

# StarGlory Holdings Company Limited 榮暉控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8213)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

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## RESULTS

The board of directors (the “**Board**”) of the Company hereby announces the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Reporting Period**”), together with the comparative audited consolidated figures for the corresponding year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Revenue	2	<b>37,416</b>	99,391
Cost of sales		<u><b>(21,312)</b></u>	<u>(51,205)</u>
Gross profit		<b>16,104</b>	48,186
Other income	3	<b>451</b>	850
Gain on disposal of subsidiaries	4	–	6,087
Share of result of an associate		<b>(368)</b>	–
Impairment of interest in an associate		<b>(2,996)</b>	(2,888)
Operating expenses		<u><b>(30,346)</b></u>	<u>(64,252)</u>
Operating loss		<b>(17,155)</b>	(12,017)
Finance costs	5(a)	<u><b>(5,125)</b></u>	<u>(3,906)</u>
Loss before income tax	5	<b>(22,280)</b>	(15,923)
Income tax expenses	6(a)	<u>–</u>	<u>(381)</u>
Loss for the year		<u><b>(22,280)</b></u>	<u>(16,304)</u>
<b>Loss for the year attributable to:–</b>			
Owners of the Company		<b>(22,280)</b>	(16,205)
Non-controlling interests		<u>–</u>	<u>(99)</u>
		<u><b>(22,280)</b></u>	<u>(16,304)</u>
<b>Loss per share (HK cents)</b>	7		
– Basic		<u><b>(4.22)</b></u>	<u>(3.11)</u>
– Diluted		<u><b>(4.22)</b></u>	<u>(3.11)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year	<u>(22,280)</u>	<u>(16,304)</u>
<b>Other comprehensive income/(loss):–</b>		
Items that may be subsequently reclassified to profit or loss:–		
Exchange gain arising from translation of financial statements of foreign operations	100	920
Release of exchange reserve upon disposal of subsidiaries	<u>–</u>	<u>(2,290)</u>
Other comprehensive income/(loss) for the year, net of tax	<u>100</u>	<u>(1,370)</u>
<b>Total comprehensive loss for the year</b>	<u>(22,180)</u>	<u>(17,674)</u>
<b>Total comprehensive loss for the year attributable to:–</b>		
Owners of the Company	(22,180)	(16,439)
Non-controlling interests	<u>–</u>	<u>(1,235)</u>
	<u>(22,180)</u>	<u>(17,674)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Plant and equipment		1,584	1,437
Right-of-use assets	8	2,619	6,668
Intangible assets		4,671	5,077
Interest in an associate		1,461	4,825
		<u>10,335</u>	<u>18,007</u>
CURRENT ASSETS			
Inventories		65	247
Debtors, deposits and prepayments	9	11,484	15,056
Cash and cash equivalents	10	24,397	21,233
		<u>35,946</u>	<u>36,536</u>
DEDUCT:–			
CURRENT LIABILITIES			
Creditors and accruals	11	37,379	30,746
Other loans	12	106,321	108,549
Contract liabilities		536	856
Lease liabilities	13	2,940	5,877
Convertible bonds		–	40,000
		<u>147,176</u>	<u>186,028</u>
NET CURRENT LIABILITIES		<u>(111,230)</u>	<u>(149,492)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

	<i>Notes</i>	<b>2025</b> <b><i>HK\$'000</i></b>	2024 <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>(100,895)</b>	(131,485)
NON-CURRENT LIABILITIES			
Lease liabilities	<i>13</i>	<b>536</b>	1,732
Convertible bonds		<b>29,297</b>	—
		<b>29,833</b>	1,732
NET LIABILITIES		<b>(130,728)</b>	(133,217)
REPRESENTING:—			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		<b>44,405</b>	41,662
Reserves		<b>(175,133)</b>	(174,879)
TOTAL EQUITY		<b>(130,728)</b>	(133,217)

*Notes:*

**1. BASIS OF PREPARATION**

StarGlory Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 November 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The principal place of its business is 6/F., Southland Building, 48 Connaught Road Central, Central, Hong Kong. The Group are principally engaged in the provision of food and beverage services. The ultimate controlling party of the Group as at 31 March 2025 was Ms. Huang Li (“**Ms. Huang**” or the “**Controlling Shareholder**”).

The Company is listed on GEM of the Stock Exchange.

**(a) Compliance with Hong Kong Financial Reporting Standards**

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS Accounting Standards**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**HK(IFRIC) – Int**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

**(b) Initial application of HKFRSs**

In the current year, the Group initially applied the following amendments to HKFRSs:–

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

Except as described below, the application of the amendments to 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.

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

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

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

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

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

The application of the amendments in the current year had no material impact on the consolidated financial statements.

(c) **HKFRSs in issue but not yet effective**

The following new and amendments to HKFRSs in issue at 31 March 2025 have not been applied in the preparation of these consolidated financial statements since they were not yet effective for the annual period beginning on 1 April 2024:–

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

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

***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.



**(d) Adoption of the going concern basis**

When preparing the consolidated financial statements, the Group's ability to continue as a going concern has been assessed. These consolidated financial statements have been prepared by the Directors on a going concern basis notwithstanding that as at 31 March 2025, the Group had net current liabilities and net liabilities of approximately HK\$111,230,000 and HK\$130,728,000 respectively as the Directors considered that:–

- (1) Ms. Huang, being the sole beneficial owner and director of the ultimate holding company of the Group, has agreed to provide continuing financial support to the Group; and
- (2) On 11 June 2025, Mr. Tang Sing Ming Sherman (“**Mr. Tang**”), as a lender, who is also the sole beneficial owner of the convertible bonds (“**Convertible Bonds**”) issued by the Company, signed a memorandum of loans with a subsidiary of the Company, pursuant to which repayment date of a loan from Mr. Tang with an outstanding balance of principal and interest of approximately HK\$100,606,000 as at 31 March 2025 was extended (the “**Extension**”) from 22 June 2025 to 22 June 2026 (the “**Extended Loan**”). The Extended Loan bears the same term after the Extension.
- (3) Subsequent to 31 March 2025, a major supplier of the Group whom the Group owed an amount of approximately HK\$21,581,000 as at 31 March 2025, which were included in trade creditors under creditors and accruals as set out in note 11, has agreed not to demand for repayment for the amounts due to them before 30 June 2026.

After taking into consideration of the above factors and funds expected to be generated internally based on the Directors' estimation on the future cash flows of the Group, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the consolidated financial statements to be prepared on a going concern basis.

## 2. REVENUE

Revenue represents invoiced value recognized in respect of provision of food and beverage services, sales of cakes, net of discounts and value-added tax, during the year. An analysis of the revenue recorded for the year is set out below:–

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from customers and recognized on a point in time basis		
– Provision of food and beverage services	4,916	20,786
– Sales of cakes	<u>32,500</u>	<u>78,605</u>
	<u><b>37,416</b></u>	<u><b>99,391</b></u>

## 3. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income – <i>Note</i>	407	379
Exchange gain, net	–	241
Miscellaneous items	<u>44</u>	<u>230</u>
	<u><b>451</b></u>	<u><b>850</b></u>

*Note:–*

Amount included imputed interest income on rental deposits of HK\$342,000 (2024: HK\$212,200).

#### 4. GAIN ON DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2024, the Group disposed of its entire interest in the issued share capital in 華胤(深圳)生物科技有限公司 (“華胤生物科技”) and its subsidiary (collectively referred to as the “華胤生物科技 Group”) to an independent third party and a subsidiary of 華胤生物科技, at an aggregate cash consideration of RMB2 (equivalent to approximately HK\$2).

The principal activities of 華胤生物科技 Group are investment holding and trading of healthcare products. The Group has acknowledged the significant challenges that exist in the domestic market, such as fierce competition and formidable entry barriers, and it therefore took a strategic decision to halt its endeavours in the industry during the first half of the Reporting Period.

The net liabilities of 華胤生物科技 Group being disposed of were as follows:

	<i>HK\$'000</i>
Plant and equipment	20
Debtors, deposits and prepayments	970
Cash and bank balances	506
Creditors and accruals	<u>(8,538)</u>
Net liabilities disposed of	(7,042)
Release of exchange reserve	<u>(2,290)</u>
	(9,332)
Non-controlling interests	3,245
Gain on disposal of subsidiaries	<u>6,087</u>
	<u><u>—</u></u>
Total consideration satisfied by:—	
Cash consideration	<u><u>—</u></u>
Net cash outflow arising:—	
Cash consideration received	—
Cash and bank balances disposed of	<u>(506)</u>
	<u><u>(506)</u></u>

## 5. LOSS BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000
<b>Loss before income tax is arrived at after charging/(crediting):–</b>		
<b>(a) Finance costs:–</b>		
Interest expenses on other loans	1,174	1,174
Interest expense on convertible bonds	3,067	800
Imputed interest expense on reinstatement provision	8	–
Interest expenses on lease liabilities	316	663
Other bank charges	560	1,269
	<u>5,125</u>	<u>3,906</u>
<b>(b) Other items:–</b>		
Amortization of other intangible assets	406	830
Depreciation of plant and equipment	596	2,183
Depreciation of right-of-use assets	7,200	8,313
Auditor's remuneration for audit services	699	650
Variable lease payment not included in the measurement of lease liabilities	544	539
Short-term lease expenses	380	2,569
Directors' remuneration	1,028	992
Other staff salaries and benefits	12,402	29,401
Retirement scheme contributions	500	1,281
Other staff costs	12,902	30,682
Cost of sales (including cost of purchases of HK\$21,271,000 (2024: HK\$51,205,000), other direct expenses and overhead cost of HK\$41,000 (2024: Nil))	21,312	51,205
Impairment provision on other debtors	–	3,581
Reversal of long service payment	(310)	–
Reversal of impairment on trade debtors	–	(205)
Loss on disposal and written off of plant and equipment, net	–	606

## 6. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:–

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Deferred tax expense	–	381
Income tax expense	<u>–</u>	<u>381</u>

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) The Company’s subsidiaries incorporated/established in Hong Kong and the People’s Republic of China (“**PRC**”) are subject to Hong Kong Profits Tax and PRC Enterprise Income Tax at the rates of 16.5% and 25% respectively (2024: Hong Kong – 16.5% and PRC – 25% respectively).

(b) The income tax expenses for the year can be reconciled to the loss before income tax per consolidated statement of profit or loss for the year as follows:–

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Loss before income tax	<u>(22,280)</u>	<u>(15,923)</u>
Tax effect at the Hong Kong profits tax rate of 16.5% (2024: 16.5%)	(3,676)	(2,627)
Tax rates differential	(665)	(148)
Tax effect of income that are not taxable	(240)	(1,158)
Tax effect of expenses that are not deductible	2,485	1,804
Tax effect of tax losses not recognized	2,628	1,717
Tax effect of temporary differences not recognized	<u>(532)</u>	<u>793</u>
Income tax expenses	<u>–</u>	<u>381</u>

(c) The components of unrecognized deductible/taxable temporary differences in certain subsidiaries of the Company were as follows:–

- (i) The Group's total tax loss accumulated in its Hong Kong subsidiaries and PRC subsidiaries as at 31 March 2025 were approximately HK\$81,163,000 (2024: HK\$71,908,000) and RMB3,949,000 (2024: RMB34,782,000), respectively. These unrecognized tax losses accumulated in the Hong Kong subsidiaries of the Company can be carried forward indefinitely. The unrecognized tax losses accumulated in PRC subsidiaries can be carried forward for a maximum of five years. The unrecognized tax losses accumulated in PRC subsidiaries amounted to approximately RMB34,782,000 (2024: RMB5,436,000) were lapsed during the year. Deductible temporary differences in respect of these estimated unrecognised tax losses have not been recognized owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.

## **7. LOSS PER SHARE**

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$22,280,000 (2024: HK\$16,205,000) and the weighted average number of ordinary shares of 528,098,685 (2024: ordinary shares of (520,771,875) in issue during the years ended 31 March 2025 and 2024.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since this assumed exercise would result in decrease in loss per share for both 2025 and 2024.

## 8. RIGHT-OF-USE ASSETS

### Leasehold properties HK\$'000

Cost:–

At 1.4.2023	52,798
Exchange adjustment	(30)
Additions	779
Expiry of leases arrangements	<u>(26,793)</u>

At 31.3.2024	<u>26,754</u>
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Accumulated depreciation:–

At 1.4.2023	32,033
Exchange adjustment	(8)
Charge for the year	8,313
Expiry of leases arrangements	<u>(26,793)</u>

At 31.3.2024	<u>13,545</u>
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Accumulated impairment:–

At 1.4.2023 and 31.3.2024	<u>6,541</u>
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Net book value:–

At 31.3.2024	<u><u>6,668</u></u>
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**Leasehold  
properties**  
*HK\$'000*

Cost:–

At 1.4.2024	26,754
Exchange adjustment	(13)
Additions	2,699
Expiry of leases arrangements	(16,700)
	<hr/>
<b>At 31.3.2025</b>	<b>12,740</b>
	<hr/>

Accumulated depreciation:–

At 1.4.2024	13,545
Exchange adjustment	(465)
Charge for the year	7,200
Expiry of leases arrangements	(11,323)
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<b>At 31.3.2025</b>	<b>8,957</b>
	<hr/>

Accumulated impairment:–

At 1.4.2024	6,541
Expiry of leases arrangements	(5,377)
	<hr/>
<b>At 31.3.2025</b>	<b>1,164</b>
	<hr/>

Net book value:–

<b>At 31.3.2025</b>	<b>2,619</b>
	<hr/> <hr/>

The Group has entered into lease agreements to obtain the right to use properties as its office premises, restaurants, cafés and cake shops and as a result recognized corresponding lease liabilities (Note 13). The leases (other than short-term leases) typically run for an initial period of 1 to 6 years. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, the Group applies the definition of a contract and determines the period for which the contract is enforceable.



## Lease payments

Leases of restaurants, cafés and cake shops are either with only fixed lease payments or contain variable lease payment that are based on 10% to 15% (2024: 10% to 15%) of sales and minimum annual lease payments that are fixed over the lease term. The payment terms are common in restaurants, cafés and cake shops in the locations where the Group operates. Leases of office premises are with fixed lease payments only. The amounts of fixed and variable lease payments paid/payable to relevant lessors for the years ended 31 March 2025 and 2024 include:

### 2025

	Number of leases	Fixed payments <i>HK'000</i>	Variable payments <i>HK'000</i>	Total payments <i>HK'000</i>
Office premises without variable lease payments	5	2,391	–	2,391
Restaurants, cafés and cake shops with variable lease payments	16	4,857	544	5,401
Total	21	7,248	544	7,792

### 2024

	Number of leases	Fixed payments <i>HK'000</i>	Variable payments <i>HK'000</i>	Total payments <i>HK'000</i>
Office premises and staff quarters without variable lease payments	8	2,092	–	2,092
Restaurants, cafés and cake shops without variable lease payments	1	642	–	642
Restaurants, cafés and cake shops with variable lease payments	33	17,741	539	18,280
Total	42	20,475	539	21,014

The overall financial effect of using variable payment terms is that higher rental costs are incurred by restaurants, cafés and cake shops with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of restaurants, cafés and cake shops sales in future years.

## Short-term lease expenses

Information regarding short-term lease expenses are disclosed in Notes 5(b).

## Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used by the Group as security for borrowing purposes.

## Extension option

As of 31 March 2025 and 2024, no extension options were embedded in the lease arrangements.

## 9. DEBTORS, DEPOSITS AND PREPAYMENTS

Debtors, deposits and prepayments comprise:–

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade debtors	311	693
Less: loss allowance	–	–
	<u>311</u>	<u>693</u>
Rental and utility deposits	4,676	6,812
Prepayments	2,987	5,011
Other debtors	3,510	2,540
	<u>11,484</u>	<u>15,056</u>

### (a) Loss allowance

Loss allowance in respect of trade debtors is recorded using loss allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the loss allowance is written off against trade debtors.

Movements of loss allowance for trade debtors are as follows:–

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	–	205
Reversal of impairment	–	(205)
At end of the year	<u>–</u>	<u>–</u>

**(b) Aging analysis**

The Group normally allows credit term of 180 days to its customers for trading of healthcare products. The trading terms with the Group's customers for provision of food and beverage services are mainly on cash and non-cash basis settlements, except for well established corporate customers who are granted credit term of 30-60 days. For non-cash basis settlements, the counterparties normally settle the balances within 2-60 days. The following was an aging analysis of trade debtors (net of loss allowance), which included outstanding balances for non-cash basis settlements, based on the invoice date, at the end of the reporting period:—

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
0 – 30 days	<b>166</b>	643
31 – 60 days	<b>1</b>	12
61 – 90 days	<b>–</b>	4
91 – 180 days	<b>144</b>	34
	<b>311</b>	<b>693</b>

**(c) Trade debtors that are not impaired**

The aging analysis of trade debtors that are not considered to be impaired was as follow:—

	<b>2025</b> <b>HK\$'000</b>	<b>2024</b> <b>HK\$'000</b>
Neither past due nor impaired	<b>166</b>	643
Past due but not impaired:—		
1 – 30 days	<b>1</b>	12
31 – 60 days	<b>–</b>	4
61 – 90 days	<b>–</b>	34
91 – 180 days	<b>144</b>	–
	<b>145</b>	50
	<b>311</b>	<b>693</b>

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no loss allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade debtors. To measure the ECLs, these debtors have been grouped based on shared credit risk characteristics and the aging from billing.

## 10. CASH AND CASH EQUIVALENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cash and bank balances	<u><b>24,397</b></u>	<u><b>21,233</b></u>

As at 31 March 2025, cash and cash equivalents of the Group which is denominated in RMB amounted to approximately HK\$2,436,000 (2024: approximately HK\$10,208,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

## 11. CREDITORS AND ACCRUALS

Creditors and accruals comprise:–

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade creditors	23,133	16,556
Accruals and provisions	4,260	5,281
Interest payables	9,277	7,166
Other creditors and payables	<u>709</u>	<u>1,743</u>
	<u><b>37,379</b></u>	<u><b>30,746</b></u>

The following was an aging analysis, based on invoice date, of trade creditors:–

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	1,791	969
31 – 60 days	2,746	696
61 – 90 days	2,294	1,855
91 – 180 days	3,328	5,227
Over 180 days	<u>12,974</u>	<u>7,809</u>
	<u><b>23,133</b></u>	<u><b>16,556</b></u>

## 12. OTHER LOANS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other loans – current	<u>106,321</u>	<u>108,549</u>

Other loan from a lender of approximately HK\$97,864,000 (2024: HK\$97,864,000) as at 31 March 2025 is unsecured, carries interest rate at 0.1% per month and repayable on 22 June 2025 (2024: 22 June 2024). Remaining loans of HK\$2,508,000 (2024: HK\$2,536,000) are interest-free, unsecured and repayable on demand. On 11 June 2025, Mr. Tang Sing Ming Sherman, as the lender, who is also the sole beneficial owner of the Convertible Bonds issued by the Company, signed a memorandum of loans with a subsidiary of the Company, pursuant to which repayment date of a loan from Mr. Tang with an outstanding balance of principal and interest of approximately HK\$100,606,000 as at 31 March 2025 was extended from 22 June 2025 to 22 June 2026. The Extended Loan bears the same term after the Extension. The rest of the loan from Mr. Tang is interest-free, unsecured and repayable on demand.

Interest payable to this lender of approximately HK\$2,742,000 (2024: HK\$1,567,000) is included in interest payables.

Other loan of approximately HK\$5,949,000 (2024: HK\$8,149,000) as at 31 March 2025 and 2024 are unsecured, interest-free and repayable on demand.

Interest payable to this lender of approximately HK\$Nil (2024: HK\$Nil) is included in interest payables.

### 13. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:–

	Present value of minimum lease payments		Minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Amounts payable:–				
Within one year	2,940	5,877	3,039	6,119
In the second to fifth year	536	1,732	546	1,814
	<u>3,476</u>	<u>7,609</u>	<u>3,585</u>	<u>7,933</u>
Less: Future finance charges			(109)	(324)
Present value of lease obligation			<u>3,476</u>	<u>7,609</u>

### 14. RELATED PARTY AND CONNECTED TRANSACTIONS

The Group had no material transactions with its related parties and connected persons as defined in HKAS 24 and GEM Listing Rules in both years.

The remunerations of Directors and other members of key management personnel during the year ended 31 March 2025 and 2024 were as follows:

Directors and key management personnel remunerations	2025 HK\$'000	2024 HK\$'000
Fees	780	820
Salaries, allowances and other benefits in kind	2,620	3,789
Performance related bonuses	48	166
Retirement scheme contributions	50	65
	<u>3,498</u>	<u>4,840</u>

### 15. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors, being the chief operating decision maker (“CODM”) in order to allocate resources to the segment and to assess its performance.

During the year ended 31 March 2025, the Group principally operated in two business units, and had two reportable and operating segments: food and beverage and healthcare business.

(a) **Segment revenue and results**

**For the year ended 31 March 2025**

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

	<b>Food and beverage</b>		<b>Healthcare</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Segment revenue (external)	<u>37,416</u>	<u>99,391</u>	<u>–</u>	<u>–</u>	<u>37,416</u>	<u>99,391</u>
Segment loss	<u>(3,573)</u>	<u>(5,130)</u>	<u>(644)</u>	<u>(870)</u>	<u>(4,217)</u>	<u>(6,000)</u>
Interest income					65	379
Share of result of an associate					(368)	–
Miscellaneous items					32	–
Impairment of interest in an associate					(2,996)	(2,888)
Exchange gain, net					–	241
Finance costs					(4,363)	(3,906)
Gain on disposal of subsidiaries					–	6,087
Loss allowance on other debtors					–	(3,581)
Depreciation of plant and equipment					(69)	(92)
Depreciation of right-of-use assets					(1,445)	(1,415)
Unallocated operating expenses					<u>(8,919)</u>	<u>(4,748)</u>
Loss before income tax					<u>(22,280)</u>	<u>(15,923)</u>

Segment loss represents the loss incurred from each segment without the allocation of interest income, share of result of an associate, miscellaneous items, impairment of interest in an associate, exchange gain, net, finance costs, gain on disposal of subsidiaries, loss allowance on other debtors and central operating expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

(b) **Segment assets and liabilities**

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

**As at 31 March 2025**

***Segment assets***

	<b>Food and beverage</b>		<b>Healthcare</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Segment assets	<u>16,813</u>	<u>23,791</u>	<u>1,117</u>	<u>5,475</u>	<u>17,930</u>	<u>29,266</u>
Unallocated assets					<u>28,351</u>	<u>25,277</u>
Consolidated total assets					<u>46,281</u>	<u>54,543</u>

### *Segment liabilities*

	Food and beverage		Healthcare		Total	
	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment liabilities	<u>129,852</u>	<u>111,095</u>	<u>1,542</u>	<u>1,990</u>	<u>131,394</u>	<u>113,085</u>
Unallocated liabilities					<u>45,615</u>	<u>74,675</u>
Consolidated total liabilities					<u><u>177,009</u></u>	<u><u>187,760</u></u>

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

All assets are allocated between operating segments other than certain plant and equipment, certain right-of-use assets, certain deposits and prepayments, certain cash and cash equivalents and unallocated corporate assets of headquarter.

All liabilities are allocated between operating segments other than certain creditors and accruals, certain lease liabilities, convertible bonds and unallocated corporate liabilities of headquarter.

### **(c) Segment information**

**For the year ended 31 March 2025**

	Food and beverage		Healthcare		Total	
	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:						
Depreciation of plant and equipment	527	2,091	–	–	527	2,091
Depreciation of right-of-use assets	5,306	6,620	450	278	5,756	6,898
Franchise and royalties expenses	717	3,010	–	–	717	3,010
Short term lease expenses	–	2,569	–	–	–	2,569
Amortization of other intangible assets	<u>406</u>	<u>830</u>	<u>–</u>	<u>–</u>	<u>406</u>	<u>830</u>
Additions to non-current assets	<u><u>1,893</u></u>	<u><u>173</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>1,893</u></u>	<u><u>173</u></u>



(d) **Geographical information**

	PRC		Hong Kong		Total	
	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u>—</u>	<u>—</u>	<u>37,416</u>	<u>99,391</u>	<u>37,416</u>	<u>99,391</u>
Non-current assets	<u><b>2,341</b></u>	<u>1,101</u>	<u><b>7,994</b></u>	<u>16,906</u>	<u><b>10,335</b></u>	<u>18,007</u>

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on (i) the physical location of the assets, in the case of plant and equipment (ii) the location of the operation to which they are allocated, in the case of intangible assets and right-of-use assets, and (iii) the location of operation to which they are incurred, in the case of deposits paid.

(e) **Major customers**

The Group's customer base is diversified and no revenue from transactions with a single external customer amount to 10% or more of the Group's revenue for the years ended 31 March 2025 and 2024.

**16. DIVIDEND**

No dividend has been paid or declared by the Company for the years ended 31 March 2025 and 2024 nor up to the date of this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's audited revenue for the Reporting Period amounted to approximately HK\$37.4 million (2024: approximately HK\$99.4 million), representing a decrease of approximately 62.4% compared with the last financial year. Loss attributable to owners of the Company was approximately HK\$22.3 million (2024: approximately HK\$16.2 million) for the Reporting Period, representing an increase of approximately 37.7% compared with the last financial year. The increase was primarily due to the decrease in gross profit as a result of the decrease in revenue, decrease in other income, increase in finance cost and the absence of a gain on disposal of subsidiaries as had been recorded in the last financial year. The above adverse effects are offset by decrease in operating expenses resulting from effective cost control measures and improved operational measures adopted during the Reporting Period. Further detailed explanations can be found in the financial review section.

## INDUSTRY OVERVIEW

During the Reporting Period, global economic growth remained constrained by factors such as high interest rates, geopolitical volatility, and climate-related risks. According to the United Nations' World Economic Situation and Prospects, global GDP growth is projected at 2.4% in 2024, with a modest rise to 2.7% in 2025, both below the pre-pandemic (2010-2019) average of 3.2%.

China's economy demonstrated notable resilience, with full-year 2024 GDP growth reaching 5.2% year-on-year. Preliminary data for the first quarter of 2025 indicated a continuation of this stable trend. Industrial value-added output from large enterprises grew robustly by 4.6% in 2024, while high-tech manufacturing expanded at a faster pace of 7.5%.

In March 2024, the Chinese government launched the Action Plan for Promoting Large-Scale Equipment Renewal and Consumer Goods Replacement, driving industrial transformation through equipment modernization and consumption upgrades. The policy prioritizes high-tech manufacturing sectors, including new energy vehicles, solar panels, and battery technologies, while accelerating industrial equipment optimization. Additionally, the "14th Five-Year Plan: Modern Energy System Plan" continues to be implemented, with clean energy accounting for approximately 40% of total power generation by end-2024 – a figure expected to rise further in 2025. Backed by policy support, China's clean energy sector is expanding rapidly. Per National Energy Administration the share of clean energy in power generation has exceeded 45% in the first quarter of 2025, with new energy supply chain fueling demand for advanced materials.

Hong Kong's economy showed moderate recovery, with full-year 2024 GDP growth at 3.3% and first quarter of 2025 estimates ranging between 2.8%–3.2% year-on-year. However, weak local consumption and intensifying market competition pressured the food and beverage sector. Data from the Census and Statistics Department revealed a 2.8% year-on-year decline in total food and beverage revenue for the fourth quarter of 2024 to HK\$25.5 billion. The Hong Kong Federation of Restaurants and Related Trades noted around 200 restaurant closures in the first quarter of 2025, attributed to mainland brand expansions and shifting consumption patterns. The deepening "one-hour living circle" effect and the normalization of the "Northbound Travel for Hong Kong Vehicles" scheme further reshaped local consumption dynamics. Industry players are actively exploring innovative strategies to adapt to the rapidly evolving market landscape.

## BUSINESS REVIEW

During the Reporting Period, Hong Kong's economy continued to face multiple challenges, with the food and beverage sector operating in an exceptionally demanding environment. Despite the HKSAR government's efforts to stimulate economic activity through initiatives like "Hong Kong Night Vibes" and major events, the local dining industry grappled with persistent headwinds – shifting consumption patterns, labor shortages, high operating costs, the normalization of cross-border consumption, and substitution effects from e-commerce. These factors collectively pressured industry performance.

The Group's food and beverage revenue experienced significant impact, particularly during holiday periods when the prevalence of cross-border consumption dampened growth in local customer traffic. In response, we leveraged the strength of our flagship Italian Tomato brand and its reputation in Hong Kong's food and beverage sector to enhance menu design and product offerings, improving appeal to both local patrons and visitors. Strategic initiatives included launching festive promotions and introducing trendy character-themed cakes, baked goods, and related products to boost foot traffic and stabilize revenue.

Concurrently, the Group maintained rigorous cost control measures, optimizing operations by balancing food costs against revenue ratios. Since 2023, we decisively outsourced select production processes while implementing stringent inventory management, operational standards, and procurement efficiency programs. These steps ensured consistent delivery of high-quality cakes while achieving effective cost containment. However, the competitive landscape is undergoing profound changes as the "one-hour living circle" effect intensifies and mainland food and beverage brands accelerate their expansion into Hong Kong.

While navigating challenges in traditional food and beverage, the Group capitalized on global sustainability trends and China's "dual-carbon" strategy to pursue a strategic pivot. Recognizing China's robust advanced materials infrastructure and strong policy support, we entered into the renewable energy and advanced materials sectors. Focusing on a critical segment of the photovoltaic ("PV") value chain, we prioritized research and development and commercialization of precision screen-printing technology – a decisive factor in enhancing solar cell efficiency. As precision screens are essential components for PV cell manufacturing, the Group conducted extensive preliminary market research to understand industry trends.

Our collaboration with Harbin Institute of Technology, Weihai, culminated in a Memorandum of Understanding to co-develop this technology. Following the successful completion of due diligence in December 2023, the Group secured exclusive sales rights, along with associated IP and patents. Client shipments for production-line testing commenced in February 2025, with industrial-scale validation expected by mid-year. To address growing demand in China's hydrogen sector, the Group is positioning itself in the titanium fiber felt market. Through joint research with Harbin Institute of Technology, Weihai, we developed China's first hydrogen-grade titanium fiber felt with filament diameters of 8-11 micrometers (patent pending). Samples were delivered to multiple mainland enterprises for in-line testing in May 2025, while we actively explore strategic alliances with industry leaders to strengthen market penetration.

## **FUTURE PROSPECTS**

The Group will adopt a dual strategy of “consolidating core businesses while pursuing strategic breakthroughs.” For our Hong Kong food and beverage operations, we will maintain the current business model, ensuring stable performance of core brands like Italian Tomato. Our focus will be on optimizing cost structures and enhancing operational efficiency through improved supply chain management and digital transformation to sustain stable business performance.

The Group will continue to enhance the Group’s businesses through the review of its existing business portfolio from time to time and also seek suitable investment opportunities in the long run so as to broaden the source of income of the Group and diversify the Group’s business portfolio on an on-going basis laying a solid foundation for long-term sustainable growth and creating enduring value for shareholders.

## **FINANCIAL REVIEW**

### **Consolidated results of operations**

For the Reporting Period, the Group recorded a total revenue of approximately HK\$37.4 million (2024: approximately HK\$99.4 million), from provision of food and beverage services of approximately HK\$37.4 million (2024: approximately HK\$99.4 million), representing a decrease of approximately 62.4% for the food and beverage section compared to the last financial year. This decrease in revenue reflects the ongoing transformation in consumer behavior patterns, characterized by a measured shift towards value-oriented purchasing decisions amid evolving macroeconomic conditions. The emergence of cross-border consumption alternatives has further influenced this trend. The interplay of regional market dynamics and the growing presence of e-commerce platforms has presented new challenges for Hong Kong’s food and beverage sector. While the Hong Kong government’s initiatives to stimulate consumption have yielded modest improvements in consumer sentiment, the industry continues to navigate through a period of adjustment.

Loss attributable to owners of the Company was approximately HK\$22.3 million (2024: approximately HK\$16.2 million).

### **Gross profit**

The gross profit margin from the operations of the Group was approximately 43.0% (2024: approximately 48.5%), it remains stable. In response to evolving market dynamics, the Group has proactively diversified its product portfolio by introducing an expanded range of peripheral and seasonal offerings, including mooncakes, egg rolls, and French palmier products. While these new product categories currently operate at different margin profiles compared to our traditional cake offerings, they represent an important strategic initiative to broaden our market reach and create additional revenue streams. The Group remains focused on optimizing its product mix and implementing operational enhancements to gradually strengthen overall profitability while maintaining market competitiveness.

## **Other income**

Other income of the Group for the Reporting Period decreased by 46.9% to approximately HK\$0.5 million (2024: approximately HK\$0.9 million). The decrease was mainly due to the decrease in miscellaneous income, and the fact that there was no net exchange gain during the Reporting Period, whereas a net exchange gain was recorded in the last financial year.

## **Impairment of interest in an associate**

An impairment loss of approximately HK\$3.0 million (2024: HK\$2.9 million) was recognised for the Group's interest in Weihai Qingying Precision Technology Company Limited (威海清影精工科技有限公司) for the year. The recoverable amount of the associate, determined by an impairment assessment, was lower than its carrying amount due to the associate's continued losses and a delay in the commencement of its planned mass production.

## **Finance costs**

Finance cost of the Group for the Reporting Period increased by 31.2% to approximately HK\$5.1 million (2024: approximately HK\$3.9 million). This increase was primarily attributable to higher interest expenses on convertible bonds, resulting from the reassessment of their fair value following an extension.

## **Operating expenses**

The Group strived to exercise stringent cost control and further enhanced operational efficiency during the Reporting Period. As a result, total operating expenses for the operations decreased by approximately 52.77% to approximately HK\$30.3 million (2024: approximately HK\$64.3 million). The decrease in operating expenses as compared to last financial year was in line with the decrease in revenue and also reflects the Group's strategic refinement of its retail portfolio, specifically the calibrated optimization of our outlet network. This measured action aligns with its strategic imperative to enhance resource allocation and strengthen operations around high-potential locations. As a result of these strategic initiatives, the Group achieved an improvement in operational efficiency, with total operating expenses moderated to HK\$30.3 million during the Reporting Period.

A breakdown of the operating expenses are set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Amortization of other intangible assets	406	830
Auditor's remuneration	699	650
Building management fee and rates	523	2,476
Cleaning	218	812
Depreciation of plant and equipment	596	2,183
Depreciation of right-of-use assets	7,200	8,313
Directors' remuneration	1,028	992
Franchise and royalties	717	3,010
Impairment provision on other debtors	–	3,581
Insurance	358	686
Legal and professional fee	2,364	2,067
Loss on disposal and written off of plant and equipment	–	606
Marketing	807	163
Other staff costs	12,902	30,682
Repair and maintenance	253	170
Short-term lease expenses	380	2,569
Takeaway supplies	649	1,546
Utilities	421	1,813
Variable lease payment not included in the measurement of lease liabilities	544	539
Others	281	564
	<b>30,346</b>	<b>64,252</b>

### Financial resources and liquidity

As at 31 March 2025, the Group's current assets amounted to approximately HK\$35.9 million (2024: approximately HK\$36.5 million) of which approximately HK\$24.4 million (2024: approximately HK\$21.2 million) was cash and cash equivalents, approximately HK\$11.5 million (2024: approximately HK\$15.1 million) was debtors, deposits and prepayments. The Group's current liabilities amounted to approximately HK\$147.2 million (2024: approximately HK\$186.0 million), including creditors and accruals in the amount of approximately HK\$37.4 million (2024: approximately HK\$30.7 million), approximately HK\$106.3 million (2024: approximately HK\$108.5 million) was other loans.

As at 31 March 2025, the principal amount of the convertible bonds issued by the Company amounted to approximately HK\$40 million (2024: approximately HK\$40 million). On 13 August 2021, the Company entered into the third supplemental deed with the bondholder pursuant to which the Company and the bondholder agreed to extend the maturity date of the Convertible Bond (as defined in the announcement of the Company dated 13 August 2021) for 36 months from the date falling on the sixth anniversary of the date of issue of the convertible bonds, being 15 August 2021, to 15 August 2024. On 12 August 2024, the Company entered into the Fourth Supplemental Deed with the bondholders, Mr. Tang, pursuant to which the Company and the bondholder agreed to further extend the maturity date of the Convertible Bonds by 36 months, being 15 August 2024, to 15 August 2027.

The current ratio and quick assets ratio of the Group as at 31 March 2025 were 0.24 and 0.23 respectively (2024: 0.20 and 0.17 respectively). As the Group incurred net liabilities as at 31 March 2025 and 31 March 2024, there is no debt-to-equity ratio, which is expressed as a ratio of total debts less cash and bank balances to total equity, to be calculated. The gearing ratio of the Group, which is calculated by dividing total liabilities (being non-current liabilities and current liabilities) over total assets (being non-current assets and current assets) as at the end of the year and multiplying by 100% was 382% (2024: 344%).

### **Foreign exchange**

During the years ended 31 March 2025 and 31 March 2024, the Group conducted commercial transactions in the PRC denominated in Renminbi. Fluctuations in exchange rates of Renminbi against Hong Kong Dollar could affect the Group's results of operations.

During the Reporting Period, no hedging transactions or other exchange rate arrangements were made (2024: Nil).

### **Charges on the Group's assets**

No Group's assets had been pledged or charged as at 31 March 2025 (2024: Nil).

### **Capital Structure**

The Group's operations were financed mainly by internal funds, loans from the sole beneficial owner of the convertible bonds issued by the Company, loans from independent third party and fund raised from rights issue. The Group will continue to adopt its treasury policy of placing its cash and cash equivalents as interest-bearing deposits. The Group's cash and cash equivalents were mainly denominated in Hong Kong dollar and the Group's other loans and convertible bonds issued by the Company both were denominated in Hong Kong dollar, as at 31 March 2025 amounted to approximately HK\$106,300,000 and HK\$29,300,000, respectively (2024: approximately HK\$108,500,000 and HK\$40,000,000, respectively). As at 31 March 2025, the Group's borrowings with fixed interest rates amounted for 100% (2024: 100%) of total borrowings.

On 13 January 2025, a total of 34,285,713 subscription shares were allotted and issued to two subscribers (the “**Subscription**”) at the subscription price of HK\$0.35 per subscription share.

For details of the Subscription, please refer to the announcements of the Company dated 18 December 2024 and 13 January 2025.

### **Acquisition, disposal and significant investment held**

The Group did not carry out significant acquisition or disposal of subsidiaries and associates or held any significant investment during the Reporting Period.



**Capital commitments**

As at 31 March 2025, the Group's outstanding capital commitments were approximately HK\$2,384,000 (2024: approximately HK\$1,875,000).

**Contingent liabilities**

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

**Dividend**

No dividend has been paid or declared by the Company for the years ended 31 March 2025 and 2024 up to the date of this announcement.

**Employees and remuneration policies**

As at 31 March 2025, the Group had 50 full-time employees in Hong Kong and the PRC (2024: 62 full-time employees in Hong Kong and the PRC). The remuneration of employees of the Group is determined by reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward of their contributions. Other fringe benefits such as medical subsidies, medical insurance, education/training subsidies and pension fund plans are offered to most employees. Share options are granted at the discretion of the Board and under the terms and conditions of the share option schemes adopted on 26 February 2003, 20 July 2012 and 22 September 2023.

**EVENTS AFTER THE REPORTING PERIOD**

No important events affecting the Group occurred since 31 March 2025 and up to the date of this announcement.



## **PERMITTED INDEMNITY PROVISION**

Article 167(1) of the articles of association of the Company provides that every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. A Directors' Liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the Reporting Period, the aggregate amounts of revenue attributable to the Group's five largest customers was less than 30% (2024: less than 30%) of the Group's total revenue. And, the aggregate amounts of purchases attributable to the Group's five largest suppliers accounted for approximately 97% (2024: approximately 93%) and our single largest supplier accounted for approximately 85% (2024: approximately 79%) of the Group's total purchases.

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) has any interest in the Group's five largest suppliers or customers during the Reporting Period.

## **MANAGEMENT CONTRACTS**

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

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2025, so far as the Directors were aware, the interests, short positions or long positions of the directors and the chief executives of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Long positions in Shares of the Company

Name	Capacity in which interests are held	Number of Shares held	Approximate percentage of the Company's issued voting Shares (Note 1) %
Ms. Pang Xiaoli	Beneficial owner	410,000	0.07

#### Notes:

(1) Based on 555,057,588 ordinary Shares of the Company in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, so far as the Directors were aware, none of the Directors and the chief executives of the Company had any interest, short position or long position 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) (i) 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, short positions and long positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 31 March 2025, according to the register kept by the Company pursuant to section 336 of the SFO, so far as the Directors were aware, the following persons (other than the Directors whose interests are disclosed above) had, or were deemed or taken to have, an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept under section 336 of the SFO:

### Long positions in shares of the Company

Name of shareholders	Capacity in which interests were held	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares	Approximate percentage of the Company's issued voting shares (Note 4) %
Oceanic Fortress Holdings Limited (Note 1)	Beneficial owner	296,887,066	–	296,887,066	53.49
Ms. Huang Li (Note 1)	Interest of corporation controlled by Ms. Huang Li	296,887,066	–	296,887,066	53.49
	Beneficial owner	5,280,000	–	5,280,000	0.95
Mr. Tang Sing Ming Sherman (Note 2)	Beneficial owner	–	71,428,571	71,428,571	12.87
Ms. Ho Ming Yee (Note 3)	Interest of a substantial shareholder's spouse	–	71,428,571	71,428,571	12.87

#### Notes:

- (1) 296,887,066 shares are held by Oceanic Fortress Holdings Limited, the entire issued shares of which are owned by Ms. Huang Li.
- (2) Mr. Tang Sing Ming Sherman holds the convertible bonds in respect of the outstanding principal amount of HK\$40,000,000, under which a total of 71,428,571 ordinary shares would be issued upon full exercise of the conversion rights attaching thereto. Upon full conversion of the convertible bonds, Mr. Tang Sing Ming Sherman would hold 71,428,571 ordinary shares, representing approximately 12.87% of the issued share capital of the Company as at 31 March 2025.
- (3) Ms. Ho Ming Yee is the spouse of Mr. Tang Sing Ming Sherman, and is therefore deemed to be interested in the same number of shares held by Mr. Tang Sing Ming Sherman.
- (4) Based on 555,057,588 ordinary shares of the Company in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, so far as the Directors were aware, the Directors were not aware of any person (other than the Directors whose interests are disclosed above) who had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group or had any options in respect of such capital.

## **SHARE SCHEME**

The Company has adopted share option schemes on 26 February 2003 which expired on 25 February 2013, on 20 July 2012 which expired on 19 July 2022, and on 22 September 2023 (the “**Adoption Date**”) (the “**New Share Option Scheme**”), respectively (collectively, the “**Share Option Schemes**”). The terms of the New Share Option Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the New Share Option Scheme:

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

### **(A) Purpose**

The New Share Option Scheme is to recognize and acknowledge the contributions made by Eligible Option Participants (as defined below) and, to provide additional incentive to motivate Eligible Option Participants and to enhance the Group’s success. The New Share Option Scheme will give the Eligible Option Participants an opportunity to have a personal stake in the Group and will help motivate the Eligible Option Participants in optimizing their performance and efficiency and attract and retain the Eligible Option Participants whose contributions are important to the long-term growth and profitability of the Group.

### **(B) Duration**

Subject to any early termination as may be determined by the Board pursuant to the scheme rules of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

### **(C) Eligible Option Participants**

The Eligible Option Participants of the New Share Option Scheme include: (a) the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted options under the New Share Option Scheme as inducement to enter into employment contracts with the Group) (the “**Employee Participant(s)**”); and (b) person(s) who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer (the “**Service Provider(s)**”), provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

**(D) Maximum Number of Shares Available for Issue**

The maximum number of Shares which may be allotted and issued in respect of all options to be granted under the New Share Option Scheme shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders' approval, which is 52,077,187 Shares. At the date of this annual results announcement, a total of 52,077,187 Shares, representing 10% of the issued share capital of the Company (excluding treasury shares), are available for issue under the Share Option Scheme. The Service Provider sublimit of the New Share Option Scheme will be 1% of total number of the issued Shares as of the Adoption Date.

**(E) Maximum Entitlement of Each Eligible Option Participant**

Where any grant of options to an Eligible Option Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Option Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Option Participant and his/her close associates (or associates if the Eligible Option Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Option Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Option Participant in the twelve (12)-month period), the purpose of granting options to the Eligible Option Participant, an explanation as to how the terms of the options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Option Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

**(F) Grant and Acceptance of Options**

An option may be exercised in accordance with the scheme rules of the New Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. An offer for the grant of options shall remain open for acceptance for a period of twenty-one days, including the day in which the offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of the option is HK\$1.0. No performance target is required to be reached by the participant before any option can be exercised.

**(G) Vesting Period**

Save for the circumstances prescribed in the New Share Option Scheme, an option must be held by the grantee for at least 12 months before the Option can be exercised.

## **(H) Subscription Price of Shares**

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of: (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five consecutive Business Days immediately preceding the Offer Date; and (c) the nominal value of the Share on the Offer Date.

No share option was granted, exercised, lapsed or cancelled during the year ended 31 March 2025 and 31 March 2024. And as at 31 March 2024 and 31 March 2025, there was no outstanding share option.

Save for the Share Option Schemes as disclosed above, the Group had no other share scheme (as defined under Chapter 23 of the GEM Listing Rules) in force during the Reporting Period and up to the date of this announcement.

## **COMPETING INTERESTS**

As at 31 March 2025, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group or had any other conflicts of interest with the Group.

## **AUDIT COMMITTEE**

The Company had established an Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The Audit Committee comprised three independent non-executive Directors, namely Mr. Chan Yee Ping Michael, Ms. Pang Xiaoli and Ms. Zhang Wenjuan. Mr. Chan Yee Ping Michael currently serves as the chairman of the Audit Committee and he possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules.

Up to the date of approval of the Group's unaudited results for the year ended 31 March 2025, the Audit Committee had held six meetings and had reviewed the draft report and accounts for the year ended 31 March 2025 prior to recommending such report and accounts to the Board for approval.

## **DIRECTORS' SECURITIES TRANSACTIONS**

Throughout the Reporting Period, the Company adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Company's Directors have complied with such required standard of dealings and its code of conduct regarding Directors' securities transactions.

## **CORPORATE GOVERNANCE**

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules throughout the Reporting Period.

## **SCOPE OF AUDITOR'S WORK ON ANNUAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary annual results announcement have been agreed by the Company's auditor, KTC Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2025. The work performed by KTC Partners 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 KTC Partners CPA Limited on the preliminary annual results announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 March 2025. The report includes paragraphs of an emphasis of matter, without qualification.

### **“Opinion**

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



## Material Uncertainty Related to Going Concern

We draw attention to note 2(d) to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$22,280,000 for the year ended 31 March 2025, and as at 31 March 2025, the Group's current liabilities and total liabilities exceeded its current assets and total assets by approximately HK\$111,230,000 and HK\$130,728,000, respectively. These conditions indicate that a material uncertainty exists that 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."

By Order of the Board  
**StarGlory Holdings Company Limited**  
**Zhang Tao**  
*Chairman and executive Director*

Hong Kong, 30 June 2025

*As at the date of this announcement, the executive Directors are Mr. Zhang Tao and Mr. Li Hongchen; and the independent non-executive Directors are Mr. Chan Yee Ping Michael, Ms. Pang Xiaoli and Ms. Zhang Wenjuan.*

*This announcement will remain on the "Latest Listed Company Information" page of The Stock Exchange of Hong Kong Limited website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and the website of the Company at [www.stargloryhcl.com](http://www.stargloryhcl.com).*