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YING KEE TEA HOUSE GROUP LIMITED

英記茶莊集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8241)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

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

FINANCIAL HIGHLIGHTS

- The consolidated revenue of the Group (as defined below) for the financial year ended 31 March 2026 (the “**Reporting Year**”) amounted to approximately HK\$29.0 million (2025: HK\$30.3 million), representing a decrease of 4.3%.
- The gross profit for the year amounted to approximately HK\$22.5 million (2025: HK\$23.2 million), decreasing by 3.0% year on year. Gross profit margin was 77.5% (2025: 76.7%) which is higher than that of last year.
- Net loss attributable to the owners of the Company for the Reporting Year was approximately HK\$27.9 million (2025: net loss of HK\$16.9 million).
- Basic and diluted loss per share attributable to equity holders of the Company was HK\$7.71 cents (2025: loss per share of HK\$4.67 cents) for the Reporting Year.
- The board of Directors (the “**Board**”) does not recommend the payment of a final dividend for the Reporting Year.

The Board announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2026 together with the audited comparative figures for the year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

		2026	2025
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	28,983	30,280
Cost of sales		<u>(6,522)</u>	<u>(7,062)</u>
Gross profit		22,461	23,218
Other income	5	311	23
Selling and distribution costs		(1,495)	(1,662)
Administrative expenses		(44,829)	(33,802)
Finance costs	6	<u>(4,325)</u>	<u>(4,657)</u>
Loss before income tax	7	(27,877)	(16,880)
Income tax expenses	8	<u>–</u>	<u>–</u>
Loss for the year attributable to equity holders of the Company		<u>(27,877)</u>	<u>(16,880)</u>
Other comprehensive income/(expense)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Actuarial gain/(loss) on long service payment obligations		<u>782</u>	<u>(439)</u>
Other comprehensive income/(expense) for the year, net of tax		<u>782</u>	<u>(439)</u>
Total comprehensive expense for the year attributable to equity holders of the Company		<u>(27,095)</u>	<u>(17,319)</u>
Loss per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic and diluted loss per share	11	<u>(7.71)</u>	<u>(4.67)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	50,700	77,346
Rental deposits	14	390	510
		51,090	77,856
Current assets			
Inventories	13	5,511	5,887
Trade and other receivables	14	2,307	1,870
Tax recoverable		–	65
Cash and bank balances		2,565	1,473
		10,383	9,295
Current liabilities			
Trade and other payables	15	1,157	1,072
Bank borrowings	16	43,585	14,101
Promissory notes	17	–	38,043
Lease liabilities	18	5,445	6,288
Amount due to related companies		4,000	–
Amount due to controlling shareholders		3,100	–
Tax payable		26	–
		57,313	59,504
Net current liabilities		(46,930)	(50,209)
Total assets less current liabilities		4,160	27,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 March 2026

		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Provision for long service payment		641	1,358
Provision for reinstatement cost		604	747
Bank borrowings	<i>16</i>	–	31,500
Amount due to related companies		–	3,000
Promissory notes	<i>17</i>	31,872	–
Lease liabilities	<i>18</i>	219	1,792
		<u>33,336</u>	<u>38,397</u>
Net liabilities		<u>(29,176)</u>	<u>(10,750)</u>
Equity			
Share capital	<i>19</i>	42,312	42,312
Reserves		(71,488)	(53,062)
Capital deficiency		<u>(29,176)</u>	<u>(10,750)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

Ying Kee Tea House Group Limited (the “**Company**”) was incorporated in Hong Kong with limited liability on 14 September 2017. The address of its registered office was 8/F, Wah Shing Centre, 5 Fung Yip Street, Siu Sai Wan, Hong Kong and its principal place of business is Hong Kong.

The Company’s shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 April 2018.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the retail trading of tea products. As at the reporting date, the Company’s holding company is Profit Ocean Enterprises Limited (“**Profit Ocean**”), a company incorporated in the British Virgin Islands (“**BVI**”).

The financial information relating to the years ended 31 March 2025 and 2026 included in this preliminary annual results announcement do not constitute the statutory annual consolidated financial statements of the Company for those years, but is derived from those consolidated financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the statutory annual consolidated financial statements for the year ended 31 March 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance, and will deliver the financial statements for the year ended 31 March 2026 to the Registrar of Companies within the prescribed time limit.
- The Company’s independent auditor, Grant Thornton Hong Kong Limited has reported on the financial statements for the years ended 31 March 2025.
- The Company’s independent auditor, Crowe (HK) CPA Limited has reported on the financial statements for the years ended 31 March 2026.

The independent auditor’s reports for the years ended 31 March 2025 and 2026 were unqualified; included a reference to material uncertainty related to going concern to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statements

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (“**HKFRS Accounting Standards**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure provisions of the Hong Kong Companies Ordinance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Basis of preparation of the consolidated financial statements (Continued)

These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (“**GEM Listing Rules**”). Material accounting policy information adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards which are mandatorily effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

The consolidated financial statements for the year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

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

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to an accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern assessment

As at 31 March 2026, the Group had net current liabilities and net liabilities of approximately HK\$46,930,000 and HK\$29,176,000, respectively. The Group’s business operation is mainly financed by bank and related companies and from internal sources of financing. As at 31 March 2026, the Group’s bank and cash balances amounted to HK\$2,565,000. In view of these circumstances, the Directors have been continuously implementing measures to improve and maintain the Group’s liquidity which include:

- (i) the Group has taken various cost control measures to tighten the costs of operation and generated net cash inflow from operating activities of approximately HK\$4,518,000 during the year ended 31 March 2026. The Group will continue to improve its working capital management and generate sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Basis of preparation of the consolidated financial statements (Continued)

Going concern assessment (Continued)

- (ii) the Group has the ability to renew and maintain the existing banking facilities and obtain new sources of financing;
- (iii) Chan Sing Hoi Enterprises Limited, a related company, has confirmed that it does not intend to demand repayment from the Company for the promissory notes due to it (note 17) until such time when repayment will not affect the Group's ability to repay other creditors in the normal course of business; and
- (iv) Golden Ocean International Holdings Limited ("**Golden Ocean**"), a related company, has undertaken to provide continuing financial support to the Group for at least twelve months from the date of approval of the consolidated financial statements by the directors in order to maintain the Group as a going concern.

In assessing the Group's ability to continue as a going concern, the Directors have prepared a cash flow forecast which covers a period of not less than twelve months from 31 March 2026. The Director's cash flow forecast made certain key assumption with regard to the anticipated cash flow from the Group's business operations and the availability of financial facilities from external parties and related companies.

The Group's ability to achieve the cash flow forecast depends on management's ability to successfully implement the improvement measures (from (i) to (ii) described above) on the profitability and the continuous availability of those financing facilities and obtaining financial support successfully, as and when, needed from the related company (described in (iv) above). These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors after making due inquiries and considering the basis of cash flow forecast and taking into account the above measures, conclude the Group will have sufficient financial resources to meet in full of its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW OR AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 April 2025

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 April 2025, to the consolidated financial statements for the current accounting year:

Amendments to HKAS 21	Lack of Exchangeability
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The Group has not applied any new standards and amendments to HKFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the Amendments to HKAS 21 in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

Issued but not yet effective HKFRS Accounting Standards

Up to the date of approval for issue of these consolidated financial statements, the HKICPA has issued a number of new and amendments to HKFRS Accounting Standards which are not yet effective for the year ended 31 March 2026 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HKFRS 18 and consequential amendments to other IFRS Accounting Standards	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

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

3. ADOPTION OF NEW OR AMENDED HKFRS ACCOUNTING STANDARDS (Continued)

Issued but not yet effective HKFRS Accounting Standards (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards

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 HKFRS Accounting Standards.
- (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 sets out classification requirements for foreign exchange differences, 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 HKFRS Accounting Standards 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.

3. ADOPTION OF NEW OR AMENDED HKFRS ACCOUNTING STANDARDS (Continued)

Issued but not yet effective HKFRS Accounting Standards (Continued)

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

The amendments include:

- clarification and further guidance for assessing whether the contractual cash flows of a financial asset meets the solely payments of principal and interest criterion;
- clarification of the date of recognition and derecognition of some financial assets and liabilities, with an accounting policy option to allow an entity to derecognise a financial liability before the settlement date if it is settled in cash using an electronic payment system if specified criteria are met;
- new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income (“FVOCI”); and
- new disclosure requirements for financial instruments with contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event.

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

4. REVENUE AND SEGMENT REPORTING

Revenue

	2026 HK\$'000	2025 HK\$'000
Sales of tea products	<u>28,983</u>	<u>30,280</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following types of customer and good:

	2026 HK\$'000	2025 HK\$'000
Type of customer		
– Individuals	27,206	28,701
– Corporate	<u>1,777</u>	<u>1,579</u>
	<u>28,983</u>	<u>30,280</u>

4. REVENUE AND SEGMENT REPORTING (Continued)

	2026 HK\$'000	2025 HK\$'000
Type of good		
– Tea leaves	27,672	28,658
– Tea wares	1,152	1,433
– Tea gift sets	159	189
	<u>28,983</u>	<u>30,280</u>

Segment information

The Group has determined the operating segments based on the information reported to the executive directors, the chief operating decision maker. During the years ended 31 March 2026 and 2025, the chief operating decision maker regards the Group's sales of tea products business as a single reportable and operating segment and assesses the operating performance and allocates the resources of the Group as a whole. Accordingly, no segment information is presented.

Geographical information

No separate analysis of segment information by geographical segment is presented as all of the Group's revenue are derived from Hong Kong based on the location of customers and all of the Group's non-current assets are located in Hong Kong.

Information about major customers

During the years ended 31 March 2026 and 2025, none of the Group's customers contributed over 10% of the Group's revenue.

5. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Bank interest income	–	3
Government subsidy (note)	20	–
Sundry income	164	20
Write-back of provision of reinstatement cost	127	–
	<u>311</u>	<u>23</u>

Note: During the year ended 31 March 2026, a subsidiary of the Group successfully applied for fund support from The SME Export Marketing Fund set up by the Hong Kong SAR Government. The purpose of the funding is to provide financial support for participation in export promotion activities to expand their markets outside Hong Kong. Effective from 30 April 2021 until 30 June 2026, the funding scope is expanded to cover large-scale exhibitions targeting the local market as well as online exhibitions, and the eligibility criteria is relaxed to cover non-SMEs.

6. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest charges on bank loans	1,555	1,979
Imputed interest expenses from promissory notes	2,498	2,345
Finance charges on lease liabilities	272	333
	<u>4,325</u>	<u>4,657</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging the following:

	2026 HK\$'000	2025 HK\$'000
Depreciation of property, plant and equipment	3,455	3,718
Depreciation of right-of-use assets	2,484	2,978
Total depreciation	<u>5,939</u>	<u>6,696</u>
Amortisation of reinstatement cost	<u>–</u>	<u>15</u>
Total amortisation	<u>–</u>	<u>15</u>
Lease charges in respect of premises		
– short term leases	462	701
– variable lease payments	500	1,105
Total lease charges	<u>962</u>	<u>1,806</u>
Auditor's remuneration	380	493
Cost of inventories recognised as an expense	5,346	5,885
Impairment loss of property, plant and equipment	21,592	5,810
Impairment loss of right-of-use assets	366	3,130

8. INCOME TAX EXPENSES

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits subject to Hong Kong Profits Tax for the years ended 31 March 2026 and 2025.

Reconciliation between income tax expenses and accounting loss at applicable tax rate:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss before income tax	<u>(27,877)</u>	<u>(16,880)</u>
Tax on loss before income tax at profits tax rate of 16.5% (2025: 16.5%)	(4,600)	(2,785)
Tax effect of non-deductible expenses	3,856	2,472
Tax effect of non-taxable income	(21)	(1)
Tax effect of temporary differences not recognised	(65)	(49)
Utilisation of tax losses previously not recognised	(24)	–
Tax effect of tax losses not recognised	861	363
Statutory tax concession	(3)	–
Tax reduction	<u>(4)</u>	<u>–</u>
Income tax expenses	<u>–</u>	<u>–</u>

No deferred tax asset has been recognised in relation to unrecognised tax losses of approximately HK\$11,070,000 (2025: HK\$10,728,000) as at 31 March 2026 due to the unpredictability of future profit streams. These tax losses do not expire under current tax legislation and are subject to agreement by the relevant tax authorities.

9. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

Employee benefit expenses

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Salaries, allowances and other benefits	11,455	12,375
Retirement scheme contributions (note)	409	280
Expenses arising from LSP obligations	<u>65</u>	<u>111</u>
	<u>11,929</u>	<u>12,766</u>

Note: At 31 March 2026, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2025: HK\$Nil).

10. DIVIDENDS

No dividend has been paid or declared by the Group during the years ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

11. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to equity holders of the Company and on the weighted average number of 361,650,000 ordinary shares (2025: 361,650,000 ordinary shares) for the year ended 31 March 2026.

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the year attributable to equity holders of the Company for the purposes of basic loss per share	<u>(27,877)</u>	<u>(16,880)</u>

For the years ended 31 March 2026 and 2025, diluted loss per share is the same as basic loss per share. The potential shares arising from the conversion of the Company's share options would decrease the loss per share attributable to equity holders of the Company and is not taken into account as they had anti-dilutive effects.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings <i>HK\$'000</i>	Machinery and equipment <i>HK\$'000</i>	Leasehold improvement and furniture and fixtures <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2024				
Cost	135,852	2,139	6,177	144,168
Accumulated depreciation, amortisation and impairment loss	(47,231)	(2,139)	(6,162)	(55,532)
Net book amount	88,621	–	15	88,636
Year ended 31 March 2025				
Opening net book amount	88,621	–	15	88,636
Additions	2,527	26	102	2,655
Modification of lease term (note ii)	1,706	–	–	1,706
Depreciation/Amortisation	(6,674)	(3)	(34)	(6,711)
Impairment loss (note i)	(8,834)	(23)	(83)	(8,940)
Closing net book amount	77,346	–	–	77,346
At 31 March 2025 and 1 April 2025				
Cost	140,085	2,165	6,279	148,529
Accumulated depreciation, amortisation and impairment loss	(62,739)	(2,165)	(6,279)	(71,183)
Net book amount	77,346	–	–	77,346
Year ended 31 March 2026				
Opening net book amount	77,346	–	–	77,346
Additions (note ii)	1,104	105	42	1,251
Disposals	(9,393)	–	–	(9,393)
Depreciation/Amortisation	(5,920)	(11)	(8)	(5,939)
Written back on depreciation due to disposals	9,393	–	–	9,393
Impairment loss (note i)	(21,830)	(94)	(34)	(21,958)
Closing net book amount	50,700	–	–	50,700
At 31 March 2026				
Cost	132,182	2,270	6,321	140,773
Accumulated depreciation, amortisation and impairment loss	(81,482)	(2,270)	(6,321)	(90,073)
Net book amount	50,700	–	–	50,700

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (i) As at 31 March 2026 and 2025, the property, plant and equipment (including right-of-use assets) were allocated to the retail shops as individual CGUs from which the sales of tea products business arose. Following the easing of cross-border travel and customs clearance arrangement between Hong Kong and Mainland China, changes in consumer spending patterns, including increased outbound consumption by Hong Kong residents to the Greater Bay Area during the weekends for leisure, food, and product consumption. As a result, certain retail shop CGUs recorded unsatisfactory sales performance and operating losses. Management therefore considered that impairment indicators existed for these CGUs (including certain property, plant and equipment and right-of-use assets) as at 31 March 2026 and 2025. Thus, the Group engaged the independent professional valuer (the “Valuer”) to conduct impairment assessments on these CGUs. The recoverable amounts of each CGU has been determined based on value in use or fair value less costs of disposal, whichever is higher.

The value in use calculations of the CGUs were based on the cash flow projections based on the latest financial budgets approved by the Company’s management covering a five-year period. Management determines revenue growth rate to be a key assumption as it is the main driver for revenue and costs in each period. The revenue growth rate is based on past historical sales information, current performance, internal management plans and market available information. The pre-tax discount rate used for the calculation was 9.90% (2025: 9.90%) and reflects specific risks relation to the relevant business.

The recoverable amounts of the two properties in the respective CGUs were determined by fair value less costs of disposal basing on valuations performed by the Valuer. The valuations were based on comparable market transactions and evidence and considered adjustments to reflect differences in transaction timing, location and tenure. The recoverable amounts of the two properties were level 2 fair value measurement. The significant observable is ranged from HK\$47,893 to HK\$61,045 (2025: HK\$70,115 to HK\$92,637) per saleable square foot for the said two properties. Due to the decreasing trend on market price of comparable transactions, an impairment loss of HK\$21,464,000 (2025: HK\$5,704,000) was recognised during the year ended 31 March 2026.

The recoverable amounts of certain right-of-use assets in the respective CGUs were determined by the valuations performed by the Valuer. The valuations were based on comparable market rent and evidence and considered adjustments to reflect differences in transaction timing and location.

Based on the above, the total recoverable amounts of the Group’s CGUs was amounted approximately HK\$50,700,000 (2025: HK\$77,346,000) as at 31 March 2026 of which the recoverable amounts of the two properties and property, plant and equipment included certain right-of-use assets in the respective CGUs that were subject to impairment loss was amounted approximately HK\$50,700,000 (2025: HK\$75,600,000) and HK\$Nil (2025: HK\$1,746,000) respectively. Accordingly, the Group has made provision for impairment on property, plant and equipment and right-of-use assets of HK\$21,592,000 (2025: HK\$5,810,000) and HK\$366,000 (2025: HK\$3,130,000), respectively, for the year ended 31 March 2026.

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

- (ii) During the years ended 31 March 2026 and 2025, the Group entered into modified contracts with lessors to revise the monthly rental and extend the lease terms of the leases. As the modification does not add the right to use one or more underlying assets, it is not accounted for as a separate lease. Accordingly, the Group recognised an additional amount of HK\$Nil (2025: HK\$1,706,000) of right-of-use assets included in leasehold land and buildings and lease liabilities respectively. In addition, the Group entered into a new contract amounting to HK\$1,104,000 (2025: HK\$2,527,000). At 31 March 2026, the Group has entered into several new leases of land and building for 1 year that is not yet commenced, and the lease payments amount to \$2,200,000 per annum (2025: two leases of land and building for 1 year, not yet commenced at 31 March 2025, with lease payments amounting to \$700,000 per annum).

As at 31 March 2026 and 2025, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	<i>HK\$'000</i>
Leasehold land and buildings carried at cost	
As at 1 April 2024	3,621
Addition	2,527
Modification of lease term	1,706
Depreciation for the year	(2,978)
Impairment for the year	<u>(3,130)</u>
At 31 March 2025 and 1 April 2025	1,746
Addition	1,104
Depreciation for the year	(2,484)
Impairment for the year	<u>(366)</u>
At 31 March 2026	<u><u>–</u></u>

As at 31 March 2026, leasehold land and buildings with a carrying amount of HK\$50,700,000 (2025: HK\$75,600,000) was pledged to secure general banking facilities granted to the Group. The details in relation to these leases are set out in note 18.

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

(ii) (Continued)

The Group leased a number of retail stores which contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Hong Kong where the Group operates and can reduce fixed cost. The amounts of fixed and variable lease payments for the year are summarised below:

	2026			2025		
	Fixed	Variable	Total	Fixed	Variable	Total
	payments	payments		payments	payments	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Retail stores – Hong Kong						
– Fixed rent only	1,656	–	1,656	1,770	–	1,770
– Variable rent with minimum lease payments	1,996	463	2,459	1,544	213	1,757
	<u>3,652</u>	<u>463</u>	<u>4,115</u>	<u>3,314</u>	<u>213</u>	<u>3,527</u>

At 31 March 2026, it was estimated that an increase in sales generated from these retail stores by 1% would have increased the lease payments by HK\$12,000 (2025: HK\$5,000).

13. INVENTORIES

	2026	2025
	HK\$'000	HK\$'000
Tea leaves	2,224	2,590
Canned/packed tea products for sale	1,582	1,513
Tea wares	666	587
Sundries and packaging materials	1,039	1,197
	<u>5,511</u>	<u>5,887</u>

14. TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	401	314
Less: Expected credit loss (“ECL”) allowance	—	—
	401	314
Deposits, prepayments and other receivables		
Rental and other deposits	1,694	1,654
Prepayments	600	409
Other receivables	2	3
Less: ECL allowance	—	—
	2,697	2,380
Less: non-current portion		
Rental deposits	(390)	(510)
	2,307	1,870

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts and the ECL are considered as insignificant because these balances have short maturity periods on their inception.

The Group’s sales to customers are mainly on cash basis. The Group also grants credit terms of 0 to 60 days (2025: 0 to 60 days) to certain corporate customers. Based on the invoice dates (or date of revenue recognition if earlier), the ageing analysis of the trade receivables, net of ECL allowance, was as follows:

	2026 HK\$'000	2025 HK\$'000
0 – 30 days	372	300
31 – 60 days	17	13
61 – 90 days	6	1
Over 90 days	6	—
	401	314

15. TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables	451	450
Accrued charges and other payables	706	622
	<u>1,157</u>	<u>1,072</u>

Purchases are generally made without prescribed credit terms. Based on the invoice dates, the ageing analysis of trade payables was as follows:

	2026 HK\$'000	2025 HK\$'000
0 – 30 days	<u>451</u>	<u>450</u>

All amounts are short-term and hence the carrying amounts of trade and other payables are considered to be a reasonable approximation of fair values.

16. BANK BORROWINGS

At 31 March 2026 and 2025, the Group's bank loans were repayable as follows:

	2026 HK\$'000	2025 HK\$'000
Carrying amount repayable:		
Within one year	43,585	14,101
In the second year	<u>–</u>	<u>31,500</u>
	43,585	45,601
Less: carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	(12,085)	(11,851)
Less: amounts shown under current liabilities	<u>(31,500)</u>	<u>(2,250)</u>
Amounts shown under non-current liabilities	<u>–</u>	<u>31,500</u>
Secured (notes (i) & (ii))	41,500	42,750
Unsecured (note (iii))	<u>2,085</u>	<u>2,851</u>
	<u>43,585</u>	<u>45,601</u>

16. BANK BORROWINGS (Continued)

Notes:

- (i) At 31 March 2026 and 2025, the balances were secured by certain property, plant and equipment as set out in note 12.
- (ii) At 31 March 2026, the amount of HK\$10,000,000 (2025: HK\$9,000,000) included in the secured borrowings were guaranteed by certain subsidiaries of the Company.
- (iii) At 31 March 2026, the amount of HK\$2,085,000 (2025: HK\$2,851,000) included in the unsecured borrowings were guaranteed by HKSAR government under SME Financing Guarantee Scheme and cross personal guarantees given by Chan Shu Yuen, Chan Kwong Yuen, Chan Kun Yuen and Chan Tat Yuen, the controlling shareholders of the Group.

The effective interest rates range from 2.75% to 4.80% (2025: 2.75% to 5.73%) per annum.

17. PROMISSORY NOTES

	2026 HK\$'000	2025 HK\$'000
At beginning of year	38,043	35,698
Fair value of promissory notes at remeasurement date	31,831	–
Derecognition of original promissory notes	(40,500)	–
Imputed interest charged (note 6)	2,498	2,345
	<u>31,872</u>	<u>38,043</u>
At end of year	<u>31,872</u>	<u>38,043</u>
	2026 HK\$'000	2025 HK\$'000
Analysed into:		
– Current portion	–	38,043
– Non-current portion	31,872	–
	<u>31,872</u>	<u>38,043</u>
At end of year	<u>31,872</u>	<u>38,043</u>

On 25 March 2020 (“**Effective Date**”), the Company issued two promissory notes with principal amounts of HK\$25,500,000 and HK\$25,000,000 respectively to Chan Sing Hoi Enterprises Limited (“**Chan Sing Hoi Enterprises**”) as part of the consideration for the acquisition of the two properties used as retail shops for business operation and the Company may, at its sole and absolute discretion, further extend the maturity date for another three years falling on the sixth anniversary of the Effective Date or such other date as suggested by the Company, whichever date is earlier. In December 2020, the Company has made early repayment amounted to HK\$10,000,000. The promissory notes of HK\$40,500,000 were extended at a discounted value which is calculated by the Group’s effective interest rate of 6.57% per annum to discount the value of the promissory notes into their fair value at inception date.

17. PROMISSORY NOTES (Continued)

The promissory notes were unsecured and interest-free on its principal sum. The promissory notes were matured on 25 March 2026 (the “**Extended Maturity Date**”). On 25 March 2026, the Company and Chan Sing Hoi Enterprises entered into a supplemental agreement to further extend the Extended Maturity Date for another three years. The promissory notes were further extended to 25 March 2029 upon its maturity and therefore, the outstanding balance is classified as non-current liabilities. Effective interest rate on the remaining principal balance was revised to 8.36% per annum.

18. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group’s lease liabilities:

	2026 HK\$'000	2025 HK\$'000
Total minimum lease payments:		
Due within one year	5,518	6,531
Due in the second to fifth years	223	1,862
	5,741	8,393
Future finance charges on lease liabilities	(77)	(313)
Present value of lease liabilities	5,664	8,080
	2026 HK\$'000	2025 HK\$'000
Present value of minimum lease payments:		
Due within one year	5,445	6,288
Due in the second to fifth years	219	1,792
	5,664	8,080
Less: Portion due within one year included under current liabilities	(5,445)	(6,288)
Portion due after one year included under non-current liabilities	219	1,792

As at 31 March 2026 and 2025, lease liabilities amounted to HK\$5,664,000 (2025: HK\$8,080,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2026, the total cash outflows for the leases are HK\$4,754,000 (2025: HK\$5,218,000).

18. LEASE LIABILITIES (Continued)

Details of the lease activities

As at 31 March 2026 and 2025, the Group has entered into leases for office premise, car park and retails shops as follows:

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of leases	Range of remaining lease term	Particulars
Office premise	Leasehold land and buildings in “property, plant and equipment”	1 (2025: 1)	1 year (2025: 1 years)	Only subject to monthly fixed rental payment
Carpark	Leasehold land and buildings in “property, plant and equipment”	1 (2025: 1)	0.75 year (2025: 1.75 years)	Only subject to monthly fixed rental payment
Retails shops	Leasehold land and buildings in “property, plant and equipment”	5 (2025: 5)	0 to 1 years (2025: 1 to 2 years)	Some of the contracts contain additional variable lease payments depends on the turnover rent during the contract period

19. SHARE CAPITAL

	2026		2025	
	Number of shares '000	Share capital HK\$'000	Number of shares '000	Share capital HK\$'000
Issued and fully paid:				
At 31 March 2026 and 2025	361,650	42,312	361,650	42,312

20. RESERVES

(a) Capital reserve

It represents the excess of nominal value of shares of Ying Kee Tea Company Limited (“**Ying Kee**”) over the nominal value of shares allotted by the Company arising from reorganisation.

(b) Contribution reserve

It represents the deemed contribution by controlling shareholders, in the issuance of non-interest bearing promissory notes to Chan Sing Hoi Enterprises in 2020. The promissory notes have been further extended to next three years upon its maturity. The contribution reserve represents the difference between the fair value of assets acquired and the fair value of the non-interest bearing promissory notes issued in 2020, and the difference of fair value change of promissory notes extended in 2023 and 2026, details of which are set out in note 17.

21. INTERESTS IN SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 March 2026 and 2025 are as follows:

Name of Company	Place of incorporation and business	Particulars of issued and paid up capital	Percentage of equity interest directly held by the Company		Principal activities
			2026	2025	
Ying Kee	Hong Kong	HK\$1,000,000	100%	100%	Retail trading of tea products
iTea. Ying Kee Limited	Hong Kong	HK\$1	100%	100%	Inactive
New Vantage (Hong Kong) Limited	Hong Kong	HK\$1	100%	100%	Inactive
Sing Hoi Properties Limited	Hong Kong	HK\$10,000	100%	100%	Property holding
Union Lucky Limited	Hong Kong	HK\$1	100%	100%	Property holding

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONAL REVIEW

During the year ended 31 March 2026 (the “**Reporting Year**”), the Group encountered a significant decline in sales due to weak consumer spending environment. There is a notable trend of Hong Kong residents purchasing goods and services in Mainland China, while Mainland Chinese visitors have exhibited a lower spending levels in Hong Kong, resulting in a significant disparity in cross-border consumption patterns.

With the ease of immigration and customs clearance between the Hong Kong and Mainland China border, Hong Kong citizens flocked to the GBA during the weekends for leisure, food, and product consumption. This has weakened the local retail sector in Hong Kong, resulting in a decrease of revenue by 4.3% year on year.

According to the Immigration Department of the Hong Kong Special Administrative Region, a daily outflux of Hong Kong citizens crossing into the Mainland China border reached approximately 650,000 during the weekends. This phenomenon weakened local consumer spending in the retail industry. The trend is expected to continue as long as the price difference between Hong Kong and Mainland China remains. As a result, the Group maintains a prudent skepticism about the prospects of the industry and the overall retail environment in Hong Kong.

This phenomena becomes a norm for the weekend activities as Hong Kong residents continue to take advantage of easy entry and exit into the GBA. On the contrary, mainland residents entering Hong Kong spend lower amount in purchasing. Products like tea leaves are not on the shopping priority list. As a result, effect of lower sales is imminent for the reporting year and probably onwards.

FINANCIAL REVIEW

Revenue, Gross Profit and Net Loss

The consolidated revenue of the Group for Reporting Year reached approximately HK\$29.0 million (2025: HK\$30.3 million), representing a decrease of 4.3%. The gross profit for the year amounted to approximately HK\$22.5 million (2025: HK\$23.2 million), decreasing by 3.0% year-on-year. Gross profit margin was 77.5% (2025: 76.7%), which is higher than that of last year. Net loss for the Reporting Year was approximately HK\$27.9 million (2025: Net loss of HK\$16.9 million). The loss for the Reporting Year was mainly due to decrease in sales, impairment loss of plant, property and equipment, and impairment loss of right-of-use assets. Basic and diluted loss per share attributable to equity holders of the Company was 7.71 HK cents (2025: loss per share of 4.67 HK cents) for the Reporting Year.

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 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements, which describes the principal conditions that raise significant doubt about the Group's ability to continue as a going concern. 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.”

Segmental Information

For the Reporting Year, tea leaves remained the predominant products sold, accounting for 95.5% of total revenue (2025: 95.4%). Tea wares and tea gift sets recorded percentage of 4.0% and 0.5% respectively, of total revenue (2025: 3.9% and 0.7% respectively), representing a lower proportion of sales as compared with that of tea leaves. Regarding the sales of tea leaves, Pu-erh tea remained the most popular product, followed by oolong tea and fragrant tea. Their percentages of sales relative to total sales were 34.5% (2025: 33.7%), 23.5% (2025: 24.1%) and 13.9% (2025: 14.6%).

Other Income

The other income was approximately HK\$0.3 million (2025: HK\$23,000) for the Reporting Year mainly due to the profit from reinstatement.

Selling and Distribution Costs

For the Reporting Year, the costs of selling and distribution amounted to approximately HK\$1.5 million (2025: HK\$1.7 million), representing a decrease of 11.8% as compared to that of the year ended 31 March 2025 because of reduction in advertising fee.

Administrative Expenses

The following expenses increased or decreased for the Reporting Year relative to those for the year ended 31 March 2025:

1. Rent on shops and booths decreased by 44.4% from approximately HK\$1.8 million to approximately HK\$1.0 million due to the closure of concession counter in YATA in Kwun Tong; and
2. Impairment loss was approximately HK\$21.6 million (2025: HK\$8.9 million) on property, plant and equipment and right-of-use assets.

Finance Costs

For the Reporting Year, the finance costs, which primarily consisted of bank borrowing interest, finance lease interest and imputed interest expense from promissory notes, were in the aggregate of approximately HK\$4.3 million (2025: HK\$4.7 million). The reason for the decrease of 8.5% was due to the decrease of interest rate on principal of secured mortgage loans and revolving loans. The properties acquired were collateralised to the lending bank with some restrictive covenants.

- Carrying value of acquired properties as at the end of the Reporting Year was HK\$50.7 million
- Bank borrowings secured by the properties as at the end of the Reporting Year was HK\$41.5 million

Inventory Control

The net carrying value of the Group's inventories was approximately HK\$5.5 million (2025: HK\$5.9 million) as at the end of the Reporting Year. The main reason for keeping the inventory level relatively low was due to the Directors' decision not to over-stock during a period of uncertainty.

The Board closely monitored the inventory level and movements during the Reporting Year to ensure that an adequate amount of stock was maintained and to avoid loss of sales due to under-stocking. As vintage pu-erh tea contributed the highest gross profit margin, the Directors were responsible for procurement and warehouse staff were responsible for stocktaking to ensure that a sufficient stock of vintage pu-erh tea was available for sale.

In order to enhance stringent inventory control, the following procedures were adopted:

- Stocktake by shop manager and warehouse staff was carried out every month;
- Reconciliation of physical stock and amount in the accounting system was performed by the shop manager and accountant every month;
- Office personnel observed the physical stocktake by shop manager and warehouse staff every year; and
- Warehouse staff regularly checked for inventory damage and spoilage for proper provision at the end of each quarter.

Trade and Other Receivables

As at the end of the Reporting Year, trade and other receivables increased to approximately HK\$2.7 million from approximately HK\$2.4 million as at 31 March 2025, representing an increase by approximately HK\$0.3 million or 12.5%.

LIQUIDITY AND CASH FLOW MANAGEMENT

The Group has adopted a prudent financial policy in order to maintain a healthy financial position and steady growth. The Group has funded the liquidity and capital requirements principally from cash generated from operations and proceeds from the share offer.

As at the end of the Reporting Year, the Group's net current liabilities amounted to approximately HK\$46.9 million (2025: HK\$50.2 million), which was a decrease of approximately HK\$3.3 million or 7.0% compared to the previous year. Cash and bank balances amounted to approximately HK\$2.6 million (2025: HK\$1.5 million), representing an increase of approximately HK\$1.1 million or 73.3%, compared with that at 31 March 2025.

Trade and Other Payables

As at the end of the Reporting Year, trade and other payables increased from approximately HK\$1.1 million as at 31 March 2025 to approximately HK\$1.2 million, being an increase of approximately HK\$0.1 million or 9.1%.

CHARGE OF GROUP'S ASSETS

As at the end of the Reporting Year, the Group had first and second legal charges on ownership and rental right respectively of the Group's assets, namely, property at Shop B, Ground Floor, Siu Ying Commercial Building, 151–155 Queen's Road Central, 1–1B Wing Kut Street, Hong Kong and the property at Ground Floor, Mei Wah Building No. 170 Johnston Road, Wanchai, Hong Kong as securities for the banking facilities granted to the Group.

Save as disclosed above, there was no other material charge on the Group's assets for the Reporting Year.

SIGNIFICANT INVESTMENT

There was no significant investment during the Reporting Year and as at the end of the Reporting Year, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Year.

CAPITAL STRUCTURE

The shares of the Company (the “**Shares**”) were listed on GEM of the Stock Exchange on 16 April 2018. As at the end of the Reporting Year, the Company had 361,650,000 ordinary shares in issue.

Equity

Deficit attributable to owners of the Company amounted to approximately HK\$29.2 million as at the end of the Reporting Year (2025: Deficit attributable to owners of the company HK\$10.8 million), representing an increase of approximately HK\$18.4 million or 170.4%.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances to maintain strong and healthy liquidity and to ensure that the Group is well placed to take advantage of future growth opportunities.

FOREIGN EXCHANGE EXPOSURE

Since all of the assets and liabilities are situated in Hong Kong and almost all of the revenue is generated from Hong Kong, the functional and reporting currency is Hong Kong dollar. There were no hedging instruments except bank deposits and cash in hand of RMB16,000 (2025: RMB11,000). For payment of purchases in Renminbi or U.S. dollars, the Directors considered that the foreign exchange exposure was fairly covered as purchases in Renminbi represented 8.0% (2025: 10.1%) of the total purchases, and in U.S. dollars a mere 3.2% (2025: 2.9%) of the total purchases.

EMPLOYEES AND REMUNERATION POLICIES

As at the end of the Reporting Year, the Group had 47 employees (2025: 49 employees) working in Hong Kong. Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various training was provided to the employees. The total staff costs including remuneration of the Directors, mandatory provident fund contributions and provision for long service payment for the Reporting Year, amounted to approximately HK\$11.9 million (2025: HK\$13.0 million). The Group has also adopted a share option scheme whereby qualified participants may be granted options to acquire Shares. During the Reporting Year, no share options was granted to the Directors and employees (2025: Nil).

Defined Contribution Plan

The Group operates a defined contribution retirement benefit plan (the “**MPF Scheme**”) for all of its employees in Hong Kong in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). All employees in Hong Kong are required to join the MPF Scheme and the employees and their employer are each required to contribute 5% of their gross earnings with a current ceiling of HK\$1,500 per month to the MPF Scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. The contributions charged to the consolidated statement of profit or loss and other comprehensive income represents the contributions payable to the funds by the Group. The Group does not forfeit any contributions on behalf of its employees who leave the scheme prior to full vesting. Accordingly, there is no forfeited contribution available for the Group to reduce the existing level of contributions.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at the end of the Reporting Year (2025: Nil).

COMMITMENTS

The contract commitments mainly involve rental payable by the Group in respect of certain shops, concessionary counters, office and warehouse premises under operating leases arrangements. As at the end of the Reporting Year, there was no operating lease commitments (2025: HK\$16,800). There was no other contractual commitment as at the end of the Reporting Year (2025: Nil).

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the Reporting Year.

During the Reporting Year, the Group did not declare any interim dividend (2025: Nil) to shareholders.

GEARING RATIO

The debt-to-equity ratio is calculated by dividing bank borrowings by total equity.

As at the end of the Reporting Year, the debt-to-equity ratio of the Group stood at -149.4% (2025: -424.2%). The increase was mainly due to reduction in equity.

CAPITAL EXPENDITURE

For the Reporting Year, the Group's capital expenditure amounted to approximately HK\$147,000 (2025: approximately HK\$128,000), mainly for machinery and equipment.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that only well-established customers will be considered for open account terms and the approval of credit terms is subject to stringent credit check procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its bank borrowings. However, the interest rate risk was low, as the interest rate fluctuations during the Reporting Year were small due to the weak global economy.

Liquidity risk

The Group monitors its risk to a shortage of funds using monthly cash flow forecast. The Group's objective is to maintain a balance between continuity of funding and flexibility through cash from funds generated from operations.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders in order to meet its immediate and long-term goals. During the Reporting Year, there was no material or significant dispute between the Group and its suppliers, customers and/or other stakeholders.

EVENTS AFTER THE REPORTING YEAR

The Directors are not aware of any significant event taking place after 31 March 2026 and up to the date of this report which requires disclosure.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Group is committed to maintaining a high standard of corporate governance. The Company has applied the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules as applicable during the Reporting Year. During the Reporting Year (i.e., from 1 April 2025 to 31 March 2026), the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code.

The Board is responsible for the leadership, control, and promoting the success of the Group. To this end, the Board has set corporate strategic objectives and policies, and monitors and evaluates the operating activities and financial performance of the Group.

SECURITIES TRANSACTIONS OF DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Upon specific enquiry from the Group, all of the Directors have confirmed that they have complied with the Code of Conduct during the Reporting Year.

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

The Shares were listed on GEM on 16 April 2018. During the Reporting Year, neither the Company nor any of its subsidiary has purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE AND REVIEW OF PRELIMINARY ANNOUNCEMENT

The audit committee of the Board (the “**Audit Committee**”) was established on 14 March 2018 with written terms of reference in compliance with the requirements as set out in Rule 5.28 of the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises of three members, being all of the independent non-executive Directors, namely Mr. Lee Wai Ho, Ms. Hon Yin Wah and Dr. Ip Wai Hung. The chairman of the Audit Committee is Ms. Hon Yin Wah. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Year at a meeting held on 29 June 2026, and is of the view that the consolidated financial statements complied with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the Reporting Year have been agreed by the Company's independent auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Crowe (HK) 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 Accounts and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on 27 August 2026. For details of the AGM, please refer to the Notice of AGM which will be published in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 August 2026 to 27 August 2026 (both dates inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents must be lodged with the Company's share registrar Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 20 August 2026.

PUBLICATION OF ANNUAL RESULTS AND DISPATCH OF ANNUAL REPORT

This announcement is published on the Company's website (<http://www.yingkeetea.com>) and the website of the Stock Exchange (<http://www.hkex.com.hk>). The annual report for the Reporting Year containing the information required by the GEM Listing Rules will be despatched to shareholders and published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Ying Kee Tea House Group Limited
Chan Kwong Yuen
Chairman

Hong Kong, 29 June 2026

As at the date of this announcement, the Board comprises Mr. Chan Kwong Yuen, Mr. Chan Kun Yuen and Mr. Chan Shu Yuen as executive Directors; and Dr. Ip Wai Hung, Ms. Hon Yin Wah and Mr. Lee Wai Ho as independent non-executive Directors.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.yingkeetea.com.