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LIFE CONCEPTS

Life Concepts Holdings Limited

生活概念控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8056)

**ANNOUNCEMENT OF THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2025**

**CHARACTERISTICS OF 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 “**Directors**”) of Life Concepts 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 and the Group. 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 of Directors (the “**Board**”) presents the final results of the Group for the year ended 31 March 2025, together with the audited comparative figures for the year ended 31 March 2024 as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	4	7,394	16,086
Cost of sales and inventories consumed		(6,342)	(11,947)
Employee benefit expenses		(3,235)	(3,735)
Depreciation of property, plant and equipment		(184)	(86)
Amortisation of right-of-use assets		(899)	(357)
Rental and related expenses		(950)	(603)
Utilities and consumables		(91)	(181)
Impairment loss on non-financial assets		–	(8,682)
Net impairment losses on financial instruments and contract assets		(12)	(1,361)
Other expenses		(6,830)	(4,539)
Other gain/(loss), net	5	26,969	(5,764)
Gain on debt restructuring		35,242	–
Finance (cost)/income, net	6	(1,647)	1,850
Profit/(loss) before income tax		49,415	(19,319)
Income tax expense	7	(129)	(150)
Profit/(loss) for the year	8	49,286	(19,469)
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		445	1,559
Total comprehensive income/(loss) for the year		49,731	(17,910)
Profit/(loss) attributable to:			
Owners of the Company		49,668	(19,558)
Non-controlling interests		(382)	89
Profit/(loss) for the year		49,286	(19,469)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		49,873	(17,736)
Non-controlling interests		(142)	(174)
		49,731	(17,910)
			(Restated)
Profit/(loss) per share attributable to owners of the Company			
Basic and diluted	10	0.46	(0.21)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,432	11
Right-of-use assets		2,353	563
Rental and utilities deposits		–	129
Restricted bank and other deposits	<i>12</i>	67,567	66,214
Loan to a related party		–	–
Contract assets		15,190	15,152
		<hr/>	<hr/>
		87,542	82,069
		<hr/>	<hr/>
Current assets			
Inventories		731	278
Trade and other receivables	<i>11</i>	34,433	31,654
Contract assets	<i>11</i>	5,145	6,496
Income tax recoverable		–	401
Cash and cash equivalents		171	1,343
		<hr/>	<hr/>
		40,480	40,172
		<hr/>	<hr/>
Total assets		128,022	122,241
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>14</i>	17,674	14,791
Reserves		(85,205)	(137,493)
		<hr/>	<hr/>
		(67,531)	(122,702)
Non-controlling interests		4,835	4,977
		<hr/>	<hr/>
		(62,696)	(117,725)
		<hr/>	<hr/>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		822	356
Provisions		–	819
Deferred tax liabilities		9,415	9,414
Amounts due to former directors		76,135	–
Amounts due to director		7,299	–
Amounts due to related parties		33,070	–
		126,741	10,589
Current liabilities			
Trade and other payables	<i>13</i>	29,918	52,817
Contract liabilities		–	–
Lease liabilities		1,558	464
Amounts due to related parties	<i>15</i>	1,430	44,427
Amounts due to former directors	<i>15</i>	–	98,298
Guarantee liabilities	<i>16</i>	31,040	32,924
Current tax liabilities		31	447
		63,977	229,377
Total liabilities		190,718	239,966
Total equity and liabilities		128,022	122,241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company						Non-	Total
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Subtotal HK\$'000	controlling interests HK\$'000	
At 31 March 2023	14,791	–	27,313	634	(147,704)	(104,966)	5,151	(99,815)
Loss for the year	–	–	–	–	(19,558)	(19,558)	89	(19,469)
Exchange differences on translation of foreign operations	–	–	–	1,822	–	1,822	(263)	1,559
Total comprehensive loss for the year	–	–	–	1,822	(19,558)	(17,736)	(174)	(17,910)
At 31 March 2024	14,791	–	27,313	2,456	(167,262)	(122,702)	4,977	(117,725)
Profit for the year	–	–	–	–	49,668	49,668	(382)	49,286
Exchange differences on translation of foreign operations	–	–	–	205	–	205	240	445
Total comprehensive loss for the year	–	–	–	205	49,668	49,873	(142)	49,731
Share placing (<i>note i</i>)	2,883	2,415	–	–	–	5,298	–	5,298
At 31 March 2025	17,674	2,415	27,313	2,661	(117,594)	(67,531)	4,835	(62,696)

Notes:

- On 2 August 2024, placing of new Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company's annual general meeting held on 28 September 2023 was completed in accordance with the terms of the placing agreement dated 11 July 2024. An aggregate of 370,000,000 placing shares have been successfully placed to not less than six independent third parties at the placing price of HK\$0.0144 per placing share, setting off the issuance cost of approximately HK\$30,000 in total.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

Life Concepts Holdings Limited (the “**Company**”) was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda with limited liability upon the change of domicile of the Company from the Cayman Islands to Bermuda became effective on 6 September 2022. Its registered office has been changed to Canon’s Court, 22 Victoria Street, Hamilton, HM 12, Bermuda, and its principal place of business is at Room 806, 8/F, Stelux House, 698 Prince Edward East, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services. Prior to 11 October 2018, the ultimate controlling shareholders were Total Commitment Holdings Limited (“**Total Commitment (HK)**”), Ideal Winner Investments Limited, Minrish Limited (“**Minrish**”), Indo Gold Limited (“**Indo Gold**”) and Mr. Jugdish Johnny Uttamchandani (“**Mr. Uttamchandani**”) (hereinafter as the “**former controlling shareholders**”). On and after 11 October 2018, its immediate and ultimate holding company is Strong Day Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

The Company has had its shares listed on Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited on 5 August 2016 (the “**Listing**”).

2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

As at 31 March 2025, the Group had a net shareholders’ deficit of HK\$62,696,000 and its current liabilities exceeded its current assets by HK\$23,497,000 while it had cash and cash equivalents of approximately HK\$171,000.

The above conditions indicate the existence of material uncertainties which may cast a significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfil its financial obligations to continue as a going concern. The Group has plan and measures to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

- 1) The Company has obtained an extension of repayment for a non-interest bearing borrowing from the former Chairman of the Company, Mr James Fu Bin Lu (“**Mr. Fu**”) and his wife, Ms Li Qing Ni (“**Ms Li**”) of approximately HK\$98,286,000 and an extension of repayment for a non-interest bearing borrowing from a related party, which is a non-controlling shareholder of a subsidiary of approximately HK\$36,949,000 during the year. The extension of the debt repayments will be up to at least 12 months since 31 March 2025 and up to 31 July 2028.

- 2) To improve the financial position and to alleviate company liquidity pressure, a total of 370,000,000 Placing Shares have been successfully placed with the net proceeds amount of approximately HK\$5.1 million. The Company intends to apply (i) approximately HK\$4.0 million or 78.43% of net proceeds from the Placing towards repayment of debt of the Group; and (ii) approximately HK\$1.1 million or 21.57% of net proceed from Placing towards replenishment of the working capital of the Group. For further details, please refer to the announcement of the Company dated 2 August 2024 for details.
- 3) The Company has obtained a Director facility of HK\$30 million and utilised of approximately HK\$9.2 million during the year in an unsecured and interest-free base for the use of the working capital and business expenses.
- 4) In regards to (1) to (3) of the above, the directors of the Group are negotiating with other lenders for the extension of repayments of its non-interest bearing borrowings. Furthermore, the directors of the Group are actively negotiating with external parties to obtain new sources of funding to finance the Group's working capital and improve the liquidity position.
- 5) The directors of the Group are working to revamp the Group's current business arrangement of the provision of financial intermediation services to cope with the implications of the relevant PRC regulations and based on their assessment, the directors do not expect there will be significant cash outflow arising from the potential non-compliance as well as in the course of revamping the business arrangement.

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than eighteen months from 31 March 2025. They are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements as and when they fall due within the next eighteen months from 31 March 2025. Accordingly, the Directors consider that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve its plans and measures, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the following:

- 1) whether the Group will be able to obtain additional capital from fund raising activities, if needed within the next twelve months from 31 March 2025, to finance the operations of the Group as and when needed; and
- 2) whether the Group will be successful in negotiating repayment extensions with other lenders and obtaining new sources of funding to finance the Group's operations and alleviate its financial distress.

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Amended standards adopted by the Group

In the current year, the Group has adopted the following new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2024 as mentioned below. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent 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

The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

(b) New standards, amendments to existing standards, interpretation and accounting guideline not yet adopted

The following HKFRS Accounting Standards 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:

Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

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

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

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

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

Except as described below, the application of the new and amendments to HKFRS Accounting Standards has had no material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRSs HKFRS 18 replaces HKAS 1 Presentation of Financial Statements (“**HKAS 1**”). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the statement of profit or loss and notes to the financial statements as follows:

- (a) HKFRS 18 requires an entity:
 - (i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations;
 - (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.
- (b) It requires an entity to disclose management-defined performance measures (“**MPM**”) and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRSs.
- (c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 Basis of Preparation of Financial Statements and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

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

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Provision of catering services	<u>6,511</u>	<u>11,992</u>
Provision of financial intermediation services		
– Post loan facilitation service fees	374	1,735
– Guarantee service fees	374	1,734
– Early redemption penalty and service charges	<u>135</u>	<u>625</u>
	<u>883</u>	<u>4,094</u>
	<u>7,394</u>	<u>16,086</u>
Timing of revenue recognition		
A point in time	6,646	12,617
Over time	<u>748</u>	<u>3,469</u>
	<u>7,394</u>	<u>16,086</u>

All performance obligations for provision of catering services that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are part of contracts with an original expected duration of one year or less. Therefore, the Group has applied the practical expedient in paragraph 121 of HKFRS 15, which exempts the transaction prices allocated to such performance obligations from disclosure.

Segment revenue and results

The Group expects to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money.

The segment information reported to the Company's executive Directors, being the chief operating decision maker (the "CODM"), is being regularly reviewed in order to allocate resources to segments and to assess their performance is prepared under HKFRS Accounting Standards. The CODM reviews performance of provision of catering services, provision of financial institution intermediation services and provision of other services, which includes provision of interior design and fitting-out service and provision of organic vegetables consulting services, for resources allocation. Provision of catering services includes Italian style, Western style and Chinese style restaurants which was previously separately presented.

For the year ended 31 March 2025

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2025 are as follow:

	Year ended 31 March 2025				
	Provision of catering services <i>HK\$'000</i>	Provision of financial intermediation services <i>HK\$'000</i>	Other segments <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue					
Total segment revenue	6,511	883	–	–	7,394
Inter-segment revenue	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue from external customers	<u>6,511</u>	<u>883</u>	<u>–</u>	<u>–</u>	<u>7,394</u>
Segment results	<u>(3,054)</u>	<u>520</u>	<u>–</u>	<u>–</u>	<u>(2,534)</u>
Unallocated employee benefit expenses					(1,464)
Unallocated rental and related expenses					(90)
Gain on debt restructuring					35,242
Gain on dissolution of subsidiaries					26,763
Unallocated other expenses					<u>(8,502)</u>
Profit before income tax					49,415
Income tax expense					<u>(129)</u>
Profit for the year					<u><u>49,286</u></u>

Segment assets and liabilities

At 31 March 2025

	As at 31 March 2025				
	Provision of catering services <i>HK\$'000</i>	Provision of financial intermediation services <i>HK\$'000</i>	Other services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	356,689	119,363	36,285	(384,315)	128,022
Elimination of inter-segment receivables	(350,094)	(6,434)	(27,787)	384,315	–
	<u>6,595</u>	<u>112,929</u>	<u>8,498</u>	<u>–</u>	<u>128,022</u>
Segment liabilities	(360,403)	(102,365)	(36,130)	384,315	(114,583)
Elimination of inter-segment payables	350,094	12,867	21,354	(384,315)	–
	<u>(10,309)</u>	<u>(89,498)</u>	<u>(14,776)</u>	<u>–</u>	<u>(114,583)</u>
Amount due to former directors					(76,135)
					<u>(190,718)</u>

The segment information provided to the Group's CODM for the reportable segments for the year ended 31 March 2024 are as follow:

	Year ended 31 March 2024				
	Provision of catering services <i>HK\$'000</i>	Provision of financial intermediation services <i>HK\$'000</i>	Other services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue					
Total segment revenue	11,992	4,094	–	–	16,086
Inter-segment revenue	–	–	–	–	–
Revenue from external customers	<u>11,992</u>	<u>4,094</u>	<u>–</u>	<u>–</u>	<u>16,086</u>
Segment results	<u>(15,042)</u>	<u>601</u>	<u>(69)</u>	<u>–</u>	<u>(14,510)</u>
Unallocated employee benefit expenses					(2,335)
Unallocated other expenses					(2,474)
Loss before income tax					(19,319)
Income tax expense					<u>(150)</u>
Loss for the year					<u>(19,469)</u>

At 31 March 2024

	As at 31 March 2024				
	Provision of catering services HK\$'000	Provision of financial intermediation services HK\$'000	Other services HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment assets	401,871	122,159	32,837	(434,626)	122,241
Elimination of inter-segment receivables	(399,936)	(6,522)	(28,168)	434,626	–
	<u>1,935</u>	<u>115,637</u>	<u>4,669</u>	<u>–</u>	<u>122,241</u>
Segment liabilities	(428,427)	(110,777)	(37,090)	434,626	(141,668)
Elimination of inter-segment payables	399,936	13,044	21,646	(434,626)	–
	<u>(28,491)</u>	<u>(97,733)</u>	<u>(15,444)</u>	<u>–</u>	<u>(141,668)</u>
Amount due to former directors					<u>(98,298)</u>
					<u>(239,966)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit/loss earned by each segment without allocation of the common employee benefit expenses, depreciation and amortisation, rental and related expenses, utilities and consumables, gain on debt restructuring, gain on dissolution of subsidiaries, other expenses and finance income/(costs), net incurred. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment. For the purposes of monitoring segment performances and allocating resources between segments, all assets and liabilities, other than amount due to former directors, are allocated to operating segments.

Inter-segment sales are charged at cost-plus approach.

Other information

The following is included in the measure of segment results and segment assets.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Provision of catering services	8,903	14,478
Provision of financial intermediation services	12	1,361
Other services	184	86
	<u>9,099</u>	<u>15,925</u>

The unallocated depreciation and amortisation amounted to approximately HK\$Nil (2024: HK\$Nil) for the year ended 31 March 2025.

Non-current assets included property, plant and equipment, right-of-use assets and intangible assets.

Geographical information

The geographical location is based on the location at which the services were rendered or the goods delivered.

The amount of revenue from external customers broken down by geographical location is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	6,511	11,992
Mainland China	883	4,094
	<u>7,394</u>	<u>16,086</u>

The non-current assets, other than rental and utilities deposits, deposit for property, plant and equipment, restricted bank and other and loan to a related party deposits broken down by geographical location of the assets, is shown as below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	—	—
Mainland China	15,189	15,726
	<u>15,189</u>	<u>15,726</u>

Information about major customers

No revenue from individual customer contributed over 10% of total revenue of the Group for both periods.

5 OTHER GAIN/(LOSS), NET

	2025 HK\$'000	2024 HK\$'000
Gain on dissolution of subsidiaries (<i>note i</i>)	26,763	–
Impairment on non-current deposit (<i>note iii</i>)	–	(429)
Gain on early termination of lease (<i>note ii</i>)	208	(5,367)
Other	(2)	32
	<u>26,969</u>	<u>(5,764)</u>

Note:

- (i) The Group dissolved Dining Concepts Management Limited and its subsidiaries during the year, resulting in an aggregate gain on dissolution of approximately HK\$26,763,000.
- (ii) During the year ended 31 March 2025, the Group received an early termination gain of approximately HK\$208,000 from the early termination of leases located in the PRC. During the year ended 31 March 2024, the Group defaulted on certain lease payments arising from its Hong Kong restaurants. According to the contractual terms, the Group is liable for the remaining period of the lease term and the related rental deposits are forfeited. Thus, a loss on early termination of lease is recorded which represents (i) the difference between the minimum lease payments, which is recorded as other payable, and the carrying value of the lease liabilities of approximately HK\$304,000 and (ii) the forfeited rental deposits of approximately HK\$5,063,000.
- (iii) During the year ended 31 March 2024, the Group has ceased all its Hong Kong restaurant operations and does not have concrete plans to invest additional resources into the restaurant operations. Accordingly, the non-current deposit paid for property, plant and equipment of approximately HK\$429,000, which was initially invested for the Group's restaurant operations, were fully impaired during the year ended 31 March 2024.

6. FINANCE (COST)/INCOME, NET

	2025 HK\$'000	2024 HK\$'000
Interest income from contract assets	733	2,226
Bank interest income	<u>6</u>	<u>9</u>
Finance income	<u>739</u>	<u>2,235</u>
Imputed interest charged	(2,164)	–
Interest expense on lease liabilities	(135)	(40)
Interest expense on accrued loan referral expenses	(87)	(265)
Other interest expenses	<u>–</u>	<u>(80)</u>
Finance costs	<u>(2,386)</u>	<u>(385)</u>
Finance (cost)/income, net	<u>(1,647)</u>	<u>1,850</u>

7. INCOME TAX (EXPENSE)/CREDIT

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong profits tax	–	–
PRC enterprise income tax	–	–
Deferred tax	(129)	(150)
Income tax (expense)	<u>(129)</u>	<u>(150)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made for Hong Kong subsidiaries, as there was no estimated assessable profit during the year ended 31 March 2025 (2024: Nil).

Deferred tax expense of approximately HK\$129,000 for the year ended 31 March 2025 (2024: HK\$150,000) arose from the temporary differences in relation to amortisation of intangible assets and unrealised gains in the PRC.

8. PROFIT/(LOSS) FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	184	86
Amortisation of right-of-use assets	<u>899</u>	<u>357</u>

9. DIVIDEND

The Board does not declare any dividend for the year ended 31 March 2025 (2024: Nil).

10. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit/(loss) for the period attributable to owners of the Company (HK\$'000)	<u>49,668</u>	<u>(19,558)</u>
Weighted average number of ordinary shares in issue (thousands)	<u>107,180</u>	(restated) <u>94,915</u>
Basic profit/(loss) per share (HK\$)	<u>0.46</u>	(restated) <u>(0.21)</u>

On 3 September 2024, the Company implemented share consolidation and the weighted average number of ordinary share in issue used in the basic and diluted loss per share calculation for the year ended 31 March 2024 was adjusted retrospectively.

(b) Diluted

Diluted profit/(loss) per share presented is the same as the basic loss per share as there was no potentially dilutive ordinary share outstanding as at 31 March 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Trade receivables	659	1,139
Other receivables and deposits	35,343	32,295
Contract assets	<u>20,350</u>	<u>21,651</u>
	56,352	55,085
Loss allowances	<u>(1,584)</u>	<u>(1,654)</u>
	<u>54,768</u>	<u>53,431</u>

Trade receivables from catering business are receivables from financial institutions in relation to the payment settled by credit cards by customers of which the settlement period is normally within 3 days from transaction date. Generally, for catering business, there is no credit period granted to customers, except for certain well-established corporate customers in which credit period of 20 to 30 days is granted by the Group. As at 31 March 2025, the ageing analysis at the gross trade receivables based on invoice date were as follows:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	184	426
31 to 90 days	–	15
Over 90 days	<u>475</u>	<u>698</u>
	659	1,139
Loss allowances	<u>(475)</u>	<u>(482)</u>
	<u>184</u>	<u>657</u>

Before accepting any new corporate customers, management of the Group will base on the credit quality of the potential customers to define credit limits. Credit limits to customers are reviewed annually.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the trade receivables that are neither past due nor impaired are mainly from the reputable financial institutions.

As at 31 March 2025, included in the Group's trade receivables balances are debtors with an aggregate carrying amount of HK\$184,000 (2024: HK\$657,000) which are past due as at the reporting date. Out of the past due balances, HK\$Nil (2024: HK\$175,000) has been past due 90 days or more and is not considered as default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each debtors.

	2025 HK\$'000	2024 <i>HK\$'000</i>
Other receivables and deposits:		
Prepayments for insurances, consumables and services	3,478	3,770
Prepayments for loan guarantee expenses	13,878	13,203
Advance to employees	576	747
Rental and utilities deposits	168	197
Loan receivable	5,914	5,708
Others	11,329	8,670
Loss allowances	(1,094)	(1,169)
	34,249	31,126
Less: Other receivables and deposits-non-current portion	<u>–</u>	<u>(129)</u>
Other receivables and deposits-current portion	<u>34,249</u>	<u>30,997</u>
	2025 HK\$'000	2024 <i>HK\$'000</i>
Contract assets		
Upfront loan facilitation service fees	20,350	21,651
Loss allowances	(15)	(3)
	20,335	21,648
Less: Contract assets-non-current portion	<u>(15,190)</u>	<u>(15,152)</u>
Contract assets-current portion	<u>5,145</u>	<u>6,496</u>

The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers contract assets to trade receivables upon achieving the specified milestones in the contracts. There are no past due as at the reporting date (2024: Nil).

12. RESTRICTED BANK AND OTHER DEPOSITS

As at 31 March 2025, the restricted bank deposits represented variable rate deposits placed in banks pursuant to the Group's obligations under certain operating leases and service agreements in relation to the provision of financial institution intermediation services of approximately HK\$67,567,000 (31 March 2024: HK\$66,214,000). The restricted bank deposits carry interest ranging from 1.8% to 4.1% (31 March 2024: from 1.8% to 4.1%) per annum. The deposits will be released upon termination or expiry of the agreements which is expected to be beyond one year from the end of respective reporting periods. Accordingly, the amounts are included in non-current assets.

13. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables to third parties	<u>1,473</u>	<u>4,857</u>
Accruals and other payables:		
Accrued staff salaries	1,308	3,526
Franchise and licensing fee payables	2,353	2,314
Payable for property, plant and equipment	1,207	500
Audit fee accrual	1,000	1,000
Payable for repair and maintenance	–	1,444
Payable for utilities and consumables	–	1,071
Payable for cleaning suppliers	–	606
Other tax payables	–	232
Other payables arising from defaults on lease liabilities	–	16,762
Others	<u>23,397</u>	<u>20,505</u>
	28,445	47,960
Trade and other payables	<u>29,918</u>	<u>52,817</u>

At 31 March 2025, the ageing analysis of the trade payables based on invoice date were are follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 60 days	107	582
Over 60 days	<u>1,366</u>	<u>4,275</u>
	<u>1,473</u>	<u>4,857</u>

The credit period on purchases of goods and services is about 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

14. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
Authorised:		
5,000,000,000 ordinary shares of US\$0.02 each		
(2024: 100,000,000,000 ordinary shares of US\$0.001 each)	<u>778,000</u>	<u>778,000</u>

	2025 HK\$'000	2024 HK\$'000
Issued and fully paid:		
113,414,545 ordinary shares of US\$0.02 each		
(2024: 1,898,290,908 ordinary shares of US\$0.001 each)	<u>17,647</u>	<u>14,791</u>

The movements in authorised and issued share capital of the Company during the year were as follows:

	Authorised shares		Issued shares	
	No. of shares	Total HK\$'000	No. of shares	Total HK\$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	100,000,000,000	778,000	1,898,290,908	14,791
Issue of new shares (<i>note i</i>)	–	–	370,000,000	2,883
Share Consolidation (<i>note ii</i>)	(95,000,000,000)	–	(2,154,876,363)	–
At 31 March 2025	<u>5,000,000,000</u>	<u>778,000</u>	<u>113,414,545</u>	<u>17,674</u>

Notes:

- i. On 11 July 2024, the Company entered into a placing agreement with a third party placing agent, pursuant to which the placing agent, as the agent of the Company, agreed to place on a best effort basis up to 370,000,000 Placing Shares at placing price of HK\$0.0144 (representing a discount of approximately 10.00% to the closing price of HK\$0.016 per share on 11 July 2024). The placing was completed on 2 August 2024. A total of 370,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$0.0144 per Placing Share pursuant to the terms and conditions of the Placing Agreement and the Supplemental Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees are professional, institutional or other investors (i) independent of; and (ii) not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are independent third parties.
- ii. On 23 July 2024, the Board proposed that every twenty (20) shares in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share. The Share Consolidation was approved by the shareholders at the special general meeting of the Company held on 30 August 2024 and the same became effective on 3 September 2024. Details of the Share Consolidation were set out in the announcement of the Company dated 23 July 2024 and the circular of the Company dated 15 August 2024.

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Amounts due from/(to) related parties

Details of the amounts due from/(to) related parties are shown as follows:

	2025 <i>HK\$'000</i>	2024 HK\$'000
Advances to related parties (i)	2,282	2,314
Loss allowance	(2,282)	(2,314)
	<u>—</u>	<u>—</u>
Loan to a related party (ii)	13,461	13,646
Loss allowances	(13,461)	(13,646)
	<u>—</u>	<u>—</u>
Total amounts due from related parties	<u>—</u>	<u>—</u>
Borrowing from related parties (iii)		
At 1 January	44,427	60,791
Gain on debt restructuring (iii)	(10,004)	—
Imputed interest charged	614	—
Repayment	—	(13,417)
Exchange realignment	(537)	(2,947)
	<u>34,500</u>	<u>44,427</u>
At 31 December	34,500	44,427
Less: Amount due within one year classified as current liabilities	(1,430)	—
	<u>33,070</u>	<u>44,427</u>
Amount due after one year classified as non-current liabilities	<u>33,070</u>	<u>44,427</u>

Note:

- (i) Within the balance includes interest receivable in relation to loan to a related party, a company controlled by a noncontrolling interest and the balance is non-trade in nature, unsecured and interest-free. During the year, a service income is recognised based on percentage agreed mutually. However, by considering recoverability from related party, loss allowance in relation to this balance amounted to HK\$2,282,000 (2024: HK\$2,314,000) as at 31 March 2025.

Loss allowance movement for the year ended 31 March 2025 is as follows:

	<i>HK\$'000</i>
Opening net book amount	(2,314)
Exchange realignment	<u>32</u>
Ending net book amount	<u>(2,282)</u>

- (ii) As at 31 March 2025 and 2024, the loan to a related party, a company controlled by a non-controlling interest, is interest bearing at 4.785% per annum and is denominated in RMB. The balance is secured by the trade receivables, certain plant and equipment, certain inventories and equity interest of the related party. The balance is repayable on maturity date at 30 June 2022. However, the balance is not yet repaid by the related party as at reporting date. Loss allowances in relation to this balance amounted to HK\$13,461,000 (2024: HK\$13,646,000) as at 31 March 2025.

Loss allowance movement for the year ended 31 March 2025 is as follows:

	<i>HK\$'000</i>
Opening net book amount	(13,646)
Exchange realignment	185
	<hr/>
Ending net book amount	<u>(13,461)</u>

- (iii) The Company has obtained an extension of repayment for a non-interest bearing borrowing from a related party, which is a non-controlling shareholder of a subsidiary, of approximately HK\$36,949,000. The repayment date of the debt will extend to 31 July 2028.

The gain on debt restructuring is the difference between the amount of borrowing from related party and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

(d) Amounts due to former directors

Details of the amounts due to former directors are shown as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Borrowing from former directors (i)		
At 1 January	98,298	100,342
Gain on debt restructuring (i)	(23,030)	–
Imputed interest charged	1,414	–
Exchange realignment	(547)	(2,044)
	<hr/>	<hr/>
At 31 December	76,135	98,298
Less: Amount due within one year classified as current liabilities	<hr/> –	<hr/> –
Amount due after one year classified as non-current liabilities	<u>76,135</u>	<u>98,298</u>

Note:

- (i) The Company has obtained an extension of repayment for a non-interest bearing borrowing from the former Chairman of the Company, Mr James Fu Bin Lu (“**Mr. Fu**”) and his wife, Ms Li Qing Ni (“**Ms Li**”) during the year of approximately HK\$98,286,000. The repayment date of the debt will extend to 31 July 2028.

The gain on debt restructuring is the difference between the amount of borrowing from former directors and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

(e) Amounts due to director

Details of the amounts due to former directors are shown as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
Borrowing from director (i)		
At 1 January	–	–
Addition	9,371	–
Gain on debt restructuring (i)	(2,208)	–
Imputed interest charged	136	–
	<hr/>	<hr/>
At 31 December	7,299	–
Less: Amount due within one year classified as current liabilities	–	–
	<hr/>	<hr/>
Amount due after one year classified as non-current liabilities	7,299	–
	<hr/> <hr/>	<hr/> <hr/>

Note:

- (i) The Company has obtained a Director facilities and utilised of approximately HK\$9.2 million during the year in an unsecured and interest-free base for the use of the working capital and business expenses.

The gain on debt restructuring is the difference between the amount of borrowing director and the present value of the borrowing. The present value is determined based on the present value of contractual future cash flows, discounted at 7.52% per annum. The discount rate is determined by reference to bond yields with similar credit ratings and maturities as the Company.

16. GUARANTEE LIABILITIES

	2025 HK\$'000	2024 <i>HK\$'000</i>
Opening net book value	32,924	27,119
(Decrease)/increase in guarantee liabilities, net	(1,448)	7,119
Exchange difference	(436)	(1,314)
	<hr/>	<hr/>
Ending net book amount	31,040	32,924
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 March 2025 and up to the date of this announcement, the Group has been principally engaged in (i) catering operations, including operation of restaurants and trading of food and beverages; (ii) interior design and fitting-out business; (iii) provision of consulting services in relation to organic vegetables research and development, plantation and sales; and (iv) provision of financial institution intermediation services.

BUSINESS REVIEW

Provision of Catering Services Business

In November 2022, the Group successfully launched the frozen meat sales business, which has continuously generated stable income. For the year ended 31 March 2025, the revenue generated from the food ingredient sales business was approximately HK\$6.0 million. In April 2024, the Group successfully signed cooperation agreements with other food suppliers and customers. In addition to our existing suppliers and customer base, the Group will invest more resources in the food ingredient sales business and will actively seek more suppliers and customers for long-term collaboration.

The new Chinese restaurant has finished the renovation and was opened in February 2025 as a soft opening. The market responded enthusiastically and the company believes that the restaurant business will bring a long term and sustainable income for the company.

Provision of Financial Institution Intermediation Services

The Group has laid out a one-stop and professional financial services platform for financial practitioners and financial institutions based on the macro background of China's consistent policy of vigorously supporting small and medium-sized enterprises. Currently, the Group cooperates with financial practitioners and financial institutions to contact potential qualified borrowers through financial practitioners, and then the Group recommends potential qualified borrowers to financial institutions and facilitates both parties to enter into loan agreements, and the financial institutions provide loans to the borrowers.

During the year ended 31 March 2025, this business has been significantly affected by the downturn of macro-economy and the heightening of risk appetite in the PRC and globally. As a result, no new loans to borrowers had been facilitated by the Group during the year ended 31 March 2025 and approximately HK\$0.9 million of revenue had been generated during the year ended 31 March 2025.

FINANCIAL REVIEW

Revenue

During the year ended 31 March 2025, the Group's revenue was generated from (i) the provision of catering services in Hong Kong; and (ii) provision of financial institution intermediation services in the PRC. The Group decided during the Period to open a new restaurant in Hong Kong. Meanwhile, the Group proactively sought other business development directions and shifted its investment to the food ingredient sales business.

The table below sets forth a breakdown of the Group's revenue generated by business segments, as a percentage of the total revenue during the year ended 31 March 2025 (and 31 March 2024 for comparison purpose).

The table below sets forth a breakdown of the Group's revenue generated by (i) provision of catering services; (ii) provision of financial institution intermediation services, and as a percentage of the total revenue during the year ended 31 March 2025 (and 2024 for comparison purpose).

	2025		2024	
	Revenue	% of total	Revenue	% of total
	(HK\$'000)	(%)	(HK\$'000)	(%)
Provision of catering services	6,511	88.1	11,992	74.5
Provision of financial institution intermediation services	883	11.9	4,094	25.5
	<u>7,394</u>	<u>100.0</u>	<u>16,086</u>	<u>100.0</u>

Provision of Catering Services Business

The revenue generated from provision of catering services decreased by approximately HK\$5.5 million, or approximately 45.8%, from approximately HK\$12.0 million for last year to approximately HK\$6.5 million for the year. Such decrease was mainly due to (i) the negative impact by the weak market sentiment amidst the COVID-19 Pandemic in prior years.

Provision of Financial Institution Intermediation Services Business

The revenue generated from provision of Financial Institution Intermediation Services by the Group was approximately HK\$0.9 million for the year (2024: approximately HK\$4.1 million).

The decrease was resulted from the unfavourable macro-economic environment in the PRC, particularly with the gigantic loan default events in 2021 with lasting impacts up to the date of this announcement, which led to no new loans facilitated for the Period. While income from early redemption penalty and service charges may also adversely affect future post loan facilitation service fees and future guarantee service fees.

Cost of sales and inventories consumed

Cost of sales and inventories consumed mainly represented the costs of food ingredients for the Provision of Catering Services Business for the year ended 31 March 2025. The major food ingredient purchased by the Group is frozen food. Cost of sales and inventories consumed is one of the major components of the Group's operating expenses which amounted to approximately HK\$6.3 million and HK\$12.0 million for the year ended 31 March 2025 and the year ended 31 March 2024, respectively, representing approximately 85.8% and 74.3% of the Group's total revenue for the year ended in 2025 and 2024. The decrease in cost of sales and inventories consumed was due to the drop of sales by the weak market sentiment.

Loan referral and guarantee expenses

Loan referral and guarantee expenses, which represents the cost of Financial Institution Intermediation Services, including customer service cost and third party guarantee fee, which amounted to Nil for the year ended 31 March 2025 (2024: Nil).

Employee benefits expenses

Employee benefits expenses represented one of the major components of the Group's operating expenses, which primarily consisted of Directors' emoluments, salaries, retirement benefit scheme contributions and other benefits.

The employee benefits expenses decreased by approximately HK\$0.5 million from approximately HK\$3.7 million to approximately HK\$3.2 million for the year ended 31 March 2024 and 2025, respectively. The decrease was mainly due to the continuous streamlining of organizational structure in the PRC.

Gain on debt restructuring

Gain on debt restructuring of approximately HK\$35.2 million mainly included (i) an extension of the non-interest-bearing advances from a related party, (ii) an extension of the non-interest bearing borrowing from the former directors and (iii) an interest-free director facilities for the use of the working capital and business expense (2024: Nil).

Other expenses

Other expenses mainly include legal and professional fee and insurance. During the two years ended 31 March 2025, the Group recognised other expenses of approximately HK\$6.8 million and HK\$4.5 million, respectively, representing approximately 92.4% and 28.0% of the Group's total revenue for the corresponding periods. The increase in other expenses incurred in the year ended 31 March 2025 was mainly due to the increase in insurance.

Other gains/(loss), net

During the year ended 31 March 2025, the Group recognised net other gains of approximately HK\$27.0 million (2024: net other loss of approximately HK\$5,764) which was mainly due to dissolution of subsidiaries with net liabilities of approximately HK\$26.8 million.

Finance (cost)/income, net

Finance income mainly included interest income from contract assets and loan receivables.

The finance income is offsetted by finance costs, which mainly represent finance costs recognised in relation to the lease liabilities regarding the rental contracts upon adoption of HKFRS 16 “Leases”.

The decrease in finance income, net for the Period is mainly caused by reduction in provision of Financial Institution Intermediation Services.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year end 31 March 2025 was approximately HK\$49.7 million, while the loss attributable to owners of the Company for the year ended 31 March 2024 was approximately HK\$19.5 million.

The profit attributable to owners of the Company was primarily attributable to (i) the gain on dissolution of subsidiaries of approximately HK\$26.8 million and (ii) the gain on debt restructuring of approximately HK\$35.2 million and (iii) one off impairment loss on non-financial assets of approximately HK\$8.7 million for the year ended 31 March 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, total assets of the Group amounted to approximately HK\$128.0 million (31 March 2024: HK\$122.2 million) and the cash and cash equivalents amounted to approximately HK\$171,000 (31 March 2024: HK\$1.3 million). The cash and cash equivalents were denominated in HK\$ and RMB. The Group’s working capital was approximately negative HK\$23.5 million (31 March 2024: negative HK\$91.0 million), represented by total current assets of approximately HK\$40.5 million (31 March 2024: HK\$40.2 million) against total current liabilities, net of amounts due to former directors, which was nil in 31 March 2025 (31 March 2024: HK\$131.1 million). The current ratio, being the proportion of total current assets against total current liabilities, net of amounts due to directors, was 0.63 (31 March 2024: 0.31).

The gearing ratio (being net debt divided by the aggregate of net debt and total capital) of the Group as at 31 March 2025 was approximately 209.1% (31 March 2024: 792.5%). Net debt was approximately HK\$120.1 million (31 March 2024: HK\$134.7 million) which is calculated based on the sum of total lease liabilities, amounts due to directors, loans from related parties and bank borrowings, less cash and cash equivalents. Total deficit and net debt was approximately HK\$57.4 million (31 March 2024: HK\$17.0 million).

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and the PRC. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the Group collects most of the revenue and incur most of the expenditure in HK\$ and RMB, being the local currencies of the operating subsidiaries in Hong Kong and the PRC. Moreover, the Group adopted a conservative treasury policy with most of the bank deposits being kept in HK\$, or in RMB to minimise exposure to foreign exchange risks. The management will closely monitor the fluctuation in these currencies and take appropriate actions when needed.

PLEDGE OF ASSETS

As at 31 March 2025, save for restricted bank deposits of approximately HK\$67,567,000 (31 March 2024: HK\$66,214,000) for the Group's obligations under certain operating leases or service agreements in relation to the provision of financial institution intermediation services, the Group did not pledge any other assets (31 March 2024: Nil).

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

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

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended 31 March 2025 (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the total number of employees of the Group was 14 (31 March 2024: 28). Total staff costs (including Directors' emoluments) were approximately HK\$3.2 million for the year ended 31 March 2025 (2024: HK\$3.7 million). Employees' remuneration (including Directors' emoluments) is commensurate with their job nature, qualifications and experience. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee. Furthermore, the Company has adopted a share option scheme as an incentive to the Directors and eligible employees. The Group also provides and arranges on-the-job training for the employees.

SIGNIFICANT INVESTMENTS

As at 31 March 2025, the Group did not hold any significant investments or capital assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2025.

DISCLOSURE OF ADDITIONAL INFORMATION

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 11 July 2024, the Company entered into a placing agreement with a third party placing agent, pursuant to which the placing agent, as the agent of the Company, agreed to place on a best effort basis up to 370,000,000 Placing Shares at placing price of HK\$0.0144 (representing a discount of approximately 10.00% to the closing price of HK\$0.016 per share on 11 July 2024). The placing was completed on 2 August 2024. A total of 370,000,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$0.0144 per Placing Share pursuant to the terms and conditions of the Placing Agreement and the Supplemental Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees are professional, institutional or other investors (i) independent of; and (ii) not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are independent third parties. The net proceeds from the Placing, after deduction of applicable costs and expenses including commission and levies, amounted to approximately HK\$5.1 million. The Company intends to apply (i) approximately HK\$4.0 million or 78.43% of net proceeds from the Placing towards repayment of debt of the Group; and (ii) approximately HK\$1.1 million or 21.57% of net proceed from Placing towards replenishment of the working capital of the Group.

Details of the above were disclosed in the announcements of the Company dated 11 July 2024 and 2 August 2024.

As at 31 March 2025, the net proceeds from the Placing under general mandate had been applied as follows:

	Net amount available on 2 August 2024 <i>HK\$ million</i>	Actual net amount utilised as at 31 March 2025 <i>HK\$ million</i>	Unutilised net amount on 31 March 2025 <i>HK\$ million</i>
Repayment of debt of the Group	4.0	4.0	–
Replenishment of the working capital of the Group	1.1	1.1	–
	<hr/>	<hr/>	<hr/>
Total	5.1	5.1	–

SHARE CONSOLIDATION

On 23 July 2024, the Board proposed that every twenty (20) shares in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share. The Share Consolidation was approved by the shareholders at the special general meeting of the Company held on 30 August 2024 and the same became effective on 3 September 2024. Upon the Share Consolidation becoming effective, there were 94,914,545 consolidation shares in issue which were fully paid or credited as fully paid.

Details of the Share Consolidation were set out in the announcement of the Company dated 23 July 2024 and the circular of the Company dated 15 August 2024.

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

As at 31 March 2025, none of the Directors and chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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 SFO, and so far as is known to the Directors or chief executive of the Company, no person (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was approved by the shareholders of the Company (the “Shareholders”) on 14 July 2016 for attracting and retaining the best available personnel of our Group, and providing incentives or rewards to eligible persons of the Group for their contribution to the success of the Group’s business.

During the year ended 31 March 2025, no share options were granted, exercised or cancelled or lapsed under the Share Option Scheme and there was no share option outstanding as at 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company did not redeem any of the shares of the Company listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such shares of the Company during the year ended 31 March 2025.

DIRECTORS' INTERESTS IN CONTRACTS

During the year ended 31 March 2025, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party.

COMPETING INTEREST

During the year ended 31 March 2025, none of the Directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competed or might compete with the business of the Group, or have any other conflict of interests with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealings in the securities (the “**Required Standard of Dealings**”) as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct for dealings in the securities of the Company by the Directors. Having made specific enquiries by the Company, all the Directors have confirmed that they had complied with the Required Standard of Dealings during the year ended 31 March 2025.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge of the Directors, the Directors consider that up to the date of this announcement, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the GEM Listing Rules (the “**CG Code**”), except for certain deviation as specified with considered reasons for such deviation as explained below.

Under code provision C.2.1 of the CG Code, the roles of the chairman of the Board and chief executive officer of the Company should be separated and should not be performed by the same individual.

During the year ended 31 March 2025 and up to the date of this announcement, the Company has not separated the roles of chairman of the Board and chief executive officer of the Company. During the year ended 31 March 2025, Mr. Xu Qiang is the chairman of the Board and also the chief executive officer of the Company responsible for overseeing the operations of the Group during the period. The Board believes that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the

management as the decisions of the Board are made collectively by way of voting and therefore the chairman of the Board should not be able to monopolize the voting result. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Board has established an Audit Committee with written terms of reference aligned with the provision of the code provisions set out in the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Hui Hung Kwan (chairman of the Audit Committee), Mr. Bian Hongjiang and Mr. Chen Wenrui, all of whom are independent non-executive Directors.

The consolidated results of the Group for the year ended 31 March 2025 and this announcement of the Company have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and report comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED ON THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in this preliminary announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited ("**McMillan**"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2025. The work performed by McMillan 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 McMillan on this preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Group's independent auditor:

"Opinion

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

Material uncertainty related to going concern

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group had a net shareholders' deficit of HK\$62,696,000 and its current liabilities exceeded its current assets by HK\$23,497,000 as at 31 March 2025. These conditions, along with other matters as described in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

EVENT AFTER REPORTING PERIOD

Save as disclosed, no significant event has occurred subsequent on 31 March 2025 and up to date of this announcement.

By order of the Board
Life Concepts Holdings Limited
Xu Qiang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 June 2025

As at the date of this announcement, the Board comprises Mr. Xu Qiang (Chairman and Chief Executive Officer) and Ms. Wu Liyu as executive Directors; and Mr. Hui Hung Kwan, Mr. Bian Hongjiang and Mr. Chen Wenrui as independent non-executive Directors.

This announcement, for which the Directors 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 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.

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