>953,376,000</u></u>

Notes:

- (a) Please refer to the announcements of the Company dated 5 January 2023 and 16 January 2023 for further details.
- (b) Please refer to the announcements of the Company dated 27 February 2023 and 13 March 2023 for further details.
- (c) Please refer to the announcements of the Company dated 24 April 2024 and 31 July 2024 (the “**Subscription Announcements A**”) for further details.
- (d) Please refer to the announcements of the Company dated 15 January 2025 and 4 March 2025 (the “**Subscription Announcements B**”) for further details.

With effect from 17 July 2023, the board lot size of the Shares for trading on GEM has been changed from 10,000 Shares to 2,000 Shares. Please refer to the announcements of the Company dated 26 June 2023 and 19 July 2023 for further details.

As disclosed in the announcement of the Company dated 25 June 2025, an ordinary resolution will be proposed at the annual general meeting of the Company to be convened and held on Wednesday, 30 July 2025 to approve, among others, the proposed increase in authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Shares to HK\$30,000,000 divided into 3,000,000,000 Shares by the creation of an additional 2,000,000,000 new Shares. For further details, please refer to the announcement of the Company dated 25 June 2025.

As at 1 April 2024 and 31 March 2025, the Issued Share Capital was approximately HK\$8.7 million (representing 866,400,000 issued ordinary shares of HK\$0.01 each) and approximately HK\$9.5 million (representing 953,376,000 issued ordinary shares of HK\$0.01 each), respectively.

SUBSCRIPTION OF NEW SHARES

Subscription of New Shares A

On 24 April 2024 (after trading hours), the Company (as issuer) entered into the conditional subscription and loan capitalisation agreement dated 24 April 2024 (the “**Subscription Agreement A**”) with Ms. Zhang Xiaoping (the “**Subscriber A**”) (an independent third party) (as subscriber), pursuant to which, the Company has conditionally agreed to allot and issue, and Subscriber A has conditionally agreed to subscribe for, a total of 41,666,000 subscription Shares at the subscription price of HK\$0.12 per subscription Share (the “**Subscription of New Shares A**”). Based on the closing price of the Shares of HK\$0.115 per Share on 24 April 2024, being the date of the Subscription Agreement A, the subscription Shares have a market value of approximately HK\$4.8 million. The aggregate nominal value of such subscription Shares is HK\$416,660. The Subscription of New Shares A involved the capitalisation of part of a debt amounting to HK\$5.0 million (the “**Debt A**”) into the subscription Shares, and the Company used its internal resources to settle the relevant expenses in connection with the Subscription of New Shares A. The Company fully settled the Debt A from Subscriber A by the Subscription of New Shares A (HK\$4,999,920) and cash (HK\$80). The Directors considered that the Subscription of New Shares A would allow the Company to settle a substantial part of the Debt A without utilizing existing financial resources of the Group thereby strengthening the financial position of the Group. The Directors also considered that the Subscription of New Shares A would broaden the Company’s capital base and shareholders base without any interest burden. The net issue price, after deduction of relevant expenses, was approximately HK\$0.113 per subscription Share. There were no proceeds arising from the Subscription of New Shares A as all the proceeds from the Subscription of New Shares A were set-off against the Debt A on a dollar-to-dollar basis. Completion of the Subscription of New Shares A took place on 31 July 2024. Please refer to the Subscription Announcements A for further details.

Subscription of New Shares B

On 15 January 2025 (after trading hours), the Company (as issuer) entered into the conditional subscription and loan capitalisation agreement dated 15 January 2025 (the “**Subscription Agreement B**”) with Ms. Lau Wai Man (the “**Subscriber B**”) (an independent third party) (as subscriber), pursuant to which, the Company has conditionally agreed to allot and issue, and Subscriber B has conditionally agreed to subscribe for, a total of 45,310,000 subscription Shares at the subscription price of HK\$0.203 per subscription Share (the “**Subscription of New Shares B**”). Based on the closing price of the Shares of HK\$0.200 per Share on 15 January 2025, being the date of the Subscription Agreement B, the subscription Shares have a market value of approximately HK\$9.1 million. The aggregate nominal value of such subscription Shares is HK\$453,100. The Subscription of New Shares B involved the capitalisation of part of a debt amounting to HK\$10.0 million (the “**Debt B**”) into the subscription Shares, and the Company used its internal resources to settle the relevant expenses in connection with the Subscription of New Shares B. The Company fully settled the Debt B from Subscriber B by the Subscription of New Shares B (HK\$9,197,930) and cash (HK\$802,070). The Directors considered that the Subscription of New Shares B would allow the Company to settle a substantial part of the Debt B without utilising existing financial resources of the Group thereby strengthening the financial position of the Group. The Directors also considered that the Subscription of New Shares B would broaden the Company’s capital base and shareholders base without any interest burden. The net issue price, after deduction of relevant expenses, was approximately HK\$0.196 per subscription Share. There were no proceeds arising from the Subscription of New Shares B as all the proceeds from the Subscription of New Shares B were set-off against the Debt B on a dollar-to-dollar basis. Completion of the Subscription of New Shares B took place on 4 March 2025. Please refer to the Subscription Announcements B for further details.

Segment Information

Segmental information is presented for the Group as disclosed in Note 4 to the consolidated financial statements.

Dividend

The Board does not recommend the payment of dividend for the year ended 31 March 2025 (2024: Nil).

Contingent Liabilities

As at 31 March 2025, the Group did not have any significant contingent liabilities (2024: Nil).

Charge on Group Assets

As at 31 March 2025, the Group had no assets charged for bank borrowings or for other purposes.

Capital Commitments

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

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 23 September 2024, the Company disposed of the entire issued share capital in Fortune Elite Investments Limited, a wholly-owned subsidiary of the Company and which held the entire equity interest in Quantong Globe Limited, to an independent third party at a consideration of US\$10,000. Both companies had ceased business operation at the time of disposal. The Company recognised a gain on disposal of subsidiaries of approximately HK\$91,000 during the year ended 31 March 2025.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2025.

Significant Investments Held by the Group

During the year ended 31 March 2025, there was no significant investment held by the Group.

Future Plan for Material Investments and Capital Assets

As at 31 March 2025, the Group did not have any concrete plan for material investments or capital assets.

Foreign Currency Exposure

For the Group's operation in Hong Kong, the major revenue and expenses are denominated in HK\$. For the Group's operation in the PRC, the major revenue and expenses are denominated in Renminbi, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Employees and Remuneration Policy

As at 31 March 2025, the Group employed a total of 59 staff (2024: 76 staff). The total employees remuneration, including remuneration of the Directors, for the year ended 31 March 2025 amounted to approximately HK\$14.7 million (2024: approximately HK\$27.8 million).

The Group entered into separate labour contracts with each of the employees in accordance with the applicable labour laws in Hong Kong and the PRC. Employees are remunerated according to their performance and working experience. The Group provides its staff with various benefits including discretionary bonus, contributory provident fund and medical insurance. The Group also provides and sponsors various types of training to employees and offer options that may be granted to employees under the share option scheme of the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 14 to the consolidated financial statement, there is no other material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this announcement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had also made specific enquiry with all the Directors and each of the Directors confirmed that he/she was in compliance with the Required Standard of Dealings throughout the year ended 31 March 2025.

CORPORATE GOVERNANCE

The Company has applied the principles and code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules as its corporate governance practices. During the year ended 31 March 2025, to the best knowledge of the Board, the Company has complied with the applicable code provisions set out in Part 2 of the CG Code except for the deviation from code provision D.2.5 of the CG Code which is explain below.

Pursuant to code provision D.2.5 of the CG Code, the company should have an internal audit function. For the year ended 31 March 2025, the Group has yet to establish its internal audit function. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. The audit committee of the Board (the “**Audit Committee**”) and the Board have considered the internal control review report prepared by an independent consultancy company and communications with the Company’s external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group’s risk management and internal control systems. The Company considers that sufficient risk management and internal control of the Group can be maintained with the abovementioned arrangements. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Save as disclosed in “Management Discussion and Analysis — Subscription of New Shares”, during the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The Audit Committee was established on 6 July 2015. The chairman of the Audit Committee is Mr. Chow Chun To, an independent non-executive Director, and other members comprise Ms. Wong Chi Yan and Professor Cheung Ka Yue, the other independent non-executive Directors. The Company has complied with Rule 5.28 of the GEM Listing Rules with three members comprising independent non-executive Directors only and at least one of the members of the Audit Committee is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code have been adopted. The written terms of reference of the Audit Committee have been revised pursuant to Board resolution passed on 28 March 2025 and are posted on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, oversee the financial controls, internal control procedures and risk management system, effectiveness of the Company's internal audit function, audit plan and relationship with external auditors and review arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's consolidated financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2025 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 March 2025 containing all the information required under the GEM Listing Rules will be made available on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.quantongkonggu.com and be despatched to the shareholders of the Company upon request, in due course.

APPRECIATION

The Company would like to thank the Group's customers, suppliers and business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

By order of the Board
China Hongbao Holdings Limited
Cheng Jun
Chairman and Executive Director

Hong Kong, 25 June 2025

As at the date of this announcement, the Board comprises Mr. Cheng Jun and Mr. Yu Hua as executive Directors; and Mr. Chow Chun To, Professor Cheung Ka Yue and Ms. Wong Chi Yan as independent non-executive Directors.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.quantongkonggu.com.