# CHINA HONGBAO HOLDINGS LIMITED
# 中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8316

# 2026
## ANNUAL REPORT

## CHARACTERISTICS OF GEM

**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 report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 report 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 report misleading.

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## BOARD OF DIRECTORS

### Executive Directors

Mr. Cheng Jun *(Chairman)*
Mr. Yu Hua *(Chief Executive Officer)*

### Independent non-executive Directors

Mr. Chow Chun To
Ms. Lau Wai Hing (appointed on 19 March 2026)
Ms. Wong Chi Yan (resigned on 19 March 2026)
Professor Cheung Ka Yue

## BOARD COMMITTEES

### Audit Committee

Mr. Chow Chun To *(Chairman)*
Ms. Lau Wai Hing (appointed on 19 March 2026)
Ms. Wong Chi Yan (resigned on 19 March 2026)
Professor Cheung Ka Yue

### Remuneration Committee

Professor Cheung Ka Yue *(Chairman)*
Mr. Chow Chun To
Ms. Lau Wai Hing (appointed on 19 March 2026)
Ms. Wong Chi Yan (resigned on 19 March 2026)

### Nomination Committee

Mr. Cheng Jun *(Chairman)*
Mr. Chow Chun To
Ms. Lau Wai Hing (appointed on 19 March 2026)
Ms. Wong Chi Yan (resigned on 19 March 2026)
Professor Cheung Ka Yue

## COMPANY SECRETARY

Ms. Chu Mei Po *(CPA) (Chief Financial Officer)*

## AUTHORISED REPRESENTATIVES

Mr. Cheng Jun
Ms. Chu Mei Po

## COMPLIANCE OFFICER

Mr. Cheng Jun

## AUDITOR

CCTH CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 1510-1517, 15/F,
Tower 2, Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

## HONG KONG LEGAL ADVISERS

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18 Chater Road
Central
Hong Kong

## REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kowloon, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## PRINCIPAL BANKS

Bank of China (Hong Kong) Limited

China Construction Bank (Asia) Corporation Limited

## WEBSITE OF THE COMPANY

www.hongbao8316.com

## STOCK CODE

8316

# CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board, I hereby present the annual report of the Group for the year ended 31 March 2026 (“**FY2026**”).

During FY2026, the Group’s internet services segment recorded significant growth and became the primary revenue driver of the Group. Revenue generated from this segment increased by approximately HK$77.5 million year-on-year, supported by enhancements made to the one-stop e-commerce platform (the “**Platform**”) operated by a business partner and stronger digital marketing efforts. The “on-demand delivery” business, for which the Group holds exclusive operating rights on the Platform, continued to contribute meaningfully to the segment’s performance.

In contrast, the construction segment experienced a substantial decline in revenue following the suspension of operations of Ambitious Achievement New Materials Holding Limited (“**Ambitious Achievement**”) in the second quarter of FY2026. Although the Group attempted to continue construction activities through another Hong Kong subsidiary afterwards, revenue from the construction segment decreased by approximately HK$42.3 million for the year. Given the increasingly challenging Hong Kong construction market, the Group also established a new PRC renovation-related consultation service company in June 2026 to explore renovation-related consultation opportunities leveraging its existing network.

In addition, the Group’s financial position improved during FY2026 following the waiver by Mr. Cheng Jun (“**Mr. Cheng**”) of an aggregate amount of approximately HK$20.1 million due from the Group, enabling the Group to turn from a net liabilities position of approximately HK$15.3 million as at 31 March 2025 to a net assets position of approximately HK$10.0 million as at 31 March 2026. Please refer to the announcement of the Company dated 27 March 2026 and the section headed “Management Discussion and Analysis — Liquidity, Financial Resources and Capital Structure — Net assets/(liabilities) and deed of debt waiver” in this annual report for details.

Looking ahead, the Group will continue to develop its internet services segment, which has demonstrated strong growth momentum and remains the Group’s main stream of revenue. As user engagement on the Platform increases, the Group expects to capture additional revenue opportunities from services for which it holds exclusive operating rights, while exploring new initiatives to broaden its digital service offerings. For the construction segment, the Group will continue to monitor the Hong Kong market and assess whether further development of the business locally would be commercially justified. Meanwhile, the newly established PRC renovation-related consultation service company provides an alternative pathway for the Group to explore renovation-related consultation opportunities in a market where it has existing connections.

On behalf of the Board, I wish to take this opportunity to express my gratitude to our customers, business partners, suppliers and the Shareholders for their continuous support, and to our management and staff members for their commitment and contribution throughout the years.

**Cheng Jun**
*Chairman and Executive Director*

Hong Kong, 26 June 2026

## BUSINESS REVIEW AND OUTLOOK

### Overview

The Group recorded total revenue of approximately HK$116.1 million for FY2026, representing an increase of approximately HK$35.2 million, or 43.6%, as compared with approximately HK$80.9 million for the year ended 31 March 2025 ("**FY2025**"). The increase was primarily driven by the significant expansion of the internet services segment of the Group during FY2026.

Revenue from the internet services segment increased by approximately HK$77.5 million, or 223.6%, from approximately HK$34.7 million for FY2025 to approximately HK$112.2 million for FY2026, reflecting the Group's strengthened operational capabilities in O2O e-commerce services. The strong performance of this segment offset the decline in revenue from the construction segment, which was adversely affected by the cessation of operations of a subsidiary of the Company in Hong Kong, Ambitious Achievement, as detailed below.

As disclosed in the Company's announcements dated 3 September 2025, 24 October 2025, 6 November 2025, 10 December 2025, 7 January 2026, 30 January 2026, 11 February 2026 and 23 February 2026, Ambitious Achievement ceased operations following the loss of contact with its key management personnel and the incident of lost operational and accounting records. A winding-up order (the "**Winding-Up Order**") was granted by the Hong Kong High Court on 11 February 2026, and provisional liquidators (the "**Provisional Liquidators**") were appointed accordingly on the same day. Assets and liabilities of Ambitious Achievement and its subsidiaries (collectively, the "**Ambitious Achievement Group**") were deconsolidated from the Group's consolidated financial statements with effect from 11 February 2026 (the "**Ambitious Achievement Deconsolidation Date**").

Following the granting of the Winding-up Order, the Board carefully considered the legal and financial implications of the same. Having taken into account (i) the insolvency position of Ambitious Achievement, (ii) the substantial funding and resources that would have been required to restore it to solvency, and (iii) the time and costs associated with continued litigation, the Board resolved not to proceed with an appeal against the Winding-up Order. The Board considers this approach to be the most appropriate and beneficial course of action for the Company and its shareholders as a whole.

The Group is involved in the winding-up proceeding in two capacities: (i) Ambitious Achievement as the company in liquidation, and (ii) the Company as one of its creditors, having issued a statutory demand prior to the Winding-up Order. In these capacities, the Group has been cooperating fully with the Provisional Liquidators, including providing all available information and documents, and will attend creditors' meetings, submit proof of debt and follow up on the debt adjudication process with a view to safeguarding the Group's interests.

The liquidation of Ambitious Achievement has materially affected the Group's construction business. Revenue recognised in the Group's construction segment during FY2026 mainly related to (i) three incomplete projects of Ambitious Achievement carried forward from the prior year and (ii) a new project undertaken by another subsidiary of the Group. The Company considers that resuming the construction business in Hong Kong and rebuilding market presence within a short period would require significant time and resources. During FY2026, the Group completed one remaining construction project, and no new Hong Kong construction projects had been secured as at the date of this report. The Group will continue to identify and evaluate suitable business opportunities in the construction market in Hong Kong. Leveraging the Group's prior experience in the construction segment and existing network in the PRC, including the presence of Hainan Hongbao Linkage Technology Co. Ltd.* (海南紅包聯動科技有限公司), the Group established a renovation-related consultation service company in June 2026 to pursue opportunities in a more accessible market environment. Dedicated personnel will be engaged in the PRC to oversee this business line and support its development.

In addition, the Group did not generate revenue from the supply and installation of new energy charging piles during FY2026 (FY2025: Nil). This business was previously carried out through Shaanxi Gaochuang Yuanwei Energy Limited* (陝西高創遠為能源有限公司) ("**Gaochuang Yuanwei**") (subsidiary of Ambitious Achievement), which was deconsolidated on 11 February 2026 following the appointment of Provisional Liquidators. As a result of the deconsolidation and having considered the Group's existing resources and the prospect of this segment, the Group no longer carries out this business and does not intend to continue this segment.

* *For the purposes of identification only*

## Our services, revenue streams, customers and suppliers/subcontractors

Set out below are two tables presenting (a) the revenue allocation by segment; and (b) a summary of each segment covering the nature of services, revenue recognition basis, and customer and supplier/subcontractor profiles.

(a) *Revenue allocation by segment:*

| Segment | **FY2026** HK$'000 | **FY2026** % | FY2025 HK$'000 | FY2025 % |
|---|---|---|---|---|
| (i) Internet services | **112,227** | **96.7** | 34,686 | 42.9 |
| (ii) Foundation and other construction works *(Note 1)* | **3,886** | **3.3** | 46,168 | 57.1 |
| (iii) Supply and installation of new energy charging piles *(Note 2)* | **–** | **–** | – | – |
| Total | **116,113** | **100.0** | 80,854 | 100.0 |

(b) *Summary of services, revenue models, customers and suppliers/subcontractors:*

| Segment | Description | Nature of service | Revenue recognition (HKFRS 15) | Customers | Suppliers/Subcontractors |
|---|---|---|---|---|---|
| (i) Internet services | | | | | |
| O2O e-commerce | The Group provides merchant advertising channel through the Platform. Merchants pay fees for regional operating rights, platform exposure and access to system functions. | Platform operation, system access, merchant-end functions, customer service and digital marketing | Recognised over time, based on service fees amortised over the contract period | Merchants and service providers subscribing to the Group's platform services | Promotion partners assisting in merchant onboarding, which are not contractual counterparties to the customers |
| Supply chain management services | The Group provides supply chain fulfilment services for the redemption of food, daily necessities and other consumer goods by end-users on the Platform. | Procurement, supplier management, order processing, fulfilment and after-sales coordination | Recognised at a point in time, when control of the goods is transferred to the customers | Platform operator relying on the Group to fulfil redemption orders | Product suppliers providing goods under framework agreements (shipment, logistics updates and/or after-sales support) |
| (ii) Foundation and other construction works *(Note 1)* | The Group provides foundation and other construction services under contracts entered into with customers. FY2026 revenue mainly related to incomplete projects carried forward from prior year and a new project undertaken by another subsidiary of the Group. | Foundation works and other construction activities | Recognised over time:<br>• foundation works using output method based on payment certificates<br>• other construction services using input method based on proportion of costs incurred | Main contractors located in Hong Kong, including those involved in government-related maintenance works | Construction subcontractors and suppliers of construction materials (hardware, building materials and/or consumables) |
| (iii) Supply and installation of new energy charging piles *(Note 2)* | The Group previously engaged in the supply and installation of new energy charging piles in the PRC. This business was carried out through Gaochuang Yuanwei (subsidiary of Ambitious Achievement), which was deconsolidated on 11 February 2026 following the appointment of Provisional Liquidators. As a result, this segment ceased to form part of the Group's operations from that date onward. | Charging piles for new energy vehicles, power battery recycling and new energy vehicle logistics | Revenue was recognised at a point in time when the supply and installation services were completed and control transferred to customers | Corporate customers and project owners requiring charging-pile installation services (no longer applicable after deconsolidation) | Suppliers of charging-pile equipment and installation subcontractors (no longer applicable after deconsolidation) |

*Notes:*

1. The Group established a renovation-related consultation service company in the PRC in June 2026 to explore renovation-related advisory opportunities. The Group plans to provide consultation services at the initial stage and collaborate with third-party renovation subcontractors who will perform the actual renovation works. The Group may consider undertaking certain renovation works directly in the future if commercially viable. No revenue was generated from this business during FY2026. Management currently expects revenue to be recognised over time based on service progress, subject to final assessment. Target customers are those seeking renovation planning or advisory services in the PRC. As the Group intends to focus on consultation and coordination at the initial stage, third-party renovation subcontractors will be engaged to carry out renovation works.

2. The operations of supply and installation of new energy charging piles segment has been discontinued upon the Ambitious Achievement Deconsolidation Date.

### Outlook

The Group will continue the development of its internet services segment, which has demonstrated strong growth momentum and became the Group's principal revenue contributor during FY2026. As platform usage and merchant participation increase, the Group expects to capture additional revenue opportunities from both O2O e-commerce services and supply chain management services.

Going forward, the Group will continue to monitor the Hong Kong construction market and assess whether further development would be commercially justified, taking into account factors such as technical resources, financial capacity and risk management. At the same time, the Group will continue to develop its PRC construction consultation business, with the aim of rebuilding the construction segment on a prudent and sustainable basis.

## FINANCIAL REVIEW

### Revenue

The Group's revenue for FY2026 amounted to approximately HK$116.1 million, representing an increase of approximately HK$35.2 million, or 43.6%, as compared with approximately HK$80.9 million for FY2025. The increase was mainly attributable to the substantial growth in the O2O e-commerce services under the internet services segment.

Revenue from O2O e-commerce services increased by approximately HK$77.8 million, or 305.6%, from approximately HK$25.5 million in FY2025 to approximately HK$103.3 million in FY2026. The significant increase was primarily driven by enhanced platform functions and higher merchant participation arising from the promotion activities during FY2026.

Such increase was partially offset by (i) a slight decrease in revenue from supply chain management services of approximately HK$0.2 million, or 2.9%, from approximately HK$9.2 million in FY2025 to approximately HK$9.0 million in FY2026, mainly due to a modest decline in redemption activity by end-users; and (ii) a significant decrease in revenue from the construction segment of approximately HK$42.3 million, or 91.6%, from approximately HK$46.2 million in FY2025 to approximately HK$3.9 million in FY2026. The decline in the construction segment was primarily attributable to the liquidation of Ambitious Achievement and the fact that the replacement subsidiary's operations were still at an early stage and had not yet developed sufficiently to compensate for the loss of revenue within such a short period. Revenue for the construction segment was recognised only to the extent that consideration had been received or was considered probable of being received in accordance with HKFRS 15. As mentioned in the section headed "Management Discussion and Analysis — Outlook", the Group will continue to explore commercially viable opportunities to re-develop the construction segment.

### Cost of services

The Group's cost of services increased from approximately HK$57.8 million for FY2025 to approximately HK$97.0 million for FY2026, representing an increase of approximately HK$39.2 million, or 67.8%. The increase was mainly attributable to the significant growth in the O2O e-commerce services under the internet services segment, which required additional resources for (i) system upgrade, (ii) merchant acquisition and (iii) digital marketing as the Group expanded the industry and geographical coverage of the Platform. These activities, including the engagement of (i) IT subcontractors for system upgrade, (ii) promotion partners for face-to-face merchant acquisition, and (iii) live-streaming promotion, resulted in higher associated costs of approximately HK$72.0 million.

Such increase was partially offset by (i) a slight decrease in cost for the supply chain management services by approximately HK$0.2 million, which was generally in line with the respective decrease in revenue of approximately HK$0.2 million; and (ii) a decrease in cost for the construction segment of approximately HK$32.6 million, or 77.3%. As Ambitious Achievement (which was a principal operating subsidiary for the construction segment) did not operate for the full year in FY2026, the level of construction activity and related costs were substantially lower compared with FY2025.

### Gross profit and gross profit margin

The Group's overall gross profit margin decreased by approximately 12.1%, from 28.5% for FY2025 to 16.4% for FY2026. The decrease was mainly attributable to the gross loss of approximately HK$5.7 million recorded by the construction segment for FY2026, representing a gross loss ratio of approximately 146.3% (FY2025: gross profit of approximately HK$4.0 million and a gross profit margin of approximately 8.6%). The gross loss was primarily resulted from the operational disruption arising from the liquidation of Ambitious Achievement, which affected the Group's ability to carry out certain projects under normal commercial conditions. A small project undertaken by another subsidiary of the Group generated a modest profit during FY2026.

In addition, the internet services segment recorded a gross profit of approximately HK$24.8 million for FY2026 (FY2025: approximately HK$19.1 million). Its gross profit margin decreased from approximately 54.9% to approximately 22.1%, mainly due to the system upgrade and promotion costs incurred during FY2026.

### Other income and gains

Other income and gains of the Group decreased by approximately HK$116,000 from approximately HK$145,000 for FY2025 to approximately HK$29,000 for FY2026. The decrease was mainly due to the fact that no gain on disposal of subsidiaries was recognised during FY2026 (FY2025: approximately HK$91,000).

### Gain on deconsolidation of subsidiaries

The gain on deconsolidation of subsidiaries arose from the deconsolidation of Ambitious Achievement Group, which was in net liabilities position of approximately HK$18.3 million as at the Ambitious Achievement Deconsolidation Date. After releasing the exchange reserve of approximately HK$0.6 million, a gain of approximately HK$17.7 million was recognised during FY2026 (FY2025: nil). Please refer to note 34 to the consolidated financial statements for details.

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

During FY2026, the Group recognised net impairment loss on financial assets and contract assets of approximately HK$6.4 million in aggregate (FY2025: recognition of net impairment loss on financial assets, contract assets and property, plant and equipment of approximately HK$3.9 million in aggregate). Such increase was due to the higher impairment loss recognised on the Group's financial assets of approximately HK$4.7 million, mainly attributable to the expected credit loss recognised for Ambitious Achievement's financial assets. It was partially offset by a decrease in impairment loss recognised on the Group's contract assets and property, plant and equipment of approximately HK$2.2 million in aggregate, as those related assets had almost been fully impaired in FY2025.

## Administrative expenses

The administrative expenses decreased by approximately HK$6.6 million, or 24.2%, from approximately HK$27.4 million for FY2025 to approximately HK$20.8 million for FY2026. The decrease was mainly attributable to reduction in legal and professional fees of approximately HK$1.3 million, as well as the absence of the approximately HK$6.0 million operating expenses relating to Ambitious Achievement recognised in FY2025.

Such decrease was partially offset by the write-off of contract assets and deposits relating to Ambitious Achievement, which amounted to approximately HK$0.4 million during FY2026 (FY2025: nil).

## Finance costs

Finance costs decreased by approximately HK$0.8 million, or 65.3%, from approximately HK$1.2 million for FY2025 to approximately HK$0.4 million for FY2026. The decrease was mainly attributable to (i) the reduction in imputed interest of approximately HK$1.0 million arising from a loan from Mr. Xing Yuan, a former shareholder of the Company, which had been fully repaid previously; and (ii) a decrease in interest on lease liabilities of approximately HK$0.1 million, owing to net decrease in the outstanding lease liabilities of approximately HK$1.2 million during FY2026.

Such decrease was partially offset by an increase in interest expense of approximately HK$0.3 million recognised for another borrowing owed by Ambitious Achievement during FY2026, which was deconsolidated from the Group's consolidated financial statements on the Ambitious Achievement Deconsolidation Date.

## Profit/(loss) before income tax

The Group recorded profit before income tax of approximately HK$9.2 million for FY2026 (FY2025: loss before income tax of approximately HK$9.4 million). The change from loss to profit was mainly attributable to (i) the increase in gross profit from the internet services segment by approximately HK$5.7 million; (ii) the recognition of a gain on deconsolidation of the Ambitious Achievement Group of approximately HK$17.7 million; (iii) the decrease in administrative expenses by approximately HK$6.6 million; and (iv) the decrease in finance costs by approximately HK$0.8 million.

These were partially offset by the gross loss recorded by the construction segment of approximately HK$5.7 million (FY2025: gross profit of approximately HK$4.0 million), and higher impairment losses recognised of approximately HK$2.5 million.

## Income tax expense

The Group's income tax expense for FY2026 was approximately HK$4.5 million (FY2025: approximately HK$0.4 million). Such increase was mainly due to the higher taxable profit generated by the internet services segment during FY2026.

**Profit/(loss) and total comprehensive income/(expense) for the year attributable to owners of the Company**

Profit and total comprehensive income attributable to owners of the Company for FY2026 amounted to approximately HK$5.3 million (FY2025: loss and total comprehensive expense of approximately HK$9.8 million). The change from net loss to net profit was mainly due to the factors described under the paragraph "Profit/(loss) before income tax", partially offset by the increase in income tax expense of approximately HK$4.1 million and reclassification of exchange reserve upon deconsolidation of subsidiaries of approximately HK$0.6 million during FY2026 (FY2025: nil).

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Shares were successfully listed on GEM on the Listing Date. Save as disclosed in the section headed "Management Discussion and Analysis — Capital Structure" below, there has been no change in the capital structure of the Group since the Listing Date and up to the date of this annual report.

As at 31 March 2026, the Group had lease liabilities of approximately HK$0.5 million (2025: lease liabilities, amount due to a director, loan from a related party and other borrowings of approximately HK$19.4 million in aggregate). The scheduled repayment dates of the Group were as follows:

| | **2026**<br>**HK$'000** | 2025<br>HK$'000 |
|---|---|---|
| Within one year and on demand | **283** | 19,445 |
| Between one and two years | **196** | – |
| | **479** | 19,445 |

As at 31 March 2026, the Group's lease liabilities were denominated in HK$ (2025: lease liabilities, amount due to a director, loan from a related party and other borrowings were denominated in HK$). As at 31 March 2026, the Group's borrowings primarily comprised finance lease liabilities discounted at a rate determined based on the Group's incremental borrowing rate (2025: finance lease liabilities discounted at a rate determined based on the Group's incremental borrowing rate; a borrowing of approximately HK$2.2 million which bore a fixed interest rate of 12% per annum; and the imputed interest of liabilities directly associated with assets classified as held for sale (previously a shareholder loan), which was calculated based on an interest rate of 8% per annum as estimated by the Directors). The Group considers its exposure to interest rate risk to be minimal due to the absence of floating-rate borrowings. The Group does not engage in foreign currency or interest rate hedging activities, and does not hedge foreign currency net investments. The management monitors foreign currency and interest rate exposure as part of its treasury function. In addition, the Group's borrowing requirements do not exhibit seasonality and are driven primarily by operational working capital needs rather than cyclical or seasonal factors. For further details, please refer to Notes 23, 24 and 25 to the consolidated financial statements.

The current ratio of the Group as at 31 March 2026 was approximately 1.19 times, as compared to that of approximately 0.78 times as at 31 March 2025.

| | **2026** | 2025 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Current assets | **60,527** | 57,527 |
| Current liabilities | **50,890** | 74,186 |
| Current ratio (times) | **1.19** | 0.78 |

As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK$11.8 million (2025: approximately HK$36.8 million) of which approximately HK$0.2 million (2025: approximately HK$2.7 million) and HK$11.6 million (2025: approximately HK$34.1 million) were denominated in HK$ and RMB respectively.

### Gearing ratio

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

| | **2026** | 2025 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Total debts | **479** | 19,445 |
| Less: Cash and cash equivalents | **(11,836)** | (36,771) |
| Net cash | **(11,357)** | (17,326) |
| Total equity/(deficits) | **10,036** | (15,332) |
| Gearing ratio | **N/A#** | N/A# |

\# The Group was in a net cash position as at both 31 March 2026 and 31 March 2025. Accordingly, the gearing ratio was not applicable for both years.

### Net assets/(liabilities) and deed of debt waiver

As disclosed in the Company's announcement dated 27 March 2026, Mr. Cheng, an executive Director and a shareholder of the Company, executed a deed of debt waiver pursuant to which he irrevocably and unconditionally waived debt in an aggregate amount of approximately HK$20.1 million owed to him by the Group. The waiver significantly improved the Group's financial position as at 31 March 2026.

The waived amount comprised (i) an amount due to Mr. Cheng of approximately HK$2.3 million and (ii) a loan of approximately HK$17.8 million that had been assigned to him on 27 March 2026. The assigned loan was originally owed to Mr. Fu Yik Lung ("**Mr. Fu**"), a former director of a former ultimate holding company of the Company. As at 31 March 2025, the loan from Mr. Fu had a carrying amount of approximately HK$14.4 million. During FY2026, the Group received additional cash advances of approximately HK$3.5 million from Mr. Fu and repaid approximately HK$0.1 million, resulting in an outstanding balance of approximately HK$17.8 million immediately before the assignment. On 27 March 2026, Mr. Fu assigned the entire loan to Mr. Cheng at consideration of approximately HK$17.8 million, after which Mr. Cheng waived both the assigned loan and the amount originally due to him.

The total waived amount of approximately HK$20.1 million was credited directly to reserve in accordance with HKFRSs. While the waiver did not affect the Group's consolidated profit or loss for FY2026, it materially strengthened the Group's financial position and contributed to the turnaround from net liabilities of approximately HK$15.3 million as at 31 March 2025 to net assets of approximately HK$10.0 million as at 31 March 2026.

### Treasury policies

The Group adopts a conservative approach towards its treasury policies. The Group's credit risk, which is primarily attributable to contract assets and trade receivables, is concentrated, since approximately 89.2% of such balances were derived from the five largest customers as at 31 March 2026 (2025: approximately 89.6%). As the customers of the Group are reputable corporations, the credit risk is considered to be low. The Group's major bank balances are deposited with banks with good reputation and hence the management does not expect any losses from non-performance by these banks. In relation to the management of liquidity risk, the Group's policy is to regularly monitor the liquidity requirements in order to maintain sufficient reserves of cash and adequate committed lines of funding from major banks to meet the liquidity requirements in short and long term.

## CAPITAL STRUCTURE

The Shares were successfully listed on GEM on the Listing Date. The Issued Share Capital only comprises ordinary shares.

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

| | **Number of Issued Share Capital** |
|---|---|
| On the Listing Date | 800,000,000 |
| Completion of a subscription of new shares under general mandate on 16 January 2023 *(Note (a))* | 28,050,000 |
| As at 16 January 2023 | 828,050,000 |
| Completion of a subscription of new shares under general mandate on 13 March 2023 *(Note (b))* | 38,350,000 |
| As at 13 March 2023 | 866,400,000 |
| Completion of a subscription of new shares under general mandate on 31 July 2024 *(Note (c))* | 41,666,000 |
| As at 31 July 2024 | 908,066,000 |
| Completion of a subscription of new shares under general mandate on 4 March 2025 *(Note (d))* | 45,310,000 |
| As at 4 March 2025, 31 March 2025, 31 March 2026 and up to the date of this annual report | 953,376,000 |

*Notes:*

(a) Please refer to the announcements of the Company dated 5 January 2023 and 16 January 2023 for further details.

(b) Please refer to the announcements of the Company dated 27 February 2023 and 13 March 2023 for further details.

(c) Please refer to the announcements of the Company dated 24 April 2024 and 31 July 2024 for further details.

(d) Please refer to the announcements of the Company dated 15 January 2025 and 4 March 2025 for further details.

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

With effect from 30 July 2025, the authorised share capital of the Company increased by HK$20,000,000, from HK$10,000,000 divided into 1,000,000,000 Shares to HK$30,000,000 divided into 3,000,000,000 Shares. Please refer to the Company's circular dated 8 July 2025 and announcement dated 30 July 2025 for further details.

As at 1 April 2025 and 31 March 2026, the Issued Share Capital was approximately HK$9.5 million (representing 953,376,000 issued ordinary shares of HK$0.01 each).

## DIVIDEND

The Board does not recommend the payment of dividend for FY2026 (FY2025: Nil).

## CAPITAL COMMITMENTS

As at 31 March 2026, the Group did not have any significant capital commitments (2025: Nil).

## SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During FY2026, the Group did not hold any significant investments.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2026. For details on deconsolidation of Ambitious Achievement (which was a subsidiary of the Company), please refer to the section headed "Management Discussion and Analysis — Business Review and Outlook" in this annual report.

## SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed in Note 6 to the consolidated financial statements.

## EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group employed a total of 29 staff (2025: 59 staff). The total employee remuneration, including remuneration of the Directors, for FY2026 amounted to approximately HK$12.1 million (FY2025: approximately HK$14.7 million).

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

## CHARGE ON GROUP ASSETS

As at 31 March 2026, the Group had no assets charged for bank borrowings or for other purposes.

## FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2026, the Group did not have any concrete plan for material investments or capital assets.

## FOREIGN CURRENCY EXPOSURE

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

## CONTINGENT LIABILITIES

Save as disclosed in this annual report, the Group did not have any significant contingent liabilities as at 31 March 2026 (2025: Nil).

## EVENTS AFTER THE REPORTING PERIOD

Since the granting of the winding-up order on 11 February 2026 and up to the date of this report, the Group has been cooperating with the provisional liquidators of Ambitious Achievement and has provided requested documents and information which are in its possession. As one of the creditors of Ambitious Achievement, the Group will attend creditors' meeting(s) when convened and will follow up on the debt adjudication process. As at the date of this report, the creditors' meeting has not yet been held and the Group is awaiting further updates from the provisional liquidators.

Save as disclosed elsewhere in this annual report, there is no other material subsequent event undertaken by the Company or by the Group after 31 March 2026 and up to the date of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group during FY2026.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business operations are subject to various risks and uncertainties that may affect its financial performance and prospects. The key risks identified by the Group, together with the measures adopted to mitigate such risks, are summarised below.

| | Principal risks Identified | Description of the principal risks identified | Mitigation of risks |
|---|---|---|---|
| **1.** | **Internet Services Segment Risks** | | |
| (i) | Network security and data protection risk | The internet services business involves handling user and merchant data. Cyber-attacks, system vulnerabilities or data leakage may affect user confidence and the Group's reputation. | • Strengthen cybersecurity infrastructure and monitoring<br>• Implement data encryption and access control measures<br>• Conduct regular system testing and security audits |
| (ii) | Technology development and platform enhancement risk | The internet services industry is characterised by rapid technological advancements and evolving user expectations. Failure to support timely upgrades or respond to market trends may affect competitiveness. | • Monitor industry developments and user feedback<br>• Conduct feasibility studies before new feature development<br>• Allocate resources to continuous enhancement of services provided through the Platform |

| Principal risks Identified | Description of the principal risks identified | Mitigation of risks |
|---|---|---|
| (iii) Customer acquisition and retention risk | The growth of the internet services segment depends on the Group's ability to attract and retain merchants and maintain user engagement. Increased competition or ineffective marketing may affect business performance. | • Enhance user experience and service quality<br>• Implement targeted digital marketing strategies<br>• Strengthen merchant support and service functionality |
| (iv) Dependence on third-party service providers | The internet services business relies on external service providers such as cloud hosting, payment gateways and logistics partners. Any service disruption may affect service delivery. | • Maintain close communication with service providers<br>• Monitor service performance and stability<br>• Explore alternative providers where appropriate |
| (v) Cooperation and platform partnership risk | The Group provides its internet services through the Platform operated by a long-term business partner. The Group holds exclusive operating rights for designated services on the Platform. While the cooperation has been stable and is governed by long-term contractual arrangements, the Group's internet services segment may still be affected by changes in the Platform operator's system arrangements or operational policies. | • Maintain close and regular communication with the Platform operator<br>• Strengthen cooperation mechanisms and ensure alignment through long-term agreements<br>• Continue to enhance the Group's own service capabilities to support stable operations |
| (vi) Regulatory and compliance risk | The internet services segment is subject to PRC laws and regulations relating to data protection, online advertising, platform operations and service provider obligations. Changes in regulatory requirements or non-compliance may affect the Group's operations. | • Monitor regulatory developments<br>• Strengthen internal compliance procedures<br>• Ensure service practices align with applicable PRC laws and platform requirements |

| Principal risks Identified | Description of the principal risks identified | Mitigation of risks |
|---|---|---|
| **2. Construction Segment Risks** | | |
| (i) Project cost and margin risk | The construction business involves pricing based on estimated time, materials and subcontracting costs. Actual costs may deviate from estimates due to unforeseen site conditions, labour availability or material price fluctuations, which may affect project profitability. | • Strengthen project budgeting and cost monitoring<br>• Conduct regular site reviews and progress assessments<br>• Enhance subcontractor management and procurement planning |
| (ii) Dependence on experienced personnel | The construction segment relies on the expertise of qualified management and technical personnel. The loss of key personnel may affect project execution and business development. | • Offer competitive remuneration packages<br>• Provide training and development opportunities<br>• Strengthen succession planning |
| (iii) Subcontractor performance risk | The Group engages subcontractors for certain works. Any non-performance, delay or sub-standard work by subcontractors may affect project progress and quality. | • Conduct due diligence and performance evaluation<br>• Implement clear contractual terms and monitoring mechanisms<br>• Maintain a diversified pool of subcontractors |
| (iv) Machinery investment and utilisation risk | Failure to invest in suitable machinery may affect competitiveness, while acquisition of machinery may increase depreciation, maintenance costs and capital expenditure. | • Conduct feasibility studies before major capital investments<br>• Adopt a balanced mix of owned and rented machinery<br>• Implement regular maintenance programmes |

| Principal risks Identified | Description of the principal risks identified | Mitigation of risks |
|---|---|---|
| (v) Environmental and external event risks | Construction activities are subject to environmental compliance requirements and may be affected by adverse weather, natural disasters or other events beyond the Group's control. | • Comply with environmental regulations and safety standards<br>• Implement contingency plans for weather-related disruptions<br>• Maintain appropriate insurance coverage |

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to operating its businesses in a responsible and sustainable manner. The Group's operations are subject to environmental laws and regulations in Hong Kong and the PRC, including those relating to air quality, noise control, waste management and wastewater discharge. The Group has established internal guidelines and work procedures to ensure compliance with applicable requirements and to minimise the environmental impact arising from its business activities.

### 1. Internet Services Segment

Although the environmental footprint of the internet services segment is relatively low compared with construction activities, the Group remains committed to reducing resource consumption and promoting environmentally responsible practices:

| Area | Measures |
|---|---|
| (i) Energy efficiency | • Adopt energy-saving practices in office operations<br>• Encourage the use of energy-efficient equipment and lighting |
| (ii) Digitalisation and paper reduction | • Promote electronic communication and documentation<br>• Reduce reliance on printed materials in daily operations |
| (iii) Green procurement | • Prioritise environmentally friendly office supplies and equipment<br>• Engage service providers that demonstrate strong environmental performance |
| (iv) Waste reduction and recycling | • Implement recycling programmes for paper, plastics and electronic waste<br>• Encourage employees to adopt waste-reduction habits |

### 2. Construction Segment

For the construction segment, the Group has implemented a series of measures to manage environmental impacts arising from on-site operations:

| Area | Measures |
|---|---|
| (i) Air quality management | • Implement dust suppression measures such as water spraying<br>• Install dust screens where appropriate<br>• Conduct regular vehicle inspections and maintenance<br>• Encourage drivers to switch off idle engines and plan routes efficiently |
| (ii) Noise control | • Install acoustic barriers where required<br>• Carry out works in accordance with permitted working hours |
| (iii) Waste management | • Engage qualified waste collectors to handle hazardous waste<br>• Sort and separate construction waste (e.g. timber, metal, plastic) for recycling<br>• Promote the "5Rs" principle (reduce, renew, reuse, recycle and replace) |
| (iv) Wastewater management | • Use sewage treatment systems to filter wastewater before discharge<br>• Reuse treated wastewater for dust suppression where feasible |

The Directors consider that the environmental measures adopted by the Group are appropriate and adequate for the nature and scale of its operations. During FY2026, the Group was not aware of any material non-compliance with applicable environmental laws and regulations that would have a material adverse impact on the Group's business, financial condition or results of operations.

## RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

### Customers

For the internet services segment, the Group's customers primarily comprise (i) the operator of the Platform with whom the Group cooperates in providing product redemption services; and (ii) merchants from various industries who subscribe for service exposure and "on-demand delivery"-related functions on the Platform. These merchants cover a wide range of service categories, including transportation, domestic services, entertainment, beauty and wellness, consultancy, renovation, education and household maintenance. The Group's customers for the construction segment mainly comprise main contractors and subcontractors of construction projects in both the private and public sectors in Hong Kong. During FY2026, the Group's five largest customers accounted for approximately 20.8% (FY2025: 71.7%) of the Group's total revenue, and the largest customer accounted for approximately 7.1% (FY2025: 43.0%) of the Group's total revenue. The Group maintains stable business relationships with its major customers in both business segments.

To the best knowledge of the Directors, none of the Directors or their respective close associates, nor any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company), had any beneficial interest in the Group's five largest customers during FY2026.

### Suppliers

For the internet services segment, suppliers primarily consist of product suppliers for redemption items under the Platform, as well as service providers supporting the Group's "on-demand delivery" business. The Group's suppliers for the construction segment mainly provide construction materials such as cement, steel, diesel fuel, machinery parts, and machinery-related services including rental, repair and maintenance. For FY2026, the Group's largest supplier and five largest suppliers accounted for approximately 30.3% and 62.5% of the Group's total cost of sales respectively (FY2025: both not more than 30%).

To the best knowledge of the Directors, none of the Directors or their respective close associates, nor any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company), had any beneficial interest in the Group's five largest suppliers during FY2026.

### Subcontractors

During FY2026, the Group subcontracted certain construction works, including drilling, grouting and geotechnical works, to third-party subcontractors to optimise the utilisation of the Group's manpower and machinery resources. Subcontracting fees accounted for approximately 6.9% (FY2025: 33.2%) of the Group's total cost of sales. The largest subcontractor accounted for approximately 2.7% (FY2025: 20.4%) of the total cost of sales, while the five largest subcontractors accounted for approximately 6.7% (FY2025: 29.1%) of the total cost of sales.

The Group selects subcontractors based on factors including service quality, delivery performance, pricing and compliance with the Group's quality assurance requirements. The Group maintains and updates an internal approved list of subcontractors based on ongoing performance evaluation.

To the best knowledge of the Directors, none of the Directors or their respective close associates, nor any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company), had any beneficial interest in the Group's five largest subcontractors during FY2026.

### Employees

The Group regards its employees as valuable assets and is committed to attracting, developing and retaining suitable personnel to support its business operations. The Group assesses its manpower needs on an ongoing basis and recruits additional staff as necessary to support business development in both the construction and internet services segments.

The Directors consider that the Group maintained good relationships with its employees during FY2026. The Group was not involved in any material labour disputes, nor did it experience significant difficulties in recruiting or retaining experienced staff that would have a material impact on its operations. The Group has not established any trade union for its employees.

# BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out as follows:

## EXECUTIVE DIRECTORS

**Mr. Cheng Jun** (程俊) ("**Mr. Cheng**"), aged 63, has been appointed as the Chairman, an executive Director, the compliance officer, the Authorised Representative and the chairman of the Nomination Committee since 19 May 2022.

Mr. Cheng obtained a bachelor's degree in business administration from Beijing University of Arts and Sciences in the PRC in July 1998 and has over 33 years of experience in finance and business administration.

From 2015 to 2019, Mr. Cheng was the chairman of Beijing Sousou Kuaipao Technology Co., Ltd.* (北京嗖嗖快跑科技有限公司), a company of which Mr. Yu Hua (an executive Director and the Chief Executive Officer) was the chief executive officer. He was also an executive director of Nanchang Woai Wojia Technology Co., Ltd.* (南昌我愛我家科技有限公司) from 2018 to 2022. From 2002 to 2014, Mr. Cheng was the chairman and chief executive officer of Jiangxi Mytophome Property Co., Ltd.* (江西省滿堂紅置業有限公司). Mr. Cheng was the chairman and executive director of S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (stock code: 8506, the shares of which were delisted from GEM on 7 June 2022), from December 2020 to May 2022.

As at the date of this annual report, Mr. Cheng held 180,078,000 Shares, representing approximately 18.89% of the Issued Share Capital.

**Mr. Yu Hua** (于華) ("**Mr. Yu**"), aged 41, has been appointed as an executive Director since 27 February 2023 and the Chief Executive Officer since 17 May 2023.

Mr. Yu obtained a master's degree in software engineering from Peking University (北京大學) in the PRC in July 2011 and has over 10 years of experience in finance and business administration. He served as the chief executive officer of Beijing Sousou Kuaipao Technology Co., Ltd.* (北京嗖嗖快跑科技有限公司) from 2015 to 2019, a company of which Mr. Cheng (the Chairman and an executive Director) was the chairman and a shareholder. Since July 2022, Mr. Yu has been the chief executive officer, executive director, general manager and legal representative of Hainan Hongbao Linkage Technology Co. Ltd.* (海南紅包聯動科技有限公司), an indirect wholly-owned subsidiary of the Company. He is also a director of the Company's directly wholly-owned subsidiaries, namely Grand Goal Group Limited, Glorious Leap Limited, Star Creation Global Limited, State Charm Developments Limited and Jovial Elite Holdings Limited since November 2022, and of its indirectly wholly-owned subsidiaries, namely Mega Benefit Corporation Limited since June 2022 and Ambitious Achievement New Materials Holding Limited since December 2022 to November 2025.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chow Chun To** (鄒振濤) ("**Mr. Chow**"), aged 43, has been appointed as an independent non-executive Director ("**INED(s)**") since 28 January 2022. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Chow has more than 20 years of experience in accounting and auditing. Mr. Chow worked at PCP CPA Limited as an accountant III from June 2006 to June 2007. He then joined HLB Hodgson Impey Cheng (currently known as HLB Hodgson Impey Cheng Limited) as an accountant I in June 2007 until December 2007. In February 2008, Mr. Chow joined Deloitte Touche Tohmatsu as an associate and was promoted to a senior in October 2008 until he left the company in April 2011. Mr. Chow worked as a financial manager at Chiho-Tiande (HK) Limited, a wholly-owned subsidiary of Chiho-Tiande Group Limited (currently known as Chiho Environmental Group Limited) (stock code: 976), the issued shares of which are listed on the Main Board of the Stock Exchange, between May 2011 and May 2013. He then worked as a financial controller at JC Group Holdings Limited (currently known as Tonking New Energy Group Holdings Limited) (stock code: 8326), the issued shares of which are listed on GEM, from May 2013 to September 2014. Mr. Chow worked as the financial controller at In Construction Holdings Limited (stock code: 1500), the issued shares of which are listed on the Main Board of the Stock Exchange, between September 2014 and February 2017. He was an independent non-executive director of Geotech Holdings Ltd. (stock code: 1707), AV Promotions Holdings Limited (stock code: 8419) and Kingland Group Holdings Ltd (stock code: 1751) from September 2017 to January 2019, from December 2017 to July 2019 and from November 2016 to December 2024 respectively. Mr. Chow was the company secretary of E-Station Green Technology Group Co., Limited (formerly known as K Group Holdings Limited) (stock code: 8475) and S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (stock code: 8506, the shares of which were delisted from GEM on 7 June 2022), from September 2019 to October 2020 and from May 2021 to June 2023 respectively. Mr. Chow has been the company secretary of WebX International Holdings Company Limited (stock code: 8521), the issued shares of which are listed on GEM, since May 2026.

**Ms. Lau Wai Hing (劉慧卿)** ("**Ms. Lau**"), aged 34, has been appointed as an INED since 19 March 2026. She is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Ms. Lau has over 10 years of experience in audit, corporate finance and financial services. She has been (a) the senior manager (wellbeing promotion and development) of New Life Psychiatric Rehabilitation Association since March 2026; (b) an independent non-executive director of Jin Mi Fang Group Holdings Limited (the shares of which are listed on GEM of the Stock Exchange (stock code: 8300)) since November 2023; and (c) an independent non-executive director of Elephant Holdings Group Limited (formerly known as Novacon Technology Group Limited) (the shares of which are listed on GEM of the Stock Exchange (stock code: 8635)) since April 2025. She also founded Into Stillness Limited in November 2022 and has been a director since its establishment. Before taking up her current roles, Ms. Lau held corporate finance positions at First Shanghai Capital Limited and Sunfund Capital Limited, and began her career at RSM Hong Kong.

Ms. Lau obtained a degree of Bachelor of Business Administration in Professional Accounting from the Hong Kong University of Science and Technology in Hong Kong in November 2013. She is currently a member of the HKICPA.

**Professor Cheung Ka Yue** (張嘉裕) (“**Prof. Cheung**”), aged 53, has been appointed as an INED since 11 December 2023. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Prof. Cheung has over three decades of business and professional experience in public accounting firms and across different industries in the commercial sector. He is a seasoned executive with international experience. He serves on the boards of various local and overseas business entities. He provides global perspectives and international networks, drawing upon experience and insights gained from regulatory, corporate finance, compliance, corporate governance and academic fields.

Prof. Cheung is conferred with the Knight Commander of Rizal of the Republic of the Philippines. He is actively involved in public and social services, with tremendous contributions to economic development and education development of the society. He makes dedicated and exemplary service to the society and contributions to philanthropic causes over the years.

Prof. Cheung is a postdoctoral researcher and an honorary professor. He holds a doctoral degree in business administration, a master’s degree in education, a master’s degree in laws, a master’s degree in professional accountancy, and a bachelor’s degree in accounting. He is a practicing accountant in Hong Kong.

Prof. Cheung is currently an independent non-executive director of Peking University Resources (Holdings) Company Limited (stock code: 618, shares of which are listed on the Main Board of the Stock Exchange), Success Dragon International Holdings Limited (stock code: 1182, shares of which are listed on the Main Board of the Stock Exchange), and MaxWin International Holdings Limited (stock code: 8513, shares of which are listed on the GEM). He is currently an executive director of Huiyuan Cowins Technology Group Limited (stock code: 1116, shares of which are listed on the Main Board of the Stock Exchange). He was an independent non-executive director of Crown International Corporation Limited (stock code: 727, shares of which are listed on the Main Board of the Stock Exchange) from December 2022 to July 2023 and Ganglong China Property Group Limited (stock code: 6968, shares of which are listed on the Main Board of the Stock Exchange) from June 2025 to October 2025. He was an independent director of Primega Group Holdings Limited (stock code: ZDAI (former stock code: PGHL), shares of which are listed on the NASDAQ) from September 2024 to April 2025.

## COMPANY SECRETARY

**Ms. Chu Mei Po** (朱美寶) (“**Ms. Chu**”), aged 37, has been appointed as the Company Secretary and the Authorised Representative since 13 September 2024. She is also the Chief Financial Officer. Ms. Chu has over 10 years of experience in accounting, finance and audit with international audit firms and a listed company in Hong Kong. She has been the company secretary of Elephant Holdings Group Limited (formerly known as Novacon Technology Group Limited) (the shares of which are listed on GEM of the Stock Exchange (stock code: 8635)) since April 2025. Ms. Chu obtained a degree of Master of Finance from Smith School of Business at Queen’s University, Canada, and a degree of Bachelor of Business Administration in Accountancy from City University of Hong Kong. She is a member of the HKICPA.

* *For the purposes of identification only*

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

The Company is committed to maintaining high standards of corporate governance. The Board believes that effective corporate governance is essential for enhancing transparency and accountability of the Group, and for creating long-term value for the Shareholders. The Group's corporate governance framework is reviewed regularly to ensure ongoing compliance with the GEM Listing Rules and the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the GEM Listing Rules.

## CORPORATE GOVERNANCE PRACTICES

During FY2026, the Company has applied the principles and complied with all applicable code provisions of the CG Code, save for the deviation from code provision D.2.2 of the CG Code as set out in "Risk Management and Internal Control" below in this corporate governance report ("**CG Report**"). The Company has also updated its governance practices to reflect the enhanced CG Code requirements relating to corporate culture, ESG governance, board independence, succession planning and diversity.

## CULTURE AND VALUES

A healthy corporate culture is fundamental to the Group's long-term success. The Board is responsible for fostering a culture that aligns with the Group's vision, values and business strategy. The Group's culture is built on the following principles:

### 1. Integrity and ethical conduct

The Group maintains high standards of business ethics. All Directors, management and employees are required to comply with the Group's code of conduct, anti-bribery and anti-corruption policy (the "**Anti-bribery and Anti-corruption Policy**") and whistleblowing policy (the "**Whistleblowing Policy**"). Regular trainings are conducted to reinforce ethical expectations of the relevant personnel.

### 2. Commitment and sustainability

The Group promotes a culture that values workforce development, workplace safety and health, diversity and long-term sustainability. The Board ensures that the Group's strategy and culture remain aligned.

### 3. Oversight of culture (enhanced CG Code requirement)

The Board monitors culture through:

- compliance and conduct reports;
- whistleblowing statistics;
- ESG performance indicators; and
- management feedback and internal control reviews.

The Board is satisfied that during FY2026, the Group's culture supports its strategic objectives.

## BOARD OF DIRECTORS

### Composition

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

| Name of Directors | Position | Length of tenure (approximately) | Current period of employment (Notes 2 and 3) |
|---|---|---|---|
| Mr. Cheng Jun | Chairman and executive Director | 4.1 years (since 19 May 2022) | Last elected on 16 September 2024; current term ending at the 2027 annual general meeting (in accordance with Article 108) |
| Mr. Yu Hua | Chief Executive Officer and executive Director | 3.3 years (since 27 February 2023) | Last elected on 30 July 2025; current term ending at the 2028 annual general meeting (in accordance with Article 108) |
| Mr. Chow Chun To | INED | 4.4 years (since 28 January 2022) | Last elected on 30 July 2025; current term ending at the 2028 annual general meeting (in accordance with Article 108) |
| Ms. Lau Wai Hing | INED | 0.3 years (since 19 March 2026 (Note 1)) | Current term ending at the 2026 annual general meeting (in accordance with Article 108 and 112) |
| Professor Cheung Ka Yue | INED | 2.5 years (since 11 December 2023) | Last elected on 16 September 2024; current term ending at the 2027 annual general meeting (in accordance with Article 108) |

Notes:

1. Ms. Lau Wai Hing was appointed as a Director on 19 March 2026. On the same date, she obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law regarding her duties and obligations under the GEM Listing Rules and the possible consequences of providing false or misleading information to the Stock Exchange. Ms. Lau also provided a written confirmation that she understood her obligations as a director of a listed issuer. Accordingly, the Company has complied with the requirements under Rule 5.02D of the GEM Listing Rules.

2. Terms of appointment

   Each of the executive Directors has entered into a service contract with the Company for an initial term of three years, renewable automatically for successive terms of three years, which may be terminated by not less than one month's written notice served by either party and is subject to retirement by rotation and re-election in accordance with the memorandum and articles of association of the Company.

   Pursuant to the letters of appointment between the Company and each of the INEDs, the INEDs have been appointed for an initial term of three years, renewable automatically for successive terms of three years, which may be terminated by either party by giving not less than two or three months' written notice.

3. Re-election of directors

According to the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an additional Director shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Mr. Cheng, Ms. Lau and Prof. Cheung will retire at the forthcoming annual general meeting to be held on Wednesday, 19 August 2026 and, being eligible, will offer themselves for re-election. Separate ordinary resolutions will be proposed for their re-election.

## Attendance records of Board meeting, Board Committees meetings and general meeting

During FY2026, six Board meetings and one general meeting were held. Apart from the Board meetings, the Chairman also held a meeting with the INEDs without the presence of other Director(s) during FY2026. Details of the attendance of each Director at the Board meetings, Board Committees meetings and general meeting of the Company are set out below:

| | Number of attendance/number of meeting(s) | | | | |
|---|---|---|---|---|---|
| **Name of Director** | **Board Meetings** | **Audit Committee Meetings** | **Remuneration Committee Meeting** | **Nomination Committee Meeting** | **General Meeting** |
| **Executive Directors** | | | | | |
| Mr. Cheng Jun | 6/6 | N/A | N/A | 2/2 | 1/1 |
| Mr. Yu Hua | 6/6 | N/A | N/A | N/A | 1/1 |
| **Independent non-executive Directors** | | | | | |
| Mr. Chow Chun To | 6/6 | 4/4 | 2/2 | 2/2 | 1/1 |
| Ms. Lau Wai Hing (appointed on 19 March 2026) | 1/1 | N/A | N/A | N/A | N/A |
| Ms. Wong Chi Yan (resigned on 19 March 2026) | 4/5 | 4/4 | 1/2 | 1/2 | 1/1 |
| Professor Cheung Ka Yue | 6/6 | 4/4 | 2/2 | 2/2 | 1/1 |

N/A represents not applicable

Code provision C.5.3 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and Board Committees' meetings, reasonable notices should be given. Board papers together with all appropriate, complete and reliable information, including the relevant agenda, are sent to all Directors at least 3 days before each Board meeting or Board Committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are provided with details of agenda items for decision making with reasonable notice and are welcome to include matters in the agenda of each Board meeting. Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with procedures and advising the Board on governance matters.

Minutes of Board meetings and Board Committees meetings are kept by the Company Secretary and are open for inspection by Directors. During FY2026, the Board was given sufficient time to review and approve the minutes of Board meetings and Board Committees meetings. Directors are also provided with access to independent professional advice, where necessary, in carrying out their duties, at the expense of the Company.

If potential conflict of interest involving a substantial shareholder or a Director arises and is determined by the Board to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum and would abstain from voting. The Directors attended meetings in persons or through electronic means in accordance with the Articles of Association. In addition to scheduled meetings, the Directors also maintained regular communication to ensure timely decision making when necessary.

## Board responsibilities

- **Overall responsibilities**

  The overall management of the Company's business is vested in the Board, which is responsible for providing leadership, oversight and control of the Group. The Board is collectively responsible for promoting the success of the Company and ensuring that decisions are made objectively in the interests of the Company and its Shareholders. All Directors are aware of their duties to act in good faith and in the best interests of the Company. The Board has the full support of the executive Directors to discharge its responsibilities effectively. INEDs are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

- **Delegation of management functions**

  The day-to-day management, administration and operation of the Group are delegated to the executive Directors and senior management. The delegated functions are reviewed periodically, and approval must be obtained from the Board prior to any significant transactions being entered into by the executive Directors or senior management.

- **Corporate governance functions**

  The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code, including:

  1. developing and reviewing the Group's corporate governance policies and practices;

  2. reviewing and monitoring the training and continuous professional development of Directors and senior management;

  3. reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;

  4. developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and

  5. reviewing the Company's compliance with the CG Code and the disclosures in the CG Report.

- **Financial and internal control oversight**

  The Board is responsible for maintaining proper accounting records to enable Directors to monitor the Group's financial position. The Board updates the Shareholders on the operations and financial performance of the Group through half-yearly and annual results announcements, as well as timely announcements of other matters as required under applicable rules and regulations. The Board also acknowledges its responsibility for the Group's risk management and internal control systems.

  The Directors acknowledge their responsibility for preparing consolidated financial statements that give a true and fair view of the financial position of the Group and for ensuring that such financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the Group's financial statements. Having made appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

### Biographical details of the Directors and other senior management

The biographical details of the Directors and other senior management are set out in the section headed "Biographical Details of the Directors and Senior Management" on pages 21 to 23 of this annual report. Save as disclosed elsewhere in this annual report, none of the Board members has any financial, business, family or other material or relevant relationships with each other.

### Independent non-executive Directors

The INEDs play a significant role in the Board as they bring an impartial view on the Company's strategies, performance and control, as well as ensure that the interests of all Shareholders are taken into account. All INEDs possess appropriate academic, professional qualifications or related financial management experience. None of the INEDs held any other offices in the Company or any of its subsidiaries or is interested in any Shares. The Company has received from each INED an annual confirmation of his/her independence, and none of the INEDs has served for more than nine years. Accordingly, the Company considers all INEDs to be independent in accordance with the criteria set out in of the GEM Listing Rules.

In order to ensure that independent views and input of the INEDs are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the INEDs including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as INEDs;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- regular meetings between the Chairman and the INEDs without the presence of the other Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

The three INEDs represent more than one-third of the Board (the proportion of which is higher than what is required by Rule 5.05A of the GEM Listing Rules and in compliance with Rule 5.05(1) of the GEM Listing Rules) and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise in accordance with Rule 5.05(2) of the GEM Listing Rules. With the various experience of the executive Directors and the INEDs, and given the nature of the Group's business, the Board considers that the Directors have a balance of skills and experience for the operations of the Group.

### Training for Directors and continuous professional development

Pursuant to Rules 5.02F and 5.02G of the GEM Listing Rules and code provision B.1(j) of the CG Code, all Directors are required to participate in continuous professional development ("**CPD**") to develop and refresh their knowledge and skills. During FY2026, the Company Secretary provided updates to the Directors on the latest developments in the GEM Listing Rules, corporate governance practices and other regulatory requirements. The Directors' training record during FY2026 is set out below:

| Directors | Topic 1: Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness | Topic 2: The Company's obligations and directors' duties under Hong Kong law and the GEM Listing Rules, and key legal and regulatory developments (including GEM Listing Rule(s) updates) relevant to the discharge of such obligations and duties | Topic 3: Corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business) | Topic 4: Risk management and internal controls | Topic 5: Updates on industry-specific developments, business trends and strategies relevant to the Company | Total number of CPD hours during FY2026 or the period from the date of appointment to 31 March 2026 |
|---|---|---|---|---|---|---|
| Mr. Cheng Jun | E, S | E, S | E, S | E, S | E, S | 10 |
| Mr. Yu Hua | E, S | E, S | E, S | E, S | E, S | 10 |
| Mr. Chow Chun To | E, S | E, S | E, S | E, S | E, S | 10 |
| Ms. Lau Wai Hing *(Note 3)* | S | S | S | S | S | 3 |
| Professor Cheung Ka Yue | E, S | E, S | E, S | E, S | E, S | 10 |

Notes:

1. The letter "E" denotes "external trainings", which refer to e-seminars offered by The Hong Kong Chartered Governance Institute.

2. The letter "S" denotes "self-studies", which refer to reading materials provided by the Company Secretary.

3. Ms. Lau Wai Hing was appointed as a Director on 19 March 2026. As Ms. Lau is currently an independent non-executive director of two other GEM-listed companies, she is not subject to the mandatory training requirement under Rule 5.02H of the GEM Listing Rules.

All Directors recognise the importance of continuous professional development and remain committed to maintaining and enhancing their knowledge and skills. The Company will continue to arrange appropriate training to ensure that the Directors remain fully informed of their responsibilities and the latest regulatory developments.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of chairman and chief executive officer are separate and not performed by the same individual to avoid power being concentrated in any one individual. Mr. Cheng is the Chairman and Mr. Yu is the Chief Executive Officer.

## BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee specific aspects of the Company's affairs. Each Board Committee operates under written terms of reference, which are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongbao8316.com). The Board Committees report to the Board on their decisions and recommendations.

The practices, procedures and arrangements for conducting Board Committee meetings are, so far as practicable, aligned with those adopted for Board meetings.

All Board Committees are provided with sufficient resources to discharge their duties and may, upon reasonable request, seek independent professional advice at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the CG Code, including developing and reviewing the Company's corporate governance policies and practices, overseeing the training and continuous professional development of Directors, and reviewing the Company's compliance with the CG Code and the disclosures in this annual report.

The Board conducts an annual review of its performance and the effectiveness of its committees and individual Directors through a structured assessment process. The results of the evaluation are considered by the Board in identifying areas for enhancement.

Set out below are the details of each of the Board's committees, including the composition of each committee (which complies with the applicable requirements under the GEM Listing Rules), the primary duties of each committee, and a summary of the key agenda items considered at the committee meeting(s) held during FY2026.

### Audit Committee

The Audit Committee was established on 6 July 2015. The chairman of the Audit Committee is Mr. Chow, an INED, and other members comprise Ms. Lau and Prof. Cheung, both of whom are INEDs. The Company has complied with Rule 5.28 of the GEM Listing Rules, with the Audit Committee comprising (i) non-executive Directors only, (ii) a minimum of three members, (iii) at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise, (iv) a majority of INEDs, and (v) an INED as the chairman. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code have been adopted.

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

The Group's consolidated financial statements for FY2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for FY2026 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

During FY2026, the Audit Committee held four meetings, including meetings to (i) review (a) the audit planning, (b) the Group's 2025 interim and annual results, (c) the effectiveness of the Group's risk management and internal control systems and (d) the re-appointment of the auditor and (ii) to consider matters relating to the Ambitious Achievement Deconsolidation Date in accordance with HKFRS 10.

Details of the attendance of each Audit Committee member are set out in the section headed 'Board of Directors — Attendance records of Board meetings, Board Committees meetings and general meeting' on page 26 of this annual report.

### View of the management on the qualified opinion

Having taken into account the circumstances at the material time and the applicable requirements under the HKFRSs in relation to the consolidated financial statements of the Group for FY2026, the Board considers that Ambitious Achievement Group shall be deconsolidated from the Group with effect from the Ambitious Achievement Deconsolidation Date (the "**Deconsolidation**"), on the basis that (i) the accounting records of Ambitious Achievement were seized by the Provisional Liquidators; and (ii) the Group's control over Ambitious Achievement Group had been lost since 11 February 2026. In the view of the Company, the judgement of Deconsolidation is justified and in accordance with the applicable HKFRSs. The management also understand that the qualified opinion arises from the auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the gain on deconsolidation of subsidiaries, and are not aware of any differing views regarding this.

### View of the Audit Committee on the qualified opinion

The Audit Committee has reviewed the details of the Deconsolidation, and understood the management's position and basis as set out in the section headed "View of the management on the qualified opinion" above. Having considered the circumstances and information at the material time, the Audit Committee agrees with the management's position and basis. The Audit Committee also had discussion with the auditor and understood the basis of the qualified opinion which arose from the Deconsolidation. The Audit Committee is also of the view that the management should continue its efforts in implementing the actions and measures set out in the action plan as detailed below with the intention of resolving the matter.

### Action plan of the Company to address the qualified opinion

Following the Winding-up Order, the Board resolved not to appeal after considering the insolvency position of Ambitious Achievement, the substantial resources required to restore solvency and the time and costs of continued litigation. The Group has been cooperating with the Provisional Liquidators, including providing information and documents, attending creditors' meetings, submitting proof of debt and following up on the debt adjudication process to safeguard the Group's interests. Please refer to the section headed "Management Discussion and Analysis — Business Review and Outlook" for details. Management, the Audit Committee and the auditor agree that the qualified opinion relates to the financial information of Ambitious Achievement up to the Ambitious Achievement Deconsolidation Date, including the resulting gain on deconsolidation recognised in profit or loss for FY2026. The qualification will only have a carryforward effect on the opening balances of accumulated losses for the year ending 31 March 2027.

### Remuneration Committee

The Remuneration Committee was established on 6 July 2015. The chairman of the Remuneration Committee is Prof. Cheung, an INED, and other members comprise Mr. Chow and Ms. Lau, both of whom are INEDs. The Company has complied with Rule 5.34 of the GEM Listing Rules, with all three members being INEDs and the Remuneration Committee chaired by an INED. Written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules, code provision E.1.2 of the CG Code and the model under code provision E.1.2(c)(ii) of the CG Code have been adopted.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriate policy and structure for all aspects of remuneration of Directors and senior management. In formulating its recommendations, the Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, the Group's employment conditions and the desirability of performance-based remuneration. The Remuneration Committee also assesses the performance of the executive Directors, approves the terms of their service contracts, and reviews and/or approves matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

During FY2026, the Remuneration Committee held two meetings (i) to review the remuneration policy and structure of the Company, (ii) to assess the performance of the executive Directors, and (iii) to review the remuneration packages of the Directors (including the Director appointed during the Relevant Period, being Ms. Lau) and senior management. No Director was involved in determining his or her own remuneration. During FY2026, there were no material matters relating to the share option scheme which required review or approval by the Remuneration Committee. Details of the attendance of each Remuneration Committee member are set out in the section headed 'Board of Directors — Attendance records of Board meetings, Board Committees meetings and general meeting' on page 26 of this annual report.

## Nomination Committee

The Nomination Committee was established on 6 July 2015. The chairman of the Nomination Committee is Mr. Cheng, an executive Director and the Chairman, and other members comprise Mr. Chow, Ms. Lau and Prof. Cheung, the INEDs. The Company has complied with code provision B.3.5 of the CG Code and Rule 5.36A of the GEM Listing Rules, with at lease one director of a different gender, all three members being INEDs and the Nomination Committee chaired by the Chairman. Written terms of reference in compliance with code provision B.3.1 of the CG Code have been adopted. The written terms of reference of the Nomination Committee have been revised pursuant to Board resolution passed on 30 June 2025.

The primary duties of the Nomination Committee are to review and assess the composition of the Board, evaluate the independence of the INEDs and make recommendations to the Board on the appointment of new Directors. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit, against objective criteria, and with due regard to the benefits of diversity on the Board.

In designing the Board's composition, the Nomination Committee considers diversity from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time commitment required of a Director. The Company also takes into account its business model and specific needs from time to time. The ultimate decision is based on merit and the contribution that the selected candidates are expected to bring to the Board.

As at the date of this annual report, the Board comprised five Directors. Three of them are INEDs, thereby promoting independent oversight and effective control of the management process. The Board is also characterised by diversity in terms of age, industry experience, cultural and educational background, professional skills and knowledge.

During FY2026, the Nomination Committee held two meetings (i) to review the structure, size and composition of the Board, (ii) to assess the independence (only applicable to INEDs), time commitment and contribution of each Director, (iii) to review the board diversity policy (the "**Board Diversity Policy**") and the nomination policy (the "**Nomination Policy**") of the Company, (iv) to review and recommend the re-election of the Directors retiring at the 2025 AGM, (v) to note that the Board continues to maintain gender diversity and (vi) to review and recommend the appointment of Ms. Lau as an INED and to note the resignation of Ms. Wong Chi Yan as an INED. Details of the attendance of each Nomination Committee member are set out in the section headed 'Board of Directors — Attendance Records of Board Meetings, Board Committees Meetings and General Meeting' on page 26 of this annual report.

## CORPORATE GOVERNANCE POLICIES

### Board Diversity Policy

The Board adopted the Board Diversity Policy on 28 December 2018. The Company embraces the benefits of having a diverse Board, and the Board Diversity Policy sets out the approach to maintaining diversity at the Board level. A summary of the policy, the measurable objectives set for its implementation, and the progress made during the year is set out below.

*Summary of the Board Diversity Policy*

To support sustainable and balanced development, the Company regards increasing diversity at the Board level as an essential element in achieving its strategic objectives and long-term development. In determining the Board's composition, diversity is considered from a range of perspectives, including but not limited to gender, age, professional experience, cultural and educational background, expertise, skills and knowledge. All Board appointments are made on merit, with candidates assessed against objective criteria and with due regard to the benefits of diversity.

*Measurable Objectives*

The Nomination Committee adheres to the Board Diversity Policy to ensure that there is at least one female Director on the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. Selection of Board candidates is based on a range of diversity perspectives, including gender, age, professional experience, cultural and educational background, expertise, skills and knowledge. The ultimate decision is based on merit and the contribution that the selected candidates are expected to bring to the Board.

To develop a pipeline of potential successors and enhance gender diversity, the Nomination Committee will use multiple channels to identify suitable candidates, including referrals from Directors, Shareholders, management and advisors of the Company, as well as external agents.

*Monitoring and Reporting*

The composition of the Board is disclosed annually in the CG Report, and the Nomination Committee monitors the implementation of the Board Diversity Policy. The Board currently has one female Director, and the Company has therefore achieved gender diversity at the Board level. The Nomination Committee reports annually on the Board's composition from diversified perspectives and monitors the progress towards meeting the measurable objectives set out in the Board Diversity Policy.

The Board possesses a balanced mix of skills, experience and industry knowledge, including accounting and finance, legal and regulatory compliance, corporate governance, business management, and industry-specific expertise. The Board considers that its current composition provides the necessary diversity of perspectives to support the Group's long-term development.

## Nomination Policy

The Board adopted the Nomination Policy on 28 December 2018. A summary of the Nomination Policy, together with the measurable objectives set for its implementation and the progress made towards achieving those objectives, is disclosed below.

*Summary of the Nomination Policy*

The Nomination Policy sets out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors. It ensures that the Board maintains an appropriate balance of skills, experience, knowledge and diversity of perspectives to meet the needs of the Group's business.

*Measurable Objectives*

In evaluating, selecting and recommending candidates for directorship, the Nomination Committee gives due consideration to the following criteria:

(a) Having regard to the current composition and size of the Board, the Nomination Committee will develop a list of desirable skills, perspectives and experience to guide the selection process (the "**Criteria**").

(b) The Nomination Committee may consult any appropriate source in identifying or selecting suitable candidates, including referrals from existing Directors, advertising, recommendations from independent search firms and proposals from Shareholders, with due consideration given to the Criteria.

(c) The Nomination Committee may adopt any process it deems appropriate in evaluating candidates, including interviews, background checks, presentations and third-party reference checks.

(d) Upon identifying a suitable candidate, the Nomination Committee will hold a meeting and/or pass written resolutions to approve, if thought fit, the recommendation to the Board.

(e) The Nomination Committee will then make a recommendation to the Board regarding the proposed appointment and the proposed remuneration package.

(f) The Board has the final authority in determining the selection of nominees, and all appointments will be confirmed upon the filing of the relevant consent to act as Director (or similar statutory filings) with the Registrar of Companies in Hong Kong.

*Monitoring and Reporting*

The Nomination Committee will assess and report annually, in the CG Report, on the composition of the Board, and will implement a formal process to monitor the application of the Nomination Policy as appropriate.

*Review of the Nomination Policy*

The Nomination Committee will periodically review the Nomination Policy to ensure that it remains transparent, fair, relevant to the Company's needs and reflective of current regulatory requirements and good corporate governance practice. Any proposed revisions will be recommended to the Board for consideration and approval.

*Disclosure of the Nomination Policy*

A summary of the Nomination Policy, including the nomination procedures, process and the Criteria adopted by the Nomination Committee in selecting and recommending candidates for directorship during FY2026 will be disclosed in the CG Report.

In the circular to the Shareholders proposing a candidate for appointment as an INED, the Company will also disclose:

- the process used for identifying the candidate, why the Board believes the candidate should be elected and the reasons why the Board considers the candidate to be independent;

- if the proposed INED will hold seven (or more) listed company directorships, the reasons why the Board believes the candidate would still be able to devote sufficient time to the Board;

- the perspectives, skills and experience that the candidate will bring to the Board; and

- how the candidate will contribute to the diversity of the Board.

## Inside Information Policy

The Group has adopted an inside information policy ("**Inside Information Policy**") which sets out the procedures and internal controls for identifying, handling and disseminating inside information in compliance with applicable laws and the GEM Listing Rules. The Inside Information Policy provides guidelines to Directors, officers and relevant employees to ensure proper safeguards exist to prevent the Company from breaching statutory disclosure requirements.

Under the Inside Information Policy, heads of business units are required to report any potential inside information to the Directors as soon as practicable for assessment and, where necessary, timely disclosure. The Group has established internal reporting and control procedures to identify and assess potential inside information, including periodic financial and operational reporting to the Board and the Company Secretary.

Key procedures under the Inside Information Policy include:

- defining the requirements for periodic financial and operational reporting to enable the Board and the Company Secretary to assess potential inside information and make timely disclosures when necessary;

- restricting access to inside information on a need-to-know basis and safeguarding confidentiality before information is properly disclosed to the public; and

- establishing procedures for communicating with stakeholders, including shareholders, investors and analysts, in compliance with the GEM Listing Rules.

The Group has also implemented procedures for handling external enquiries, including those relating to market rumours and other corporate matters. To avoid uneven dissemination, all inside information is disclosed by publication on the websites of the Stock Exchange and the Company.

## Whistleblowing Policy

The Board has adopted the Whistleblowing Policy since 2015 to provide a trusted channel for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, internal controls or ethical matters, without fear of reprisal when reporting in good faith. The Whistleblowing Policy also ensures that appropriate arrangements are in place for independent investigation of reported matters and for follow-up actions to be taken.

The nature, status and results of complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the Group's human resources manager. No incident of fraud or misconduct with a material impact on the Group's financial statements or overall operations was identified for FY2026. The Audit Committee reviews the Whistleblowing Policy annually to ensure its continued effectiveness.

## Anti-bribery and Anti-corruption Policy

The Board has adopted the Anti-bribery and Anti-corruption Policy since 2015. The Group is committed to maintaining the highest standards of integrity and ethical conduct in its business operations. The Anti-bribery and Anti-corruption Policy forms an integral part of the Group's corporate governance framework and sets out behavioural guidelines that all employees and business partners must follow to prevent bribery and corruption.

The Anti-bribery and Anti-corruption Policy reflects the Group's commitment to ethical business practices and compliance with applicable anti-corruption laws and regulations in all jurisdictions in which it operates. It serves as a practical guide for employees and third parties dealing with the Group. The Anti-bribery and Anti-corruption Policy is reviewed and updated periodically to ensure alignment with applicable laws, regulatory requirements and industry best practices.

## Shareholders' Communication Policy

The Company has adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**") with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

To facilitate effective communication, the Company has established the following channels:

(i) Corporate communications such as annual reports, interim reports, quarterly reports (if any) and circulars are issued in printed form upon request and are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongbao8316.com).

(ii) Periodic announcements are published through the Stock Exchange and posted on the respective websites of the Stock Exchange and the Company.

(iii) Corporate information is made available on the Company's website.

(iv) Annual general meetings and special general meetings provide a forum for the Shareholders to communicate directly with Directors and senior management.

(v) The Company's branch share registrar and transfer office in Hong Kong provides services to the Shareholders in respect of share registration, dividend payments and related matters.

The Company continues to promote investor relations and enhance communication with the existing shareholders and potential investors. Suggestions from investors, stakeholders and the public are welcomed. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

## Dividend Policy

The Board adopted a dividend policy (the "**Dividend Policy**") on 28 December 2018. The Dividend Policy aims to provide the Shareholders with sustainable returns while allowing the Group to retain sufficient resources to support its long-term development. In deciding whether to declare, recommend or pay any dividend, the Board will take into account, among others:

(i) the Group's actual and expected financial performance;

(ii) Shareholders' interests;

(iii) retained earnings and distributable reserves of the Company and its subsidiaries;

(iv) the Group's debt-to-equity ratio, return on equity and financial covenants;

(v) the potential effects on the Group's creditworthiness;

(vi) any restrictions imposed by lenders;

(vii) the Group's working capital requirements and future expansion plans;

(viii) liquidity position and future commitments at the time of declaration;

(ix) taxation considerations;

(x) statutory and regulatory restrictions;

(xi) general business conditions and strategies;

(xii) general economic conditions and other internal or external factors affecting the Group's business or financial position; and

(xiii) any other factors that the Board considers appropriate.

The declaration and payment of dividends remain at the discretion of the Board and are subject to applicable laws and the Articles of Association. Except for interim dividends, any dividend declared by the Company must be approved by the Shareholders at a general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders interim dividends as it considers justified by the financial position of the Company.

## COMPANY SECRETARY

The Company Secretary assists the Board by ensuring the Board policies and procedures are followed and is responsible for advising the Board on corporate governance matters.

Ms. Chu possesses the necessary qualifications and experience to discharge the functions of the Company Secretary. Mr. Cheng, the Chairman and an executive Director, is the primary contact person with whom Ms. Chu communicates.

For FY2026, Ms. Chu undertook no less than 15 hours of relevant professional training to update her skills and knowledge in accordance with Rule 5.15 of the GEM Listing Rules. Her biographical details are set out in the section headed “Biographical Details of the Directors and Senior Management” of this annual report.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”). The Company had also made specific enquiry with all the Directors and each of the Directors confirmed that he/she was in compliance with the Required Standard of Dealings throughout FY2026.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Group’s risk management and internal control systems (“**Systems**”) and reviews their effectiveness annually. The Systems are designed to manage, rather than eliminate, the risk of failing to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and for establishing and maintaining appropriate and effective Systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority levels for key business processes and functions, including project management, financial reporting and human resources. The main features of the Systems are as follows:

## Control structure

***The Board***

(i) ensures the maintenance of appropriate and effective Systems to safeguard Shareholders' investment and the Company's assets;

(ii) defines a management structure with clear lines of responsibility and authority limits; and

(iii) determines the nature and extent of significant risks the Company is willing to take in achieving its strategic objectives and formulates the Group's risk management strategies.

***Audit Committee***

(i) assists the Board in overseeing the design, implementation and monitoring of the Systems;

(ii) reviews and discusses with management annually to ensure management has performed its duty to maintain effective Systems; and

(iii) considers major internal control findings and makes recommendations to the Board.

***Management***

(i) designs, implements and monitors the Systems and ensures their effective execution;

(ii) monitors risks and takes measures to mitigate risks in day-to-day operations;

(iii) responds promptly to internal control findings and follows up on remedial actions; and

(iv) provides confirmation to the Board on the effectiveness of the Systems.

### Control approach

The Group's risk management process includes risk identification, risk evaluation and risk mitigation, as well as periodic review of the effectiveness of the Systems and the resolution of material internal control deficiencies.

Management conducts interviews with relevant staff, reviews documentation, identifies and evaluates deficiencies in the design of the Systems, provides recommendations for improvement and follows up on the implementation of such recommendations. The scope and findings of the review are reported to and reviewed by the Audit Committee during FY2026.

Procedure manuals and operational guidelines are in place to safeguard assets against unauthorised use or disposition and to ensure proper accounting records are maintained in compliance with applicable laws and regulations, enabling the provision of reliable financial information for internal and external reporting.

### Annual review

During FY2026, the Group engaged an external professional to (i) assist in identifying and assessing the Group's risks through workshops and interviews, and (ii) independently review the effectiveness of the Systems.

The Audit Committee conducted an annual review of the Group's risk management and internal control systems with reference to management's confirmations and the findings and recommendations reported by the external professional. Improvement measures recommended to enhance the Systems and mitigate risks were adopted. The Audit Committee provided its comments to the Board for consideration.

Based on the confirmations from management, the findings of the external professional and the comments of the Audit Committee, the Board concluded that the Group's risk management and internal control systems were appropriate and effective for FY2026. The Board also noted that there were no significant changes in the Group's risk profile or in the Systems during the year. Save for the lack of an internal audit function as described below, the Group complied with the relevant provisions of the Corporate Governance Code relating to risk management and internal control.

The Group has yet to establish an internal audit function. Having reviewed the need for such a function, the Directors consider that, given the size, nature and complexity of the Group's operations, it is more cost-effective to engage external independent professionals to perform internal audit-related work. The Audit Committee and the Board have considered the internal control review report prepared by an independent consultancy and communications from the external auditor regarding any material control deficiencies identified during the financial statement audit. The Board will continue to review the need for an internal audit function annually.

## AUDITOR'S REMUNERATION

The Company has engaged CCTH CPA Limited as its external auditor for FY2026 until the conclusion of the forthcoming annual general meeting. There was no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditor.

The fees charged by the external auditor depend on the scope and volume of work performed. For FY2026, the remuneration paid or payable to the external auditor of the Company in respect of audit services is set out below:

| | **Fees paid/ payable for the services rendered** HK$'000 |
|---|---|
| Audit services | 980 |

## DIVERSITY

The Group is committed to achieving a balanced and diverse workforce as part of its long-term business and governance development. Recruitment at all levels, including the Board, adheres to diversity principles to ensure access to a broad pool of talented individuals. The Group firmly believes that diversity enhances organisational capability and contributes to sustainable growth. For details of the Board Diversity Policy, please refer to the section headed "Corporate Governance Policies — Board Diversity Policy".

As at 31 March 2026, the Group's senior management comprised nil males (0%) and one female (100%). The Group had 29 employees in total, of whom 12 (approximately 41.4%) were male and 17 (approximately 58.6%) were female. The Group will continue to take gender diversity into consideration during recruitment and will seek opportunities to increase the proportion of male employees over time where suitable candidates are identified.

## SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors. All resolutions put forward at Shareholders' meetings are voted on by poll pursuant to the GEM Listing Rules, and the poll results are published on the websites of the Stock Exchange and the Company following the relevant meeting.

### Procedures for convening an extraordinary general meeting

Pursuant to Article 64 of the Articles of Association, Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right to vote at general meetings (the "**Requisitionists**") may require the Board to convene an extraordinary general meeting. The requisition must state the objects of the meeting, be signed by the Requisitionists, and be deposited at the Company's registered office or principal place of business in Hong Kong. The Requisitionists may also request the inclusion of resolutions in the meeting agenda. Shareholders should follow the requirements and procedures set out in Article 64 when making such a requisition.

### Procedures for putting enquiries to the Board

Shareholders may direct enquiries to the Board by sending written correspondence to the Company's principal place of business in Hong Kong or by email. The Company's contact details are as follows:

Address: Room 1532, 15/F, Two Sky Parc, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong

Email: info@hongbao8316.com

### Procedures for putting forward proposals at Shareholders' meetings

Shareholders may put forward proposals for consideration at a general meeting by submitting the proposed resolution(s) in writing to the Company at its principal place of business in Hong Kong. Such proposals should be submitted in accordance with the requirements of the Articles of Association and applicable laws and regulations.

## INVESTOR RELATIONS

### Review of Shareholders' Communication Policy

The Company has reviewed the implementation and effectiveness of its Shareholders' Communication Policy (refer to the section headed "Corporate Governance Policies — Shareholders' Communication Policy") for FY2026. Having considered that effective communication channels are in place and that the Shareholders are provided with regular updates on the Group's financial performance, strategic direction and material business developments, the Board is of the view that the Company has established effective communication with its Shareholders and that the Shareholders' Communication Policy and its implementation are effective.

### Significant changes in the Company's constitutional documents

Save as disclosed below, there were no changes to the memorandum and articles of association of the Company during FY2026.

A special resolution was passed on 30 July 2025 to adopt the third amended and restated memorandum and articles of association of the Company in order to, among others, (i) ensure alignment with applicable laws (including the GEM Listing Rules), and (ii) make other consequential and housekeeping changes. For further details, please refer to the Company's announcements dated 30 June 2025 and 30 July 2025 and the circular dated 8 July 2025.

### Shareholder engagement under Code Provision F.1.1 of the CG Code

During FY2026, the Company conducted shareholder engagement through its 2025 AGM. The meeting was open to all Shareholders, including minority Shareholders, providing them with an opportunity to communicate directly with the Board.

Representatives of the Company attending the meeting included the Chairman, executive Directors, INEDs (including the chairmen of the Audit Committee, Nomination Committee and Remuneration Committee), senior management and the Company Secretary. These representatives were available to address questions raised by the Shareholders and to exchange views on matters relating to the Group's governance, performance and strategic direction.

The Board encourages all Directors to attend general meetings, either in person or through electronic means, to facilitate constructive engagement with the Shareholders. Feedback and views received from the Shareholders during the meeting were considered by the Board in the course of its ongoing oversight and decision-making.

## DIVIDENDS

The Company will continue to review the Dividend Policy (refer to the section headed "Corporate Governance Policies — Dividend Policy"). The Company reserves the right to update, amend or modify the Dividend Policy at any time. The Dividend Policy does not constitute a legally binding commitment that dividends will be paid in any particular amount or at any particular time.

For FY2026, the Board did not declare any interim or final dividend. This is consistent with the Company's historical practice, as no dividend has been declared since the Listing. Although the Group recorded a profit for FY2026, such profit was primarily attributable to a non-recurring gain from the deconsolidation of subsidiaries. Excluding this one-off item, the Group has recorded operating losses in prior years, and the Board considers it prudent to retain cash to support the Group's operations and financial position. The Board confirms that such dividend decisions made were in accordance with the Dividend Policy.

The Board will continue to assess the Group's profitability, financial position and funding needs in future years. Subject to the Dividend Policy and taking into account the Group's long-term interests and sustainable development, the Board will consider returning value to the Shareholders through dividend payments when appropriate.

# DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for FY2026.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in internet services (including O2O e-commerce and supply chain management) and foundation and other construction business in the PRC and Hong Kong. Details of the principal activities of the Company's subsidiaries are set out in Note 30 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during FY2026.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including the principal risks and uncertainties facing the Group, environmental policies and performance, compliance with laws and regulations, relationships with customers, suppliers, subcontractors and employees, likely future developments and events after the reporting period, are set out in the section headed "Management Discussion and Analysis" set out on pages 5 to 20 of this annual report. Such discussion forms part of this directors' report.

## BUSINESS REVIEW

A review of the Group's business for FY2026 is set out in the sections headed "Chairman's Statement" and the "Management Discussion and Analysis" of this annual report.

## RESULTS AND DIVIDENDS

The results of the Group for FY2026 and the financial position of the Group as at 31 March 2026 are set out in the consolidated financial statements on pages 62 to 64.

The Board does not recommend the payment of a final dividend for FY2026 (FY2025: Nil).

## SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 131 in this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during FY2026 are set out in Note 15 to the consolidated financial statements.

## SHARE CAPITAL

Details of the Company's share capital are set out in Note 27 to the consolidated financial statements.

## RESERVES

Details of movements in the reserves of the Company are set out in Note 29 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

## RELATED PARTY TRANSACTION

The related party transaction disclosed in Note 31 to the consolidated financial statements were connected transactions fully exempt from the Shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

## DISTRIBUTABLE RESERVES

The Company's reserves comprise share premium, capital reserves and accumulated losses. No reserve of the Company was available for distribution to Shareholders as at 31 March 2026 (2025: Nil).

## SHARE OPTION SCHEME

The Company has adopted the Scheme on 6 July 2015 pursuant to the written resolution of the Shareholders on 6 July 2015. The Scheme had a term of 10 years from its adoption date and expired on 5 July 2025. Upon expiry of the Scheme, no further options may be granted. No share options were granted, exercised, cancelled or lapsed during FY2026, and no share options remained outstanding as at 31 March 2026.

## MAJOR CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

During FY2026, the percentage of the Group's aggregate turnover attributable to its largest customer was approximately 7.1%, while the percentage attributable to the five largest customers in aggregate was approximately 20.8%.

During FY2026, the percentage of purchases attributable to the Group's largest supplier (namely Xuzhou Huanhu Senji Technology Co., Ltd.* (徐州桓湖森濟科技有限公司)) was approximately 30.3% of the Group's total cost of sales, while the percentage attributable to the five largest suppliers in aggregate was approximately 62.5%.

During FY2026, the percentage of purchases attributable to the Group's largest subcontractor was approximately 2.7% of the Group's total cost of sales, while the percentage attributable to the five largest subcontractors in aggregate was approximately 6.7%.

To the best knowledge of the Directors, none of the Directors, their close associates, or any Shareholder (other than those holding treasury shares) who owns more than 5% of the Issued Share Capital had any beneficial interest in the Group's five largest customers, suppliers or subcontractors during FY2026.

* *For the purposes of identification only*

## DIRECTORS

The composition of the Board as at the date of this annual report is as follows:

**Executive Directors**
Mr. Cheng Jun *(Chairman)*
Mr. Yu Hua *(Chief Executive Officer)*

**Independent non-executive Directors**
Mr. Chow Chun To
Ms. Lau Wai Hing (appointed on 19 March 2026)
Ms. Wong Chi Yan (resigned on 19 March 2026)
Professor Cheung Ka Yue

According to the Articles of Association, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an additional Director shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Accordingly, Mr. Cheng, Ms. Lau and Prof. Cheung will retire from office as Directors at the forthcoming annual general meeting of the Company and being eligible, will offer themselves for re-election.

## PERMITTED INDEMNITY PROVISION

Every Director is entitled to be indemnified out of the assets of the Company against all actions, costs, charges, losses and liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour or in which he/she is acquitted. The Company has maintained appropriate directors' and officers' liability insurance during FY2026.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years, renewable automatically for successive terms of three years, which may be terminated by not less than one month's written notice served by either party and is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Each independent non-executive Director has been appointed pursuant to a letter of appointment for an initial term of three years, renewable automatically for successive terms of three years, which may be terminated by either party by giving not less than two or three months' written notice, as the case may be.

None of the Directors has any unexpired service contract or letter of appointment which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 21 to 23 of this annual report.

## CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of Directors subsequent to 31 March 2026 and up to the date of this annual report is set out below:

The Board resolved that the annual director's fee of Mr. Cheng Jun, an executive Director, be revised from HK$960,000 to HK$768,000 with effect from 1 June 2026 as part of the Group's cost-saving measures.

Save for the information above, the Company is not aware of any other change in Directors' information which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to 31 March 2026 and up to the date of this annual report.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Note 9 to the consolidated financial statements.

## EMOLUMENT POLICY

The Remuneration Committee is responsible for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management, having regard to the Group's operating results, individual performance and market practices.

The Company's policy concerning the remuneration of Directors is that their remuneration is determined with reference to their experience, responsibilities, workload, performance, time devoted to the Group and prevailing market conditions.

The Remuneration Committee meets at least once a year to discuss remuneration-related matters (including the remuneration of Directors and senior management) and to review the Group's remuneration policy. The Remuneration Committee has been delegated the authority to determine the remuneration packages of individual executive Directors and senior management.

## DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in Note 31 to the consolidated financial statements, no Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and which subsisted during FY2026 or as at 31 March 2026.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's Controlling Shareholders or their respective subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's Controlling Shareholders or their respective subsidiaries during FY2026.

## MANAGEMENT CONTRACTS

Save for the service contracts of the executive Directors, the Company did not enter into or have any management or administration contracts in respect of the whole or any substantial part of the business of the Company during FY2026.

## PENSION SCHEME ARRANGEMENTS

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for its employees in Hong Kong in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). Employees and the employer are each required to contribute 5% of the employees' relevant income, subject to a statutory monthly cap of HK$1,500. The Group's only obligation with respect to the MPF Scheme is to make the required contributions.

For employees in the PRC, the Group contributes to the statutory "five social insurances and one housing fund" in accordance with the Social Insurance Law of the PRC, covering endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and the housing provident fund.

No forfeited contributions were available to reduce the existing level of contributions. The contributions charged to the consolidated statement of comprehensive income represent the amounts payable by the Group to the respective schemes.

## DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the section headed "Directors' Report — Disclosure of Interests" below and the Scheme disclosed in Note 40 to the consolidated financial statements, at no time during FY2026 was the Company, its subsidiaries, its holding company or any subsidiary of its holding company a party to any arrangement enabling the Directors, their spouses or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

## DISCLOSURE OF INTERESTS

### Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 31 March 2026, the interests and short positions of the Directors and chief executives of the Company 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 required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be recorded in the register required to be kept under Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

**Long positions in the ordinary shares of the Company**

| Name | Capacity/Nature of interest | Number of shares held/ interested | Percentage of shareholding |
|---|---|---|---|
| Mr. Cheng Jun | Beneficial owner | 180,078,000 | 18.89% |

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be 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 were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

**Substantial shareholders' and other persons' interests and short positions in shares and underlying shares**

As at 31 March 2026, no person (other than the Directors and chief executives of the Company whose interests are disclosed above) had or was deemed to have any interest or short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, recorded in the register required to be kept under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

## COMPETING INTERESTS

During FY2026, none of the Directors, the Controlling Shareholders nor their respective close associates had any business or interest that competed or might compete, either directly or indirectly, with the business of the Group, nor did they have any other conflicts of interest with the Group.

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

During FY2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

## NON-COMPETITION UNDERTAKINGS IN DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has undertaken, among other things, not to engage in any business that competes or is likely to compete, directly or indirectly, with the business of the Group. Each executive Director has confirmed compliance with the non-competition undertakings in his respective service contract from the date of the contract up to the date of this annual report.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 14 August 2026 to Wednesday, 19 August 2026, both days inclusive, during which period no transfer of Shares will be registered. Shareholders should lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Thursday, 13 August 2026.

## EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, the Company did not enter into any equity-linked agreement during FY2026.

## DONATIONS

The Group did not make any charitable or other donations during FY2026 (FY2025: Nil).

## CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the CG Report on pages 24 to 47 of this annual report.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, the Company maintained the public float of at least 25% of the Company's issued share capital as required under the GEM Listing Rules as at 31 March 2026 and up to the date of this annual report.

## INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the INEDs a written annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all the INEDs to be independent.

## INDEPENDENT AUDITOR

The Company has not changed its external auditor in the preceding three years. The consolidated financial statements of the Group for FY2026 have been audited by CCTH CPA Limited. A resolution will be proposed at the forthcoming annual general meeting to re-appoint CCTH CPA Limited as auditor of the Company.

ON BEHALF OF THE BOARD

**Cheng Jun**
*Chairman and Executive Director*

Hong Kong, 26 June 2026

CCTH CPA LIMITED
中正天恆會計師有限公司

**TO THE SHAREHOLDERS OF**
**China Hongbao Holdings Limited**
*(incorporated in the Cayman Islands with limited liability)*

## QUALIFIED OPINION

We have audited the consolidated financial statements of China Hongbao Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 130, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, except for the possible effects of the matters described in the section of "Basis for Qualified Opinion" of our report, 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 disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR QUALIFIED OPINION

### Deconsolidation of a subsidiary

As referred to in Note 34 to the consolidated financial statements, Ambitious Achievement New Materials Holdings Limited ("Ambitious Achievement"), a former subsidiary of the Company, was ordered to be wound up by the Hong Kong High Court and the provisional liquidator for Ambitious Achievement was appointed on 11 February 2026. The directors of the Company considered that the Group's control over Ambitious Achievement had been lost on 11 February 2026 (the "Ambitious Achievement Deconsolidation Date") and consequently, the assets, liabilities and results of Ambitious Achievement were deconsolidated from the Group's consolidated financial statements as from that date. The assets and liabilities of Ambitious Achievement as at the Ambitious Achievement Deconsolidation Date and Ambitious Achievement's income and expenses for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date are disclosed in note 34 to the consolidated financial statements. The Group recognised a gain on deconsolidation of Ambitious Achievement of approximately HK$17,675,000 in profit or loss in respect of the year ended 31 March 2026, details of which are also set out in note 34 to the consolidated financial statements.

The accounting records of Ambitious Achievement were seized by the provisional liquidator of Ambitious Achievement, which were not made available to the Group's management subsequent to the Ambitious Achievement Deconsolidation Date. As a result, we were unable to obtain the accounting records of Ambitious Achievement or other appropriate audit evidence to assess (a) the existence, ownership, completeness, accuracy, valuation and classification of the assets and liabilities of Ambitious Achievement as at the Ambitious Achievement Deconsolidation Date; and (b) the completeness, accuracy and classification of the income and expenses of Ambitious Achievement for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date. Consequently, we were unable to satisfy ourselves as to whether the gain on deconsolidation of Ambitious Achievement of approximately HK$17,675,000 is properly recognised in the Group's consolidated statement of profit or loss and other comprehensive income.

Any adjustments which might be found necessary to be made to the income and expenses of Ambitious Achievement for the period from 1 April 2025 to the Ambitious Achievement Deconsolidation Date and Ambitious Achievement's assets and liabilities as at the Ambitious Achievement Deconsolidation Date, as disclosed in note 34 to the consolidated financial statements, might have significant impacts on the income and expenses items of the Group for the year ended 31 March 2026 presented in the Group's consolidated statement of profit or loss and other comprehensive income and the related disclosure notes with a corresponding effect on the gain on deconsolidation of Ambitious Achievement, and the related disclosure thereof set out in note 34 to the consolidated financial statements.

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">Revenue recognition of internet services</td></tr>
<tr><td colspan="2">Refer to Note 6 to the consolidated financial statements.</td></tr>
<tr><td>The Group recorded revenue from provision of internet services of approximately HK$108,329,000 for the year ended 31 March 2026. The internet services include one-stop e-commerce platform services and supply chain management.<br><br>One-stop e-commerce platform services<br><br>The Group provides merchant advertising services through the internet platform operated by the Group, including regional operation rights, merchant advertising, platform exposure and digital marketing services.<br><br>The Group recognized the revenue from these services on the basis of over time over the service periods on a straight-line basis.<br><br>Supply chain management<br><br>The Group provides supply chain fulfilment services for the redemption of food, daily necessities and other consumer goods to end-users on the internet platform operated by the Group, including procurement, supplier management, order processing, fulfilment and after sales co-ordination services.<br><br>The Group recognized the revenue from these services on the basis of point in time when the control of the redeemed goods has been transferred to the end users in accordance with the terms and conditions set out in the contract with the customers.<br><br>We have identified the revenue recognition from internet services as a key audit matter because revenue is one of the key performance indicator which may give inherent risk that revenue could be incorrectly calculated or recorded in the incorrect period and its significance to the consolidated financial statements.</td><td>Our procedures in relation to the revenue recognition of internet services include:<br><br>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition;<br><br>• Inspecting key customer contracts, on a sample basis, to identify performance obligations and terms and conditions relating to goods and services acceptance and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;<br><br>• Comparing, on a sample basis, revenue transactions recorded with the underlying sales orders, goods delivery notes and invoices to assess whether the related revenue was properly recognised in the appropriate accounting period;<br><br>• Performing cut-off procedures at the period-end date to determine whether transactions are recorded in the proper period and to the proper accounts; and<br><br>• Re-performing the calculations of revenue recognised over time and investigating if there is any discrepancy.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">Expected credit losses ("ECLs") assessment of trade and other receivables</td></tr>
<tr><td colspan="2">Refer to Notes 4(g)(ii), 5(iii), 17 and 19 to the consolidated financial statements.</td></tr>
<tr><td>As at 31 March 2026, the Group had trade receivables and other receivables with the carrying amounts of approximately HK$4,773,000 and HK$17,893,000 respectively (after net of allowance for ECLs of approximately HK$283,000 and HK$660,000, respectively).<br><br>Management of the Group has determined the provision for ECLs on trade receivables by estimating a lifetime expected loss allowance for trade receivables and the provision for ECLs on other receivables by estimating 12-month ECLs (except there has been a significant increase in credit risk). The loss allowance for trade and other receivables is determined based on a number of key assumptions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on information including the Group's historical credit loss experience, the number of days past due, adjusted for forward-looking factors and specific consideration to the debtors and the economic environment.<br><br>We identified the ECLs assessment on trade and other receivables as a key audit matter due to the significant management's judgements and estimates involved in the expected credit loss assessment.</td><td>Our procedures in relation to ECL assessment of trade and other receivables included:<br><br>• Obtaining an understanding of the Group's methodology for the ECL assessment and the key data and assumption involved;<br><br>• Obtaining management's assessment on the collectability of individual significant balances, and corroborating management's assessment against relevant supporting evidence, including credit history and financial capability of these customers;<br><br>• Assessing the reasonableness of management's ECL assessment by examining the information used by the management to form such judgement, including assessing the reasonableness of management's use of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;<br><br>• Assessing whether the trade receivables were appropriately grouped for collective assessment by checking the nature and aging profiles of the trade receivables, on a sample basis; and<br><br>• Testing the aging and historical settlement records used by management by checking to the supporting documents, on a sample basis.</td></tr>
</table>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

**CCTH CPA Limited**
*Certified Public Accountants*

**Yeung May May Joey**
Practising certificate number: P05205

Hong Kong, 26 June 2026

Unit 1510–1517, 15/F., Tower 2
Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2026*

| | Notes | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|---|
| Revenue | 6 | **116,113** | 80,854 |
| Cost of services | | **(97,024)** | (57,835) |
| Gross profit | | **19,089** | 23,019 |
| Other income and gains | 7 | **29** | 145 |
| Gain on deconsolidation of subsidiaries | 34 | **17,675** | – |
| Impairment loss (recognised)/reversed on | | | |
| — trade receivables, net | 35(a)(i) | **(5,752)** | (1,625) |
| — other receivables, net | 35(a)(ii) | **(652)** | (7) |
| — deposits | 35(a)(ii) | **58** | (53) |
| — contract assets | 35(a)(i) | **(70)** | (531) |
| — property, plant and equipment | 15 | **–** | (1,694) |
| Administrative expenses | | **(20,788)** | (27,421) |
| Finance costs | 10 | **(424)** | (1,222) |
| Profit/(loss) before income tax | 11 | **9,165** | (9,389) |
| Income tax expense | 12 | **(4,524)** | (358) |
| Profit/(loss) for the year | | **4,641** | (9,747) |
| Other comprehensive expenses | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising on translation of foreign operations | | **(19)** | (78) |
| Reclassification of exchange reserve upon deconsolidation of subsidiaries | | **628** | – |
| Total comprehensive income/(expenses) for the year attributable to owners of the Company | | **5,250** | (9,825) |

| | | 2026<br>HK cents | 2025<br>HK cents |
|---|---|---|---|
| **Earnings/(loss) per share** | | | |
| — Basic and diluted | 14 | **0.49** | (1.09) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2026*

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Non-current Assets** | | | |
| Property, plant and equipment | 15 | **492** | 1,327 |
| Intangible asset | 16 | **103** | – |
| **Total Non-current Assets** | | **595** | 1,327 |
| **Current Assets** | | | |
| Trade and other receivables | 17 | **22,666** | 11,211 |
| Prepayments and deposits | 18 | **26,025** | 9,538 |
| Contract assets | 19 | **–** | 2 |
| Cash and cash equivalents | 20 | **11,836** | 36,771 |
| | | **60,527** | 57,522 |
| Assets classified as held for sale | 33 | **–** | 5 |
| **Total Current Assets** | | **60,527** | 57,527 |
| **Total Assets** | | **61,122** | 58,854 |
| **Current Liabilities** | | | |
| Trade and other payables | 21 | **17,272** | 17,108 |
| Contract liabilities | 22 | **31,902** | 30,402 |
| Income tax payable | | **1,433** | 204 |
| Lease liabilities | 23 | **283** | 1,686 |
| Amount due to a director | 24(a) | **–** | 1,184 |
| Loan from a related party | 24(b) | **–** | 14,375 |
| Other borrowings | 25 | **–** | 2,200 |
| | | **50,890** | 67,159 |
| Liabilities directly associated with assets classified as held for sale | 33 | **–** | 7,027 |
| **Total Current Liabilities** | | **50,890** | 74,186 |
| **Net Current Assets/(Liabilities)** | | **9,637** | (16,659) |
| **Total Assets less Current Liabilities** | | **10,232** | (15,332) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

*As at 31 March 2026*

| | Notes | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|---|
| **Non-current Liabilities** | | | |
| Lease liabilities | 23 | **196** | – |
| **Total Non-current Liabilities** | | **196** | – |
| **NET ASSETS/(LIABILITIES)** | | **10,036** | (15,332) |
| **Equity attributable to owners of the Company** | | | |
| Share capital | 27 | **9,534** | 9,534 |
| Reserves | | **502** | (24,866) |
| **TOTAL EQUITY/(DEFICITS)** | | **10,036** | (15,332) |

The consolidated financial statements on pages 62 to 130 were approved and authorised for issue by the board of directors on 26 June 2026 and are signed on its behalf by:

**Cheng Jun**
*Director*

**Yu Hua**
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended 31 March 2026*

| | Share capital (Note 27) HK$'000 | Share premium (Note 29(a)) HK$'000 | Capital reserve (Note 29(b)) HK$'000 | Statutory reserve (Note 29(c)) HK$'000 | Exchange reserve (Note 29(d)) HK$'000 | Accumulated losses HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|---|
| **As at 1 April 2024** | 8,664 | 129,601 | 4,759 | 341 | (439) | (174,076) | (31,150) |
| Loss for the year | – | – | – | – | – | (9,747) | (9,747) |
| Other comprehensive expenses: | | | | | | | |
| Exchange differences arising on translation of foreign operations | – | – | – | – | (78) | – | (78) |
| Total comprehensive expenses for the year | – | – | – | – | (78) | (9,747) | (9,825) |
| Derecognition of an other borrowing (Note 25(b)) | – | – | (2,136) | – | – | 13,582 | 11,446 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Loan capitalisation through subscription of new shares | 870 | 13,327 | – | – | – | – | 14,197 |
| **As at 31 March 2025 and 1 April 2025** | 9,534 | 142,928 | 2,623 | 341 | (517) | (170,241) | (15,332) |
| Profit for the year | – | – | – | – | – | 4,641 | 4,641 |
| Other comprehensive expenses: | | | | | | | |
| Exchange differences arising on translation of foreign operations | – | – | – | – | (19) | – | (19) |
| Reclassification of exchange reserve upon deconsolidation of subsidiaries (Note 34) | – | – | – | – | 628 | – | 628 |
| Total comprehensive (expenses)/ income the year | – | – | – | – | 609 | 4,641 | 5,250 |
| Transferred to accumulated losses on deconsolidation of subsidiaries (Note 34) | – | – | (2,623) | (341) | – | 2,964 | – |
| Waiver of debt (Note 24(a)) | – | – | 20,118 | – | – | – | 20,118 |
| **As at 31 March 2026** | **9,534** | **142,928** | **20,118** | **–** | **92** | **(162,636)** | **10,036** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

*For the year ended 31 March 2026*

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(loss) before income tax | | **9,165** | (9,389) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 15 | **1,419** | 2,811 |
| Amortisation of intangible assets | 16 | **3** | – |
| Finance costs | 10 | **424** | 1,222 |
| Gain on disposal of subsidiaries | 32 | **–** | (91) |
| Gain on deconsolidation of subsidiaries | 34 | **(17,675)** | – |
| Gain on early termination of lease contract | 7 | **–** | (11) |
| Impairment loss recognised/(reversed) on: | | | |
| — trade receivables | 35(a)(i) | **5,752** | 1,625 |
| — other receivables | 35(a)(ii) | **652** | 7 |
| — deposits | 35(a)(ii) | **(58)** | 53 |
| — contract assets | 35(a)(i) | **70** | 531 |
| — property, plant and equipment | 15 | **–** | 1,694 |
| **Operating loss before working capital changes** | | **(248)** | (1,548) |
| Increase in contract assets | | **(68)** | (4) |
| Increase in trade and other receivables | | **(17,090)** | (4,656) |
| Increase in prepayments and deposits | | **(15,454)** | (2,353) |
| Increase in trade and other payables | | **7,674** | 8,917 |
| Increase in contract liabilities | | **2,506** | 25,842 |
| **Cash (used in)/generated from operations** | | **(22,680)** | 26,198 |
| Income tax paid | | **(3,338)** | (152) |
| **Net cash (used in)/generated from operating activities** | | **(26,018)** | 26,046 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | | **(12)** | (7) |
| Addition of intangible asset | 16 | **(104)** | – |
| Proceeds from disposal of subsidiaries | 32 | **–** | 78 |
| Asset classified as held for sale | 33 | **–** | (5) |
| Deconsolidation of subsidiaries | 34 | **(123)** | – |
| **Net cash (used in)/generated from investing activities** | | **(239)** | 66 |
| **Cash flows from financing activities** | | | |
| New other borrowings | 36(b) | **3,544** | 12,200 |
| Additions of amount due to a director | 36(b) | **1,130** | 1,184 |
| Repayment of other borrowings | 36(b) | **(115)** | (802) |
| Payment for lease liabilities | 36(b) | **(1,601)** | (2,667) |
| Interest paid on lease liabilities | 36(b) | **(53)** | (189) |
| **Net cash generated from financing activities** | | **2,905** | 9,726 |
| **Net (decrease)/increase in cash and cash equivalents** | | **(23,352)** | 35,838 |
| **Cash and cash equivalents at beginning of the year** | | **36,771** | 1,230 |
| **Effect of foreign exchange rate changes** | | **(1,583)** | (297) |
| **Cash and cash equivalents at end of the year** | 20 | **11,836** | 36,771 |

## 1. GENERAL INFORMATION

China Hongbao Holdings Limited (the "Company", together with its subsidiaries, the "Group") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands. The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company's head office and principal place of business is located at Room 1532, 15/F, Two Sky Parc, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong with effect from 11 February 2026. The Company is an investment holding company and its subsidiaries are principally engaged in internet services (including O2O e-commerce services and supply chain management services) and foundation and other constructions business in Mainland China and Hong Kong.

In the opinion of the directors of the Company, the Company does not have an ultimate controlling party as at 31 March 2026.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2025 for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability |

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

### (b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

| | |
|---|---|
| Amendments to HKAS 21 | Translation to Hyperinflationary Presentation Currency[3] |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[2] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity[2] |
| 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[2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[3] |

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 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

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

***HKFRS 18 Presentation and Disclosure in Financial Statements***

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### (a) Basis of preparation of consolidated financial statements

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. The measurement bases are fully described in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### (a) Basis of preparation of consolidated financial statements (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### (b) Functional and presentation currencies

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

Changes in the Group's interests in a subsidiary that do not result in a loss of control of the subsidiary are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (b) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### (c) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### (d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leased building where the Group is not the registered owner of the property interest (see Note 4(f)), are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (d) Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

| | |
|---|---|
| Leased building | Over shorter of asset's useful life and the lease terms |
| Machineries | Over shorter of 20% per annum and the lease terms |
| Furniture and equipment | 20% per annum |
| Motor vehicles | 30% per annum |

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

### (e) Intangible assets

***Trademarks***

Separately acquired trademarks are recognised at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to amortise the cost over the estimated useful lives of 10 years.

### (f) Leases

***The Group as a lessee***

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets with the corresponding lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months and low-value assets. The lease payments associated with those leases have been expensed on straight- line basis over the lease term.

***Right-of-use asset***

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. The Group presents leased building which is held for own use under property, plant and equipment and are amortised over the shorter of assets' useful life and lease term on a straight-line basis.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (f) Leases (Continued)

***Lease liability***

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed lease payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

### (g) Financial instruments

#### *(i) Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (g) Financial instruments (Continued)

#### *(i) Financial assets* (Continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets at amortised cost as explained below:

Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

#### *(ii) Impairment loss on financial assets*

The Group recognises loss allowances for expected credit losses ("ECLs") on trade and other receivables, contract assets and other financial assets measured at amortised cost. The ECLs are updated at each reporting period and are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The Group always recognise lifetime ECL for trade receivables and contract assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measured loss allowances for trade receivables, and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The ECL on trade receivables and contract assets are assessed individually.

The Group has estimated lifetime ECLs on an individual customer basis that is based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (g) Financial instruments (Continued)

#### *(ii) Impairment loss on financial assets* (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECL except for trade receivables and contract assets which apply the simplified approach as detailed above.

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL.

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL.

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECL.

*Significant increase in credit risk*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (g) Financial instruments (Continued)

#### *(ii) Impairment loss on financial assets* (Continued)

*Significant increase in credit risk* (Continued)

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

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

*Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full. Irrespective of the above, the Group considers that default has occurred when a financial asset is more than one year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. All trade receivables with more than one year past due are considered an event of default and fully credit-impaired.

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group recognises an impairment loss in profit or loss for all financial instruments where the corresponding adjustment is recognised through loss allowance account.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (g) Financial instruments (Continued)

#### *(iii) Financial liabilities*

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred, including financial liabilities at amortised cost. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost including trade and other payables, other borrowings, amount due to a director, and loan from a related party are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

#### *(iv) Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

#### *(v) Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### *(vi) Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Employee benefits

#### *(i) Short-term employee benefits*

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

#### *(ii) Defined contribution retirement plans*

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

### (i) Cash and cash equivalents

Cash and cash equivalents, including cash and bank balances, comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statements of cash flows, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liabilities under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

As the delayed payment terms in respect of retention receivables are for reasons other than to provide financing to the customers, which is security given to the customer in case that the Group fails to adequately complete some or all of its obligations under the contract, there are no significant financing component identified.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue recognition (Continued)

#### *(i) Provision of foundation and other construction services*

The Group provides foundation and other construction services based on contracts entered into with customers. Such contracts are entered into before the services begin. Based on the terms of the contracts and the specific facts and circumstances, the Group recognises revenue from provision of foundation and other construction service over time as the Group believes that, the foundation and other construction work performed by the Group creates or enhances the assets that the customers control as the assets is created or enhanced. Revenue from provision of foundation construction work is therefore recognised over time using output method, i.e. based on the progress towards completion of the contracts by reference to the relevant payment certificate issued by customers. The directors consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under HKFRS 15 "Revenue from Contracts with Customers".

For other construction services, the construction work is recognised over time using an input method based on the progress towards satisfaction of the services, measured based on proportion of contract cost incurred for work performed to date relative to the estimated total contract cost.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

For the loss making contracts, when it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the change in circumstance during the reporting period.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue recognition (Continued)

***(ii) Provision of internet services (including O2O e-commerce and supply chain management)***

For O2O e-commerce, the Group opens the online platforms to merchants party under certain agreements, under which the merchants party pays fees to the Group and are granted the exclusive right to recruit business agents in designated regions and industries for the Group's online platforms. The Group provides merchant advertising services through the internet platform operated by the Group, including regional operation rights, merchant advertising, platform exposure and digital marketing services. The Group recognises the related revenue over time as the services are provided. The Group has amended the terms of these agreements to charge an annual fee for the exclusive right instead of a one-off payment, resulting in the related revenue being recognised over the service periods rather than at point in time since February 2025.

For supply chain management, the Group provides supply chain fulfilment services for the redemption of food, daily necessities and other consumer goods to end-users on the internet platform operated by the Group, including procurement, supplier management, order processing, fulfilment and after sales co-ordination services. Revenue is recognised when the control of the goods is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods is transferred at a point in time.

***(iii) Other income***

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

***(iv) Contract assets and liabilities, retention receivables***

Contract assets represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Contract liabilities represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue recognition (Continued)

#### *(iv) Contract assets and liabilities, retention receivables* (Continued)

Contract assets are recognised when (i) the Group performs the other construction works under such services contracts but yet to issue billing certified through the contract terms agreed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as contract assets are reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date then the Group recognises contract liabilities for the difference.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

#### *(v) Contract costs*

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (k) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty, related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income tax.

Deferred tax liabilities are recognised for taxable temporary differences arising on property, plant and equipment, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

### (l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (m) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as profit or loss immediately.

### (n) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (n) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

### (o) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets.

Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (p) Segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The measurement policies the Group uses for reporting segment results under HKFRS 8 "Operating Segment" are the same as those used in its consolidated financial statements prepared under HKFRS 8.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (q) Foreign currencies

Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary financial assets are recognised in profit or loss. Exchange gains and losses on non-monetary OCI financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into HK$ at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the exchange reserve.

Exchange differences recognised in profit or loss in the Group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements of the Group requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***(i) Provision of foundation construction services***

The determination of the progress of the foundation construction services involves judgements and the Group recognises revenue on over-time basis, which is by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period, measured using the output method in accordance with HKFRS 15 "Revenue from contracts with customers". For those contracts that contain variable consideration, the Group estimates the amount of variable consideration to which it will be entitled and includes it in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulated revenue recognised will not occur.

Significant judgement is required in revenue recognition of construction contracts. Further the uncertainty and subjectivity involved in determining the estimation of contract revenue may have a significant impact on the results of the Group.

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

**Estimates and assumptions** (Continued)

***(ii) Impairment of non-financial assets***

The Group assesses at the end of each of the reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the cash-generating unit ("CGU") to which the asset is allocated or fair value less costs of disposal which is based on management estimates having regard to estimated fair value provided by independent external valuer, which is a level 3 fair value measurement. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

***(iii) Expected credit loss allowance of trade and other receivables and contract assets***

Management of the Group has determined the provision for the trade and other receivables and contract assets by estimating a lifetime/12-month expected loss allowance for all trade and other receivables and contract assets. The loss allowance for financial assets and contract assets is determined based on a number of key assumptions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on information including the Group's historical credit loss experience, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment.

***(iv) Income taxes***

Determining income tax provisions requires the Group to make judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

## 6. REVENUE AND SEGMENT INFORMATION

### Operating segments

The executive directors have been identified as the chief operating decision-maker ("CODM") of the Group and are responsible for reviewing the Group's internal management reports, assessing operating performance and profitability, and making decisions on resource allocation. Internal reports are prepared and presented to the CODM on a segment basis, reflecting the distinct nature of the Group's revenue-generating activities and the way in which financial information is monitored.

For the year ended 31 March 2026, the CODM determined that the Group has three reportable operating segments (2025: three), namely:

1. **Internet services** — comprising provision of internet services (i) O2O e-commerce services and (ii) supply chain management services.

   (i) O2O e-commerce services:

   Provision of merchant advertising services through the internet platform operated by the Group, including regional operation rights, merchant advertising, platform exposure and digital marketing services

   (ii) Supply chain management services:

   Provision of supply chain fulfilment services for the redemption of food, daily necessities and other consumer goods by end-users on the internet platform operated by the Group, including procurement, supplier management, order processing, fulfilment and after-sales co-ordination services.

2. **Foundation and other construction works** — provision of foundation works and other construction-related services in Hong Kong.

3. **Supply and installation of new energy charging piles** — provision of new energy charging-pile installation services.

These segments are consistent with the Group's internal reporting structure and reflect the different business models, customer bases, and risk profiles of the Group's operations.

The CODM evaluates segment performance primarily based on segment revenue and segment results before income tax, which represent the profit or loss generated from each segment's operations before unallocated corporate items. The CODM also reviews segment-specific information such as impairment losses and major operating expenses where relevant. Segment assets and liabilities include items directly attributable to each segment as well as those that can be allocated on a reasonable basis.

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

### Operating segments (Continued)

The segment information provided to the CODM for the reportable segments is as follows:

***Segment results***

| | Internet services HK$'000 | Foundation and other construction works HK$'000 | Supply and installation of new energy charging piles HK$'000 | Unallocated HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| **Year ended 31 March 2026** | | | | | |
| Disaggregated by timing of revenue recognition | | | | | |
| — At point in time | 8,957 | – | – | – | 8,957 |
| — Over time | 103,270 | 3,886 | – | – | 107,156 |
| **Segment revenue** | 112,227 | 3,886 | – | – | 116,113 |
| **Segment profit/(loss) before income tax** | 13,676 | (2,931) | 6,533 | – | 17,278 |
| Other income and gains | | | | – | – |
| Depreciation of property, plant and equipment | | | | (1,418) | (1,418) |
| Other expenses | | | | (6,695) | (6,695) |
| **Profit before income tax** | | | | | 9,165 |
| **Other information:** | | | | | |
| Amortisation of intangible asset | (3) | – | – | – | (3) |
| Depreciation of property, plant and equipment | (1) | – | – | (1,418) | (1,419) |
| Interest income | 21 | – | – | – | 21 |
| Gain on deconsolidation of subsidiaries | – | 11,142 | 6,533 | – | 17,675 |
| Impairment loss recognised on | | | | | |
| — financial assets and contract assets | (865) | (5,551) | – | – | (6,416) |
| — property, plant and equipment | – | – | – | – | – |

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

### Operating segments (Continued)

***Segment results*** (Continued)

| | Internet services HK$'000 | Foundation and other construction works HK$'000 | Supply and installation of new energy charging piles HK$'000 | Unallocated HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| **Year ended 31 March 2025** | | | | | |
| Disaggregated by timing of revenue recognition | | | | | |
| — At point in time | 6,867 | – | – | – | 6,867 |
| — Over time | 27,819 | 46,168 | – | – | 73,987 |
| **Segment revenue** | 34,686 | 46,168 | – | – | 80,854 |
| **Segment profit/(loss) before income tax** | 8,949# | (8,839)# | (1,030)# | – | (920) |
| Other income and gains | | | | 91# | 91 |
| Depreciation of property, plant and equipment | | | | (1,440)# | (1,440) |
| Other expenses | | | | (7,120)# | (7,120) |
| **Profit before income tax** | | | | | 9,389 |
| **Other information:** | | | | | |
| Amortisation of intangible asset | – | – | – | – | – |
| Depreciation property, plant and equipment | (283) | (1,088) | – | (1,440) | (2,811) |
| Gain on early termination of lease contract | 11 | – | – | – | 11 |
| Interest income | 9 | – | – | – | 9 |
| Gain on deconsolidation of subsidiaries | – | – | – | – | – |
| Impairment loss recognised on | | | | | |
| — financial assets and contract assets | (69) | (2,147) | – | – | (2,216) |
| — property, plant and equipment | – | (1,694) | – | – | (1,694) |

# During the year ended 31 March 2026, the Group revised the presentation of segment information to align with the change of format of internal reports as recommended by the CODM. Comparative figures have been restated accordingly to conform with the current year's presentation.

Revenue reported above represents revenue generated from external customers. These were no inter-segment sales for both of the years ended 31 March 2026 and 31 March 2025.

Revenue is disaggregated by timing of revenue recognition and presented together with segment revenue information, as this reflects the manner in which revenue information is reviewed by the CODM.

The other information set out above is included in the measure of segment profit/(loss) before income tax.

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

### Segment assets and liabilities

| | Internet services HK$'000 | Foundation and other construction works HK$'000 | Supply and installation of new energy charging piles HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| **As at 31 March 2026** | | | | |
| Segment assets | **60,148** | **–** | **–** | **60,148** |
| Unallocated corporate assets | | | | **974** |
| **Total assets** | | | | **61,122** |
| Segment liabilities | **49,411** | **61** | **–** | **49,472** |
| Unallocated corporate liabilities | | | | **1,614** |
| **Total liabilities** | | | | **51,086** |
| **Other information:** | | | | |
| Additions to non-current assets | **104** | **–** | **–** | **104** |
| **As at 31 March 2025** | | | | |
| Segment assets | **47,348** | **8,552** | **5** | **55,905** |
| Unallocated corporate assets | | | | **2,949** |
| **Total assets** | | | | **58,854** |
| Segment liabilities | **43,312** | **6,313** | **7,027** | **56,652** |
| Unallocated corporate liabilities | | | | **17,534** |
| **Total liabilities** | | | | **74,186** |
| **Other information:** | | | | |
| Additions to non-current assets | **–** | **–** | **–** | **–** |

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

— all assets are allocated to operating and reportable segments except for certain unallocated property, plant and equipment, prepayments and deposits and cash and cash equivalents.

— all liabilities are allocated to operating and reportable segments except for certain unallocated other payables, other borrowings, amount due to a director and lease liabilities.

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

### Geographical information

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

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Mainland China | **112,227** | 34,686 |
| Hong Kong | **3,886** | 46,168 |
| | **116,113** | 80,854 |

### Information about major customers

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

| | **Attributable to reportable segments** | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|---|
| Customer A | Foundation and other construction works | **N/A#** | 34,785 |
| Customer B | Internet services | **N/A#** | 9,225 |

# Revenue from each of the customer A and customer B for the year ended 31 March 2026 did not exceed 10% of the Group's total revenue for the year.

The Group has applied the practical expedient in HKFRS 15 to its contracts for foundation and other construction services. Accordingly, the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligations under construction contracts that had an original expected duration of one year or less.

The above amounts also do not include any completion bonuses that the Group may earn in the future by meeting conditions specified in the Group's construction contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy those conditions. During the years ended 31 March 2026 and 31 March 2025, the Group did not have any contracts with completion bonuses.

## 7. OTHER INCOME AND GAINS

| | Note | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|---|
| Bank interest income | | **21** | 9 |
| Gain on disposal of subsidiaries | 32 | **–** | 91 |
| Gain on early termination of lease contract | | **–** | 11 |
| Others | | **8** | 34 |
| | | **29** | 145 |

## 8. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Wages, salaries and other benefits | **11,490** | 12,400 |
| Post-employment benefits — defined contribution retirement plan contributions | **581** | 2,339 |
| | **12,071** | 14,739 |

## 9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Directors' remuneration

| | Fees HK$'000 | Salaries and benefits HK$'000 | Discretionary bonus HK$'000 | Pension scheme contributions HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| **Year ended 31 March 2026** | | | | | |
| Executive directors: | | | | | |
| Mr. Cheng Jun | **–** | **960** | **80** | **18** | **1,058** |
| Mr. Yu Hua | **–** | **970** | **–** | **76** | **1,046** |
| | **–** | **1,930** | **80** | **94** | **2,104** |
| Independent non-executive directors: | | | | | |
| Mr. Chow Chun To | **120** | **–** | **–** | **–** | **120** |
| Professor Cheung Ka Yue | **120** | **–** | **–** | **–** | **120** |
| Ms. Wong Chi Yan (i) | **116** | **–** | **–** | **–** | **116** |
| Ms. Lau Wai Hing (ii) | **4** | **–** | **–** | **–** | **4** |
| | **360** | **–** | **–** | **–** | **360** |
| Total | **360** | **1,930** | **80** | **94** | **2,464** |
| **Year ended 31 March 2025** | | | | | |
| Executive directors: | | | | | |
| Mr. Cheng Jun | – | 960 | 80 | 18 | 1,058 |
| Mr. Yu Hua | – | 793 | – | 72 | 865 |
| | – | 1,753 | 80 | 90 | 1,923 |
| Independent non-executive directors: | | | | | |
| Mr. Chow Chun To | 120 | – | – | – | 120 |
| Professor Cheung Ka Yue | 120 | – | – | – | 120 |
| Ms. Wong Chi Yan (i) | 120 | – | – | – | 120 |
| Ms. Lau Wai Hing (ii) | – | – | – | – | – |
| | 360 | – | – | – | 360 |
| Total | 360 | 1,753 | 80 | 90 | 2,283 |

## 9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### (a) Directors' remuneration (Continued)

Notes:

(i) Ms. Wong Chi Yan resigned on 19 March 2026.

(ii) Ms. Lau Wai Hing was appointed on 19 March 2026.

During the current and prior years, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as the directors.

### (b) Five highest paid individuals

Two of the five highest paid individuals are directors for the year ended 31 March 2026 (2025: Two). The emoluments of the five highest paid individuals for the years ended 31 March 2026 and 2025 were as follows:

| | **2026**<br>**HK$'000** | 2025<br>HK$'000 |
|---|---|---|
| Salaries, allowances and benefits in kind | **3,875** | 3,778 |
| Pension scheme contributions — defined contribution plans | **194** | 140 |
| | **4,069** | 3,918 |

The remuneration of the five highest paid individuals fell within the following bands:

| | **2026**<br>**Number of employees** | 2025<br>Number of employees |
|---|---|---|
| Nil to HK$500,000 | **–** | – |
| HK$500,001 to HK$1,000,000 | **3** | 4 |
| HK$1,000,001 to HK$1,500,000 | **2** | 1 |

During the current and prior years, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

## 9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

### (c) Senior management's emoluments

The emoluments paid or payable to a member of senior management, other than the five highest paid employees, were within the following bands:

| | **2026 Number of employees** | 2025 Number of employees |
|---|---|---|
| Nil to HK$1,000,000 | **1** | 1 |
| More than HK$1,000,000 | **–** | – |

## 10. FINANCE COSTS

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Interest on loan from other borrowings | **371** | 3 |
| Interest on lease liabilities | **53** | 189 |
| Imputed interest for former shareholder's loans *(Note 36(b))* | **–** | 1,030 |
| | **424** | 1,222 |

Note: The former shareholder's loans were reclassified as liabilities directly associated with assets classified as held for sale during the year ended 31 March 2025 (Note 33).

## 11. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived after charging:

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Depreciation of property, plant and equipment: | | |
| — Owned property, plant and equipment | **4** | 644 |
| — Right-of-use assets | **1,415** | 2,167 |
| | **1,419** | 2,811 |
| Amortisation of intangible asset | **3** | – |
| Auditor's remuneration — Audit services | **980** | 900 |
| Cost of inventories sold | **1,297** | – |
| Employee benefit expenses (Note 8) | **12,071** | 14,739 |

## 12. INCOME TAX EXPENSE

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

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Current tax | | |
| — Hong Kong profits tax | **67** | – |
| — PRC enterprise income tax | **3,566** | 358 |
| Underprovision in prior years | | |
| — PRC enterprise income tax | **891** | – |
| Income tax expense | **4,524** | 358 |

Under the two-tiered Hong Kong profits tax regime, the first HK$2 million of assessable profits of qualifying corporation is taxed at 8.25% and assessable profits above HK$2 million are taxed at 16.5%. Group entities that do not qualify for the two-tiered regime continue to be taxed at 16.5%.

Provision for Hong Kong profits tax of approximately HK$67,000 was made for the year ended 31 March 2026. For the year ended 31 March 2025, no provision was made as the Group entities subject to Hong Kong profits tax either incurred tax losses or had tax losses brought forward to offset assessable profits for that year.

The basic tax rate of the Group's PRC subsidiaries is 25% under the PRC Enterprise Income Tax Law (the "EIT Law") and its implementation regulations. For the year ended 31 March 2025, certain subsidiaries of the Group qualified as small and micro enterprises and enjoy the reduction of the applicable tax rate to 10%.

The income tax expense can be reconciled to profit/(loss) before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Profit/(loss) before income tax | **9,165** | (9,389) |
| Tax calculated at domestic income tax rates of 16.5% (2025: 16.5%) | **1,512** | (1,549) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | **1,234** | (823) |
| Tax effect of non-deductible expenses | **1,411** | 1,599 |
| Tax effect of non-taxable income | **(2,916)** | (177) |
| Tax effect of tax loss not recognised | **2,392** | 1,308 |
| Under-provision in prior years | **891** | – |
| Income tax expense | **4,524** | 358 |

## 13. DIVIDEND

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

## 14. EARNINGS/(LOSS) PER SHARE

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

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| **Profit/(loss) for the purpose of calculating basic earnings/(loss) per share** | | |
| Profit/(loss) for the year attributable to owners of the Company | **4,641** | (9,747) |

| | Number of shares<br>'000 | Number of shares<br>'000 |
|---|---|---|
| **Number of shares for the purpose of calculating basic earnings/(loss) per share** | | |
| Weighted average number of ordinary shares | **953,376** | 897,729 |

There were no potential ordinary shares in issue for the years ended 31 March 2026 and 2025. Accordingly, the diluted earnings/(loss) per share for each of the years presented is the same as the basic earnings/(loss) per share for the corresponding years.

## 15. PROPERTY, PLANT AND EQUIPMENT

| | Right-of-use assets HK$'000 | Machineries HK$'000 | Furniture and equipment HK$'000 | Motor vehicles HK$'000 | Computer HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 April 2024 | 7,784 | 4,530 | 2,815 | 751 | – | 15,880 |
| Additions | – | – | – | – | 7 | 7 |
| Eliminated on early termination | (1,943) | – | – | – | – | (1,943) |
| Exchange alignment | (4) | – | – | – | – | (4) |
| At 31 March 2025 and 1 April 2025 | 5,837 | 4,530 | 2,815 | 751 | 7 | 13,940 |
| Additions | 571 | – | – | – | 12 | 583 |
| Eliminated on end of lease term | (4,319) | – | – | – | – | (4,319) |
| Deconsolidation of subsidiaries (Note 34) | (1,518) | (4,079) | (1,323) | (751) | – | (7,671) |
| Written off | – | (451) | (1,480) | – | – | (1,931) |
| Exchange alignment | – | – | 1 | – | – | 1 |
| **At 31 March 2026** | **571** | **–** | **13** | **–** | **19** | **603** |
| **Accumulated depreciation and impairment** | | | | | | |
| At 1 April 2024 | 3,825 | 3,012 | 2,312 | 548 | – | 9,697 |
| Charge for the year | 2,167 | 399 | 136 | 108 | 1 | 2,811 |
| Eliminated on early termination | (1,588) | – | – | – | – | (1,588) |
| Impairment loss recognised for the year | 113 | 1,119 | 367 | 95 | – | 1,694 |
| Exchange alignment | (1) | – | – | – | – | (1) |
| At 31 March 2025 and 1 April 2025 | 4,516 | 4,530 | 2,815 | 751 | 1 | 12,613 |
| Charge for the year | 1,415 | – | 1 | – | 3 | 1,419 |
| Eliminated on end of lease term | (4,319) | – | – | – | – | (4,319) |
| Deconsolidation of subsidiaries (Note 34) | (1,518) | (4,079) | (1,323) | (751) | – | (7,671) |
| Eliminated on assets written off | – | (451) | (1,480) | – | – | (1,931) |
| **At 31 March 2026** | **94** | **–** | **13** | **–** | **4** | **111** |
| **Net book value** | | | | | | |
| **At 31 March 2026** | **477** | **–** | **–** | **–** | **15** | **492** |
| At 31 March 2025 | 1,321 | – | – | – | 6 | 1,327 |

## 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

| **Right-of-use assets** | **Leased properties** HK$'000 | **Total** HK$'000 |
|---|---|---|
| At 1 April 2024 | 3,959 | 3,959 |
| Early termination | (355) | (355) |
| Impairment | (113) | (113) |
| Exchange alignment | (3) | (3) |
| Depreciation for the year | (2,167) | (2,167) |
| At 31 March 2025 and 1 April 2025 | 1,321 | 1,321 |
| Additions | 571 | 571 |
| Depreciation for the year | (1,415) | (1,415) |
| **At 31 March 2026** | **477** | **477** |

Details regarding the leases of properties are set out in Note 23.

Total cash outflow for leases for the year ended 31 March 2026 was HK$1,654,000 (2025: HK$2,856,000), which represent repayment of lease liabilities of approximately HK$1,654,000 (2025: HK$2,856,000).

Management performed an impairment assessment of the Group's assets as at 31 March 2026. Although the Group recorded a profit for the year, the assessment was considered necessary due to the continuing operating losses sustained in prior years.

The recoverable amount of the Group's CGUs was determined based on value in use calculations, using valuations performed by an independent valuer and cash flow projections derived from a five-year financial budget plan approved by the management. The pre-tax discount rate applied was 11.75%, reflecting the specific risks associated with the CGUs. A long-term growth rate of 2.50% was used to extrapolate cash flows beyond the five-year period, which does not exceed the long-term growth rate of the relevant industry as estimated by management. Other key assumptions used in the value in use calculations relating to the estimation of cash inflows or outflows include budgeted sales and gross margin which were determined with reference to the CGU's past performance and management's expectations of future market conditions. Based on the recoverable amounts of the Group's CGUs, no impairment loss on right-of-use assets and other property, plant and equipment was recognised for the year ended 31 March 2026. For the prior year ended 31 March 2025, impairment losses on right-of-use assets and other property, plant and equipment amounted to approximately HK$113,000 and HK$1,581,000 respectively were recognised in profit or loss of the Group in respect of that year.

## 16. INTANGIBLE ASSET

| | Trademark<br>HK$'000 |
|---|---|
| **Cost** | |
| At 1 April 2024, 31 March 2025 and 1 April 2025 | – |
| Addition during the year ended 31 March 2026 | 104 |
| Exchange alignment | 2 |
| **At 31 March 2026** | **106** |
| **Accumulated amortisation** | |
| At 1 April 2024, 31 March 2025 and 1 April 2025 | – |
| Charge for the year | 3 |
| **At 31 March 2026** | **3** |
| **Net book value** | |
| At 31 March 2026 | 103 |
| At 31 March 2025 | **–** |

## 17. TRADE AND OTHER RECEIVABLES

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Trade receivables, gross (Note (a)) | **5,056** | 16,317 |
| Less: provision of impairment (Note 35(a)(i)) | **(283)** | (6,170) |
| Trade receivables, net | **4,773** | 10,147 |
| Other receivables, gross (Note (b)) | **18,553** | 1,071 |
| Less: provision of impairment loss (Note 35(a)(ii)) | **(660)** | (7) |
| Other receivables, net | **17,893** | 1,064 |
| | **22,666** | 11,211 |

### (a) Trade receivables

Trade receivables were mainly derived from the provision of internet services and foundation works and were non-interest bearing. Except for the assignment of a trade receivable as described below, the Group did not hold any collateral or other credit enhancements over these balances as at 31 March 2026 and 2025. No credit period was allowed to trade customers of internet services. The Group grants an average credit period of 0 to 30 days to its customers of internet services and contract works.

On 18 March 2025, a former subsidiary, Ambitious Achievement (Note 34) entered into an agreement with an independent third party to assign a trade receivable at a consideration of HK$2,200,000. The assignment remained effective up to the date on which the Group lost control of Ambitious Achievement on 11 February 2026. Upon the loss of control, the financial results and financial position of Ambitious Achievement, including trade receivables of approximately HK$5,511,000 and the related impairment loss recognised of approximately HK$5,511,000, were deconsolidated from the consolidated financial statements (Note 34).

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

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Current or less than one month | **466** | 4,477 |
| One to three months | **767** | 3,452 |
| More than three months but less than one year | **3,540** | 2,218 |
| | **4,773** | 10,147 |

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The estimated loss rates are estimated based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

## 17. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Other receivables

Included in other receivables at 31 March 2026 are payments made by the Group amounted to a total of approximately HK$14,018,000 (2025: HK$1,018,000) to certain third parties for the settlement of trade payables by these third parties to the Group's service providers. The amounts were fully settled subsequent to the end of the reporting period and up to the date of this report.

No staff advances (2025: HK$53,000) were outstanding and included in other receivables as at 31 March 2026.

The 12-month ECLs applicable to other receivables were determined with reference to historical settlement patterns and past experience with these debtors, credit risk assessments and prevailing market conditions. Details of impairment assessment of other receivables as at 31 March 2026 and 31 March 2025 are set out in Note 35(a).

## 18. PREPAYMENTS AND DEPOSITS

| | **2026**<br>**HK$'000** | 2025<br>HK$'000 |
|---|---|---|
| Advance payments to service providers (Note) | **25,106** | 7,615 |
| Less: provision of impairment loss (Note 35(a)(ii)) | **–** | 51 |
| | **25,106** | 7,615 |
| Prepayments | **830** | 1,138 |
| Deposits | **90** | 841 |
| Less: provision of impairment loss (Note 35(a)(ii)) | **(1)** | (5) |
| | **89** | 836 |
| | **26,025** | 9,538 |

Note: The amount represents advance payments made by the Group to certain third parties for recruiting new customers of the O2O e-commerce platform operated by the Group.

## 19. CONTRACT ASSETS

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Retention receivables from contracts with customers | – | 4 |
| Less: provision of impairment loss (Note 35(a)(i)) | – | (2) |
| | – | 2 |

### Foundation construction services

The expected timing of recovery or settlement for contract assets as at 31 March 2026 and 2025 are as follows:

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Within one year | – | 2 |

The contract assets primarily relates to the Group's right to consideration for construction works completed but not yet billed to customers, and the retention receivables at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional, that is, when the Group issue progress billings to customer based on progress certificates agreed with customers or when the retention receivables become unconditional.

An impairment analysis is performed at each reporting date using simplified approach to provide for lifetime ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL for contract assets and assesses the expected losses on contract assets individually. The estimated loss rates are estimated based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

Details regarding the impairment losses recognised on contract assets are set out in Note 35(a)(i).

## 20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group represent cash at banks and in hand.

As at 31 March 2026, the Group's cash at banks situated in Mainland China amounted to approximately HK$11,630,000 (2025: HK$34,089,000). Remittance of these funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

## 21. TRADE AND OTHER PAYABLES

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Trade payables (Note (a)) | **10,876** | 6,950 |
| Accrued charges (Note (b)) | **1,815** | 1,146 |
| Receipt in advance | **3,963** | 5,788 |
| Other payables (Note (c)) | **618** | 3,224 |
| | **17,272** | 17,108 |

Notes:

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

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Current or less than one month | **421** | 6,437 |
| One to three months | **23** | 29 |
| More than three months but less than one year | **10,286** | 23 |
| More than one year | **146** | 461 |
| | **10,876** | 6,950 |

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

(b) As at 31 March 2026, accrued charges mainly comprised (i) accrued salaries and wages of approximately HK$490,000 (2025: HK$238,000); (ii) accrued audit and professional fees of approximately HK$1,105,000 (2025: HK$693,000); and (iii) PRC taxes and surcharges of approximately HK$196,000 (2025: HK$190,000). The balances of accruals are non-interest bearing and have average payment terms of one to three months.

(c) As at 31 March 2025, other payables included an amount due to a director of Ambitious Achievement (Note 34), Mr. Ng Yeuk Cheung, of approximately HK$3,104,000. The amount due was unsecured, interest-free and repayable on demand.

## 22. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities, which represent the unsatisfied performance obligations as at 31 March that are expected to be recognised within one year:

| | **2026<br>HK$'000** | 2025<br>HK$'000 |
|---|---|---|
| Internet services | **31,902** | 29,650 |
| Foundation and other construction works (Note) | **–** | 752 |
| | **31,902** | 30,402 |

The amount of approximately HK$29,650,000 and HK$3,928,000 included in contract liabilities at 31 March 2025 and 31 March 2024, respectively, were recognised as revenue for each of the years ended 31 March 2026 and 31 March 2025, respectively.

The unsatisfied performance obligations are expected to be fulfilled by the Group within one year from the end of the reporting period.

## 23. LEASES

As at 31 March 2026, the Group leased one property in Hong Kong (2025: three properties in Hong Kong and one property in the PRC).

### Lease liabilities

The Group's lease liabilities, including (i) movements during the year, (ii) analysis by current and non-current portion, and (iii) maturity analysis of future lease payments, are set out below:

**(i) Movements**

| | **Lease liabilities attributable to leased properties** HK$'000 |
|---|---|
| As at 1 April 2024 | 4,722 |
| Early termination of lease | (367) |
| Lease payments | (2,856) |
| Interest expenses (Note 10) | 189 |
| Exchange alignment | (2) |
| As at 31 March 2025 and 1 April 2025 | 1,686 |
| New lease entered | 571 |
| Lease payments | (1,654) |
| Interest expenses (Note 10) | 53 |
| Deconsolidation of subsidiaries (Note 34) | (177) |
| **As at 31 March 2026** | **479** |

**(ii) Analysis by current and non-current portion**

| | **2026** **HK$'000** | 2025 HK$'000 |
|---|---|---|
| Current portion | **283** | 1,686 |
| Non-current portion | **196** | – |
| | **479** | 1,686 |

## 23. LEASES (Continued)

### Lease liabilities (Continued)

**(iii) Maturity analysis (undiscounted future lease payments)**

| | Minimum lease payments HK$'000 | Interest HK$'000 | Present value HK$'000 |
|---|---|---|---|
| **As at 31 March 2026** | | | |
| Not later than one year | **300** | **(17)** | **283** |
| Later than one year and not later than two years | **200** | **(4)** | **196** |
| | **500** | **(21)** | **479** |
| **As at 31 March 2025** | | | |
| Not later than one year | 1,734 | (48) | 1,686 |
| Later than one year and not later than two years | – | – | – |
| | 1,734 | (48) | 1,686 |

## 24. AMOUNTS DUE TO A DIRECTOR AND LOAN FROM A RELATED PARTY

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| **Current:** | | |
| **Amount due to a director** | | |
| Mr. Cheng Jun (Note (a)) | **–** | (1,184) |
| **Loan from a related party** | | |
| Mr. Fu Yik Lung (Note (b)) | **–** | (14,375) |

## 24. AMOUNTS DUE TO DIRECTOR AND LOAN FROM A RELATED PARTY (Continued)

Notes:

(a) The amount due to Mr. Cheng Jun ("Mr. Cheng") (who is also a director and shareholder of the Company), are unsecured, interest-free and repayable on demand.

During the year ended 31 March 2026, Mr. Cheng made additional loan to the Company amounted to HK$1,130,000. On 27 March 2026, the loan due by the Company to Mr. Fu Yik Lung ("Mr. Fu") amounted to approximately HK$17,804,000 was assigned at face amount to Mr. Cheng (Note b below). Following this loan assignment, the balance of the loan due by the Company to Mr. Cheng increased to approximately HK$20,118,000.

On 27 March 2026, Mr. Cheng executed a deed of waiver, under which Mr. Cheng waived his right to collect the loan due by the Company to him amounted to HK$20,118,000 at nil consideration. The waiver of the loan by Mr. Cheng is deemed to be shareholder's contribution which has been credited to capital reserves.

(b) Mr. Fu is a former director of the former ultimate holding company of the Company. As at 31 March 2025, the loan with the carrying amount of approximately HK$14,375,000 are unsecured, interest-free and repayable on demand.

During the year ended 31 March 2026, the Group obtained additional loan of HK$3,544,000 from Mr. Fu and repaid part of the loan amounted to HK$115,000 to him, which resulted in outstanding loan balance of approximately HK$17,804,000 immediately before the loan assignment. On 27 March 2026, the Company entered into an agreement with Mr. Fu and Mr. Cheng (Note a above), under which the loan with the outstanding balance of approximately HK$17,804,000 due by the Company to Mr. Fu was assigned at face amount to Mr. Cheng (Note 24(a)).

## 25. OTHER BORROWINGS

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Amount due to an independent third party (Note (a)) | – | 2,200 |

At the end of the reporting date, the Group's other borrowings were repayable as follows:

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Within one year and on demand (Note (a)) | – | 2,200 |

Notes:

(a) As at 31 March 2025, the other borrowings which represent amount due by the former subsidiary, Ambitious Achievement, was secured by an assignment of a trade receivable (Note 17(a)), carried interest at 12% per annum, and was repayable 30 days from the first drawdown. Following the deconsolidation of Ambitious Achievement on 11 February 2026, the total outstanding amount was derecognised and was included in the calculation of the gain on the deconsolidation (Note 34).

## 25. OTHER BORROWINGS (Continued)

Notes: (Continued)

(b) Mr. Zhang Weijie ("Mr. Zhang"), a former director of the Company, granted two loans to the Company in July 2017 and March 2018 with principal amounts of approximately HK$3,477,000 and HK$3,787,000, respectively. The loans were unsecured, carried interest at 5% per annum and were repayable on demand. As at 31 March 2024, accumulated interest payable amounted to approximately HK$1,488,000. As at that date, the Group had additional cash advances made by Mr. Zhang to the Group of approximately HK$2,694,000. All of the outstanding balances due by the Group were unsecured, interest-free and repayable on demand.

Settlement of the loan borrowings, accumulated interest payable and cash advances had not been pursued by Mr. Zhang for more than six years. The directors of the Company believe that Mr. Zhang would not be permitted to file a lawsuit against the Company under the Limitation Ordinance (Chapter 347 of the Laws of Hong Kong). Accordingly, it was considered appropriate to derecognise these loan borrowings, accumulated interest payable and cash advances, amounting to HK$11,446,000, directly to accumulated losses during the year ended 31 March 2025. The difference between the loan proceeds and the fair value of the loan, amounting to HK$2,136,000 (Note 29(b)), was accounted for as capital contribution on initial recognition and was transferred directly to accumulated losses upon derecognition of the loan.

(c) The Group had outstanding loan from Ms. Zhang Xiaoping amounted to HK$5,000,000 at 31 March 2024 which was unsecured, interest-free and repayable on demand, such loan was settled by the Group during the year ended 31 March 2025 through loan capitalisation (Note 27(a)).

(d) On 20 May 2024, a loan of HK$10,000,000 was granted to the Company by an independent individual. The loan was unsecured, interest-free and repayable on demand, and was settled by the Group during the year ended 31 March 2025 through loan capitalisation (Note 27(b)).

## 26. DEFERRED TAX

At the end of the reporting period, the Group has not recognised deferred tax assets in respect of certain unused tax losses amounting to approximately HK$77,840,000 (2025: HK$77,840,000) due to the unpredictability of future profit streams in the relevant entities. The tax losses arising from the operation do not expire under current tax legislation in the relevant tax jurisdiction.

## 27. SHARE CAPITAL

| | Number of ordinary shares '000 | Amount HK$'000 |
|---|---|---|
| **Authorised:** | | |
| *Ordinary shares of HK$0.01 each* | | |
| As at 1 April 2024, 31 March 2025 and 1 April 2025 | 1,000,000 | 10,000 |
| Increase in authorised share capital | 2,000,000 | 20,000 |
| As at 31 March 2026 | 3,000,000 | 30,000 |
| **Issued and fully paid:** | | |
| *Ordinary shares of HK$0.01 each* | | |
| As at 1 April 2024 | 866,400 | 8,664 |
| Loan capitalisation through subscription of new shares (Note (a)) | 41,666 | 417 |
| Loan capitalisation through subscription of new shares (Note (b)) | 45,310 | 453 |
| As at 31 March 2025, 1 April 2025 and 31 March 2026 | 953,376 | 9,534 |

Notes:

(a) On 31 July 2024, the number of issued share capital of the Company increased to 908,066,000 shares of the Company (the "Shares") as a result of the completion of the loan capitalisation through subscription of new shares under general mandate (the "Subscription of New Shares A"). Details of the Subscription of New Shares A are set out in the announcements of the Company dated 24 April 2024 and 31 July 2024 (the "Subscription Announcements A").

Pursuant to the Subscription Agreement dated 24 April 2024, entered into between the Company and Ms. Zhang Xiaoping (the "Subscriber A"), a shareholder of the Company, the Company has conditionally agreed to allot and issue, and the Subscriber A has conditionally agreed to subscribe for, a total of 41,666,000 subscription shares at the subscription price of HK$0.12 per subscription share. The total subscription amount payable by the Subscriber A amounted to HK$4,999,920 under the Subscription Agreement shall be satisfied by way of capitalisation of part of the debt already due from the Company to the Subscriber A amounted to HK$5,000,000 and the remaining balance amounted to HK$80 settled by 31 March 2025. Completion of the issue of 41,666,000 subscription shares took place on 31 July 2024.

(b) On 4 March 2025, the number of issued share capital of the Company increased to 953,376,000 Shares as a result of the completion of the loan capitalisation through subscription of new shares under general mandate (the "Subscription of New Shares B"). Details of the Subscription of New Shares B are set out in the announcements of the Company dated 15 January 2025 and 4 March 2025 (the "Subscription Announcements B").

Pursuant to the Subscription Agreement dated 15 January 2025 entered into between the Company and Ms. Lau Wai Man (the "Subscriber B"), a shareholder of the Company, the Company has conditionally agreed to allot and issue, and the Subscriber B has conditionally agreed to subscribe for, a total of 45,310,000 subscription shares at the subscription price of HK$0.203 per subscription share. The total subscription amounts payable by the Subscriber B approximately amounted to HK$9,198,000 under the Subscription Agreement shall be satisfied by way of capitalisation of part of the debt already due from the Company to the Subscriber B amounted to HK$10,000,000 and the remaining balance approximately amounted to HK$802,000 settled by 31 March 2025. Completion of the issue of 45,310,000 subscription shares took place on 4 March 2025.

## 28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **16** | 1,326 |
| Investments in subsidiaries | | **157** | 157 |
| | | **173** | 1,483 |
| **Current assets** | | | |
| Prepayments and deposits | | **177** | 164 |
| Amount due from a subsidiary | | **1,186** | – |
| Cash and cash equivalents | | **205** | 376 |
| | | **1,568** | 540 |
| **Total Assets** | | **1,741** | 2,023 |
| **Current liabilities** | | | |
| Accruals and other payables | | **1,129** | 537 |
| Lease liabilities | | **–** | 1,439 |
| Amount due to a director | | **–** | 1,184 |
| Loan from a related party | | **–** | 14,375 |
| Amounts due to subsidiaries | | **5,320** | 16,709 |
| | | **6,449** | 34,244 |
| **Net Current Liabilities** | | **(4,881)** | (33,704) |
| **Total Assets less Current Liabilities** | | **(4,708)** | (32,221) |
| **NET LIABILITIES** | | **(4,708)** | (32,221) |
| **DEFICITS** | | | |
| Share capital | 27 | **9,534** | 9,534 |
| Reserves | 29 | **(14,242)** | (41,755) |
| **TOTAL DEFICITS** | | **(4,708)** | (32,221) |

The statement of financial position of the Company was approved by the board of directors on 26 June 2026 and are signed on its behalf by:

**Cheng Jun**
*Director*

**Yu Hua**
*Director*

## 29. RESERVES

Movements in the Group's reserves are presented in the consolidated statement of changes in equity, while movements in the Company's reserves are set out below.

| | Share premium (Note (a)) HK$'000 | Capital reserve (Note (b)) HK$'000 | Accumulated losses HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| At 1 April 2024 | 129,601 | 2,136 | (189,352) | (57,615) |
| Loss for the year | – | – | (8,913) | (8,913) |
| Loan capitalisation through subscription of new shares | 13,327 | – | – | 13,327 |
| Derecognition of other borrowings (Note 25(b)) | – | (2,136) | 13,582 | 11,446 |
| At 31 March 2025 and 1 April 2025 | 142,928 | – | (184,683) | (41,755) |
| Loss for the year | **–** | **–** | **7,395** | **7,395** |
| Waiver of debt (Note 24(a)) | **–** | **20,118** | **–** | **20,118** |
| **At 31 March 2026** | **142,928** | **20,118** | **(177,288)** | **(14,242)** |

Notes: The reserves within the Group's and/or the Company's equity comprise the following:

**(a) Share premium**

Under the Companies Law (as revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders provided that, immediately following the date on which the dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

**(b) Capital reserve**

As at 1 April 2024, the capital reserve of the Group approximately HK$4,759,000 represented capital contributions from two former shareholders, being the differences between the fair values of loans from Mr. Zhang and Mr. Xing Yuan ("Mr. Xing") on initial recognition and the loan proceeds received. The capital reserve relating to Mr. Zhang, amounting to approximately HK$2,136,000 (Note 25(b)), was fully released during the year ended 31 March 2025 upon derecognition of the related borrowing.

During the year ended 31 March 2026, a shareholder waived its right to collect the amount due by the Company to the shareholder amounted to HK$20,118,000, which resulted in deemed shareholder's contribution to the Company amounted to HK$20,118,000 credited to the capital reserve (Note 24(a)).

**(c) Statutory reserve**

As at 31 March 2025, the statutory reserve represented appropriations set aside from the retained profits of a subsidiary incorporated in the PRC and was not distributable as dividends. In accordance with the relevant PRC regulations and the subsidiary's articles of association, subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit, determined in accordance with PRC accounting standards and regulations, to legal reserves until such reserves reach 50% of their registered capital. These reserves may only be used for specific purposes and are not distributable or transferable for settlement of loans, advances or cash dividends.

Following the deconsolidation of Ambitious Achievement on 11 February 2026, the related statutory reserve of approximately HK$341,000 were transferred to accumulated losses.

**(d) Exchange reserve**

The exchange reserve comprises foreign exchange differences arising from the translation of the net assets of foreign operations into presentation currency.

## 30. PARTICULARS OF SUBSIDIARIES

The details of the Company's principal subsidiaries as at 31 March 2026 and 31 March 2025 are set out as follows:

| Name of entity | Place and date of incorporation and form of business structure | Percentage of equity attributable to the Company | | Issued and fully paid ordinary share capital or registered capital | Principal activities and principal place of business |
|---|---|---|---|---|---|
| | | **2026** | 2025 | | |
| Ambitious Achievement New Materials Holding Limited# | Hong Kong, 20 December 2019, limited liability company | **–** | 100% | 10,000 ordinary shares of HK$1 each | Foundation subcontractor, Hong Kong |
| Grand Goal Operation Limited | Hong Kong, 3 April 2024, limited liability company | **100%** | 100% | 100 ordinary shares of HK$1 each | Construction subcontractor, Hong Kong |
| 海南紅包聯動科技有限公司 | PRC, 6 July 2022, limited liability company* | **100%** | 100% | RMB1,000,000 registered capital | O2O e-commerce and supply chain management, the PRC |

Note: The above summary lists only the subsidiaries which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# As at 31 March 2025, the Group held 100% equity interest in Ambitious Achievement, an entity incorporated and operating in Hong Kong and principally engaged in the provision of foundation and other construction works. As referred to in Note 34, the Group lost control over Ambitious Achievement on 11 February 2026 and Ambitious Achievement was no longer regarded as a subsidiary of the Group from that date.

* Registered as wholly-foreign owned enterprises under the PRC Law.

## 31. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group has not entered into any significant related party transactions during the year ended 31 March 2026 and 2025.

### Key management personnel compensation

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the current and prior years are set out in Note 9 to the consolidated financial statements.

## 32. DISPOSAL OF SUBSIDIARIES

### Fortune Elite Investments Limited ("Fortune Elite") and Quantong Globe Limited (collectively "Fortune Elite Group")

During the prior year ended 31 March 2025, the Group disposed of the entire issued share capital in Fortune Elite, a wholly-owned subsidiary of the Company, at 23 September 2024 at a cash consideration of US$10,000. Fortune Elite and its wholly-owned subsidiary, Quantong Globe Limited, were inactive during the year ended 31 March 2025. The aggregate net liabilities of Fortune Elite Group at the date of disposal were as follows:

| | HK$'000 |
|---|---|
| Trade and other payables | (13) |
| Net liabilities disposed of | (13) |
| **Gain on disposal** | |
| Consideration for disposal | 78 |
| Net liabilities disposed of | 13 |
| Gain on disposal of subsidiaries | 91 |
| **Net cash inflow arising on disposal of subsidiaries:** | |
| Cash consideration, received | 78 |

## 33. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets and liabilities reclassified as held for sale are as follows:

| | **As at 31 March 2026 HK$'000** | As at 31 March 2025 HK$'000 |
|---|---|---|
| Trade receivables | – | 1,159 |
| Less: provision of impairment | – | (1,159) |
| Contract assets | – | 6,246 |
| Less: provision of impairment | – | (6,246) |
| Cash and cash equivalents | – | 5 |
| Total assets classified as held for sale | – | 5 |
| Trade and other payables (Note 21) | – | 2,889 |
| Amount due to a former shareholder | – | 4,138 |
| Total liabilities directly associated with assets classified as held for sale | – | 7,027 |

On 10 March 2025, the directors of the Company resolved to dispose of Shaanxi Gaochuang Yuanwei Energy Limited* (陝西高創遠為能源有限公司) ("Gaochuang Yuanwei"), a subsidiary of Ambitious Achievement (Note 34). The assets and liabilities attributable to Gaochuang Yuanwei, which were expected to be sold within twelve months from 10 March 2025, were reclassified and recognised as assets classified as held for sale and liabilities directly associated with assets classified as held for sale, respectively in the Group's consolidated financial statements for the year ended 31 March 2025. Gaochuang Yuanwei was principally engaged in the supply and installation of new energy charging piles.

During the year ended 31 March 2026, the Group deconsolidated Ambitious Achievement as from 11 February 2026, details of which are set out in Note 34. Accordingly, the assets and liabilities of Gaochuang Yuanwei were derecognised and are included in the calculation of the gain on deconsolidation (Note 34).

* *For the purposes of identification only*

## 34. DECONSOLIDATION OF SUBSIDIARIES

**Ambitious Achievement and Gaochuang Yuanwei, subsidiary of Ambitious Achievement (collectively "Ambitious Achievement Group")**

A creditor, being the petitioner, filed a winding up petition (the "Petition") with the High Court of the Hong Kong Special Administrative Region (the "Hong Kong High Court") on 27 November 2025 against Ambitious Achievement, a former wholly owned subsidiary of the Company, on the ground that Ambitious Achievement had failed to settle its debt.

On 11 February 2026, the Hong Kong High Court ordered Ambitious Achievement to be wound up and provisional liquidators were appointed on the same date. As a result, the directors of the Company considered that the Group lost control over Ambitious Achievement on 11 February 2026, and Ambitious Achievement Group was deconsolidated from the Group's consolidated financial statements as from that date.

The consolidated statement of profit and loss and other comprehensive income of Ambitious Achievement Group for the period from 1 April 2025 to 11 February 2026 is as follows:

| | HK$'000 |
|---|---|
| Revenue | 1,325 |
| Cost of services | (7,422) |
| Gross loss | (6,097) |
| Other income and gains | 2 |
| Impairment loss (recognised)/reversed on: | |
| — Trade receivables | (5,483) |
| — Deposits | 2 |
| — Contract assets | (70) |
| Administrative expenses | (2,462) |
| Finance costs | (372) |
| Loss before income tax | (14,480) |
| Income tax expense | – |
| Loss for the period | (14,480) |

## 34. DECONSOLIDATION OF SUBSIDIARIES (Continued)

**Ambitious Achievement and Gaochuang Yuanwei, subsidiary of Ambitious Achievement (collectively "Ambitious Achievement Group")** (Continued)

An analysis of the consolidated assets and consolidated liabilities of Ambitious Achievement Group over which control was lost is as follows:

| | **As at 11 February 2026** HK$'000 |
|---|---|
| Property, plant and equipment | – |
| Trade receivables, net | – |
| Contract assets, net | – |
| Cash and cash equivalents | 123 |
| Assets classified as held for sale | 5 |
| Total assets | 128 |
| Trade and other payables | 7,882 |
| Contract liabilities | 1,006 |
| Other borrowing | 2,200 |
| Lease liabilities | 177 |
| Liabilities directly associated with assets classified as held for sale | 7,166 |
| Total liabilities | 18,431 |
| Net liabilities | (18,303) |

Gain arising from the deconsolidation of Ambitious Achievement Group is calculated as follows:

| | HK$'000 |
|---|---|
| Net liabilities deconsolidated | 18,303 |
| Release of exchange reserve | (628) |
| Gain on deconsolidation of subsidiaries | 17,675 |

## 34. DECONSOLIDATION OF SUBSIDIARIES (Continued)

**Ambitious Achievement and Gaochuang Yuanwei, subsidiary of Ambitious Achievement (collectively "Ambitious Achievement Group")** (Continued)

An analysis of the cash flows arising from the deconsolidation of Ambitious Achievement Group is as follows:

| | HK$'000 |
|---|---|
| Cash and cash equivalents of Ambitious Achievement Group | 123 |
| Cash outflow on deconsolidation of subsidiaries | 123 |

## 35. FINANCIAL RISK MANAGEMENT

The Group's principal financial assets are trade and other receivables, contract assets and cash and bank balances, which arise directly from its operations. Principal financial liabilities of the Group include trade and other payables, other borrowings, and loan from a related party, the primary purpose of which is to finance the Group's operations.

The Group's maximum exposure to credit risk is represented by the carrying amounts of trade and other receivables, contract assets, and cash and bank balances.

The Group has not issued and does not hold any financial instruments for trading purposes at the end of the reporting period. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. The Group's financial risk management objective is to ensure that adequate resources are available to manage these risks and to safeguard shareholder value.

### (a) Credit risk

Credit risk is the risk that a counterparty will fail to discharge its contractual obligations, resulting in a financial loss to the Group. The Group is exposed to credit risk arising from its operating activities (primarily for trade receivables and contract assets) and from its deposits with banks.

The Group's exposure to credit risk is influenced mainly by the creditworthiness of individual customers. As a result, the Group is subject to concentration of credit risk.

As at 31 March 2026, approximately 89% (2025: 90%) of the Group's trade receivables and contract assets were due from the five largest customers.

| | **2026 HK$'000** | 2025 HK$'000 |
|---|---|---|
| Largest customer | **4,258** | 5,926 |
| Five largest customers | **4,258** | 9,140 |

## 35. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Credit risk (Continued)

#### *(i) Contract assets and trade receivables*

Further quantitative information on the Group's exposure to credit risk arising from trade receivables is disclosed in Note 17(a).

Management assesses the recoverability of each individual receivable at the end of each reporting period to ensure that adequate impairment loss allowances are recognised for irrecoverable amounts.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is on an individual customer basis that is based on various factors including the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, the number of days past due, adjusted for forward-looking factors and specific consideration (such as credit rating and reputation etc.) to the debtors and the economic environment and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

Management assessed the expected credit losses on trade receivables individually.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date.

## 35. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Credit risk (Continued)

#### *(i) Contract assets and trade receivables* (Continued)

Movements in the loss allowance account in respect of trade receivables and contract assets during the year are as follows:

| | Trade receivables | | Contract assets | | Total | |
|---|---|---|---|---|---|---|
| | **2026 HK$'000** | 2025 HK$'000 | **2026 HK$'000** | 2025 HK$'000 | **2026 HK$'000** | 2025 HK$'000 |
| Balance at beginning of the year | **6,170** | 5,779 | **2** | 11,089 | **6,172** | 16,868 |
| Impairment losses recognised during the year | **5,753** | 1,625 | **70** | 531 | **5,823** | 2,156 |
| Impairment losses reversed during the year | **(1)** | – | **–** | – | **(1)** | – |
| Eliminated on written off of assets | **(6,130)** | – | **(2)** | (5,372) | **(6,132)** | (5,372) |
| Deconsolidation of subsidiaries (Note 34) | **(5,511)** | – | **(70)** | – | **(5,581)** | – |
| Reclassified to asset classified as held for sale (Note 33) | **–** | (1,159) | **–** | (6,246) | **–** | (7,405) |
| Exchange alignment | **2** | (75) | **–** | – | **2** | (75) |
| Balance at end of the year | **283** | 6,170 | **–** | 2 | **283** | 6,172 |
| Expected loss rate | **5.6%** | 37.8% | **0%** | 50% | **5.6%** | 37.8% |

## 35. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Credit risk (Continued)

#### *(ii) Other receivables*

The ECLs of other receivables are based on the 12-month ECLs that results from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since its initial recognition, the loss allowance will be based on life-time ECLs. When determining whether the credit risk has been increased significantly since its initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis with reference to the Group's historical experience and informed credit assessment with forward-looking information. Applying the ECL model result in the recognition of ECL of HK$660,000 (2025: HK$7,000) as at 31 March 2026.

To manage the credit risk associated with other receivables, the Group adopts risk control to assess the credit quality of the debtors, taking into account their financial positions and past experience. The Group has monitoring procedures to ensure that follow-up action is taken to due with overdue debts and considered the credit risk of those debtors in default to be medium/high. The management reviews the recoverable amount of the receivables individually at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group during the reporting period and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level. None of the Group's financial assets are secured by collateral or other credit enhancements.

Movements in the loss allowance account in respect of other receivables, prepayments and deposits during the year are as follows:

| | **Other receivables** | | **Prepayments and deposits** | |
|---|---|---|---|---|
| | **2026 HK$'000** | 2025 HK$'000 | **2026 HK$'000** | 2025 HK$'000 |
| Balance at 1 April | **7** | – | **56** | 4 |
| Impairment losses recognised during the year | **660** | 7 | **1** | 54 |
| Impairment losses reversed during the year | **(8)** | – | **(59)** | (1) |
| Exchange alignment | **1** | – | **3** | (1) |
| Balance at 31 March | **660** | 7 | **1** | 56 |

#### *(iii) Cash and bank balances*

The Group's major bank balances are deposited with banks with good reputation and with high credit-ratings assigned by international credit-rating agencies and hence management does not expect any losses from non-performance by these banks.

## 35. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Liquidity risk

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements in order to maintain sufficient reserves of cash in the short and long term. The liquidity policies have been followed by the Group during the reporting period and are considered to have been effective in managing liquidity risk including the forecast plan prepared by the directors of the Company covering a period from 1 April 2026 to 30 September 2027.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the end of the reporting period.

| | Carrying amount HK$'000 | Total contractual undiscounted cash flows HK$'000 | Less than one year or repayable on demand HK$'000 | More than one year HK$'000 |
|---|---|---|---|---|
| **As at 31 March 2026** | | | | |
| Trade and other payables | **15,457** | **15,457** | **15,457** | **–** |
| Lease liabilities | **479** | **500** | **283** | **217** |
| | **15,936** | **15,957** | **15,740** | **217** |
| **As at 31 March 2025** | | | | |
| Trade and other payables | 15,962 | 15,962 | 15,962 | – |
| Amount due to a director | 1,184 | 1,184 | 1,184 | – |
| Other borrowings | 2,200 | 2,200 | 2,200 | – |
| Loan from a related party | 14,375 | 14,375 | 14,375 | – |
| Lease liabilities | 1,686 | 1,734 | 1,734 | – |
| | 35,407 | 35,455 | 35,455 | – |

## 35. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the short-term bank deposits and other borrowings. However, management considers the fair value interest rate risk is insignificant as (i) bank deposits is relatively short-term and (ii) the interest rate of other borrowings are fixed. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

***Sensitivity analysis***

Management of the Group considers the interest rate risk for variable-rate bank balances are insignificant for the years ended 31 March 2026 and 2025. Hence, no sensitivity analysis is presented.

### (d) Currency risk

The Group's companies operated in different locations with most of the transactions settled in functional currency and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

## 36. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

During the year ended 31 March 2026,

(i) the Group entered into a lease agreement in respect of the purchase of property, plant and equipment with a capital value of approximately HK$571,000 at the inception of the lease (2025: HK$nil).

(ii) loans due to a director (also a shareholder) of the Company amounted to approximately HK$20,118,000 in aggregate were waived, as detailed in Notes 24(a) and 29(b).

(iii) the Group deconsolidated the former subsidiary, Ambitious Achievement and its subsidiaries, for reasons as explained in Note 34.

During the year ended 31 March 2025, the Company issued new shares for the settlement of certain borrowings, details of which are set out in Note 27.

## 36. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### (b) Reconciliation of liabilities arising from financing activities

| | Other borrowings (Note 25) HK$'000 | Amount due to a director (Note 24(a)) HK$'000 | Amount due to a former shareholder (Note 33) HK$'000 | Loan from a related party (Note 24(b)) HK$'000 | Lease liabilities (Note 23) HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| **As at 1 April 2024** | 16,446 | – | 3,156 | 14,375 | 4,722 | 38,699 |
| Changes from cash flows: | | | | | | |
| New other borrowings | 12,200 | – | – | – | – | 12,200 |
| Addition of amount due to a director | – | 1,184 | – | – | – | 1,184 |
| Repayment of other borrowings | (802) | – | – | – | – | (802) |
| Repayment of lease liabilities and interest thereon | – | – | – | – | (2,856) | (2,856) |
| **Total changes from financing cash flows** | 11,398 | 1,184 | – | – | (2,856) | 9,726 |
| Other changes: | | | | | | |
| Loan capitalisation through subscription of new shares | (14,198) | – | – | – | – | (14,198) |
| Derecognition of an other borrowing | (11,446) | – | – | – | – | (11,446) |
| Interest expense | – | – | 1,030 | – | 189 | 1,219 |
| Early termination of lease | – | – | – | – | (367) | (367) |
| Exchange alignment | – | – | (48) | – | (2) | (50) |
| Reclassified to liabilities directly associated with assets classified as held for sale | – | – | (4,138) | – | – | (4,138) |
| **Total other changes** | (25,644) | – | (3,156) | – | (180) | (28,980) |
| **As at 31 March 2025 and 1 April 2025** | 2,200 | 1,184 | – | 14,375 | 1,686 | 19,445 |
| Changes from cash flows: | | | | | | |
| New other borrowings | – | – | – | 3,544 | – | 3,544 |
| Addition of amount due to a director | – | 1,130 | – | – | – | 1,130 |
| Repayment of other borrowings | – | – | – | (115) | – | (115) |
| Repayment of lease liabilities and interest thereon | – | – | – | – | (1,654) | (1,654) |
| **Total changes from financing cash flows** | – | 1,130 | – | 3,429 | (1,654) | 2,905 |
| Other changes: | | | | | | |
| Loan assignment (Note 24(b)) | – | 17,804 | – | (17,804) | – | – |
| Waiver of debt (Note 24(a)) | – | (20,118) | – | – | – | (20,118) |
| Interest expense | – | – | – | – | 53 | 53 |
| New lease entered | – | – | – | – | 571 | 571 |
| Deconsolidation of subsidiaries | (2,200) | – | – | – | (177) | (2,377) |
| **Total other changes** | (2,200) | (2,314) | – | (17,804) | 447 | (21,871) |
| **As at 31 March 2026** | – | – | – | – | 479 | 479 |

## 37. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes in the objectives, policies or processes were made during the year.

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

| | **2026**<br>**HK$'000** | 2025<br>HK$'000 |
|---|---|---|
| Total debts | **479** | 19,445 |
| Less: Cash and cash equivalents | **(11,836)** | (36,771) |
| Net cash | **(11,357)** | (17,326) |
| Total equity/(deficit) | **10,036** | (15,332) |
| Gearing ratio | **N/A** | N/A |

Gearing ratio at 31 March 2026 is not shown as the Group had net cash amounted to HK$11,357,000 as at that date (2025: HK$17,326,000).

## 38. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

| | 2026 Carrying amount HK$'000 | 2025 Carrying amount HK$'000 |
|---|---|---|
| **Financial assets at amortised cost** | | |
| Trade and other receivables | **22,666** | 11,211 |
| Deposits | **89** | 836 |
| Cash and cash equivalents | **11,836** | 36,771 |
| **Financial assets at amortised cost** | **34,591** | 48,818 |
| **Financial liabilities at amortised cost** | | |
| Trade and other payables | **15,457** | 15,962 |
| Other borrowings | **–** | 2,200 |
| Amount due to a director | **–** | 1,184 |
| Loan from a related party | **–** | 14,375 |
| Lease liabilities | **479** | 1,686 |
| **Financial liabilities at amortised cost** | **15,936** | 35,407 |

Management considers that the carrying amounts of financial assets and financial liabilities as at 31 March 2026 and 31 March 2025 recognised in the consolidated financial statements approximate their fair values as at those respective dates.

## 39. COMMITMENTS

As at 31 March 2026, the Group did not have any capital commitments (2025: Nil).

## 40. SHARE OPTION SCHEME

Shareholders of the Company have approved and adopted a share option scheme (the "Scheme") on 6 July 2015.

A summary of the Scheme is set out as below:

The Scheme became effective for a period of 10 years commencing on 6 July 2015. Under the Scheme, the Directors shall, in its absolute discretion select, make an offer to any eligible participants to subscribe for shares of the Company at a subscription price being not less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheet on the offer date; or (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date. The offer of a grant of options may be accepted within seven days from the date of the offer grant.

## 40. SHARE OPTION SCHEME (Continued)

The maximum number of shares to be issued upon the exercise of all outstanding options granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the issued share capital of the Company at the date of the approval of the Scheme.

No options have been granted since the adoption of the share option scheme.

## 41. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF") for all qualifying employees in Hong Kong. The assets of the MPF are held separately from those of the Group in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by the employee. Contributions to the scheme vest immediately.

The employees of the Group's subsidiaries which operate in the Mainland China are members of a state-managed retirement benefit scheme and are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The contribution paid or payable to the schemes by the Group in respect of the year which were charged to profit or loss amounted to approximately HK$581,000 (2025: HK$2,339,000) during the year ended 31 March 2026.

Apart from the above, the Group has no significant obligations under retirement benefit schemes at end of both of the years presented. The Group also had no forfeited contribution available at end of both of the years presented to reduce the contribution payable in future years.

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on certain formula.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Amendment Ordinance was gazetted on 17th June, 2022, which abolishes the use of accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1st May 2025). Separately, the Government of the HKSAR has introduced a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year. Under the Amendment Ordinance, the accrued benefits derived from the Group's Enhanced MPF Scheme, minus the mandatory contributions, made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. The impact from the Amendment Ordinance on the Group's unrecognised LSP liability is considered insignificant.

# SUMMARY OF FINANCIAL INFORMATION

## RESULTS

| Year ended 31 March | 2026<br>HK$'000 | 2025<br>HK$'000 | 2024<br>HK$'000 | 2023<br>HK$'000 | 2022<br>HK$'000 |
|---|---|---|---|---|---|
| Total revenue | **116,113** | 80,854 | 97,557 | 101,386 | 76,887 |
| Profit/(loss) before income tax | **9,165** | (9,389) | (7,477) | (19,008) | (10,183) |
| Income tax expense | **(4,524)** | (358) | (1) | (33) | (236) |
| Profit/(loss) for the year | **4,641** | (9,747) | (7,478) | (19,041) | (10,419) |
| Profit/(loss) and total comprehensive income/(expenses) for the year | **5,250** | (9,825) | (6,736) | (20,315) | (10,326) |

| As at 31 March | 2026<br>HK$'000 | 2025<br>HK$'000 | 2024<br>HK$'000 | 2023<br>HK$'000 | 2022<br>HK$'000 |
|---|---|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | | | |
| Total assets | **61,122** | 58,854 | 23,374 | 105,717 | 64,191 |
| Total liabilities | **(51,086)** | (74,186) | (54,524) | (130,131) | (116,030) |
| Net assets/(liabilities) | **10,036** | (15,332) | (31,150) | (24,414) | (51,839) |

# DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions have the following meaning:

| | |
|---|---|
| "2025 AGM" | the annual general meeting of the Company held at Unit Nos. 1–3 on Level 9 of Tower A of Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on 30 July 2025 |
| "associate(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Articles of Association" | the third amended and restated articles of association of the Company adopted on 30 July 2025 and as amended, supplemented or otherwise modified from time to time and "Article(s)" shall mean (an) article(s) of the Articles of Association |
| "Audit Committee" | the audit committee of the Board |
| "Authorised Representative(s)" | the authorised representative(s) of the Company (under Rule 5.24 of the GEM Listing Rules) |
| "Board" | the board of Directors |
| "Board Committee(s)" | the committees of the Board, comprising the Audit Committee, the Nomination Committee and the Remuneration Committee, and any other committees established by the Board from time to time |
| "CG Code" | Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules |
| "Chairman" | the chairman of the Board, as appointed and designated from time to time |
| "Chief Executive Officer" | the chief executive officer of the Company, as appointed and designated from time to time |
| "Chief Financial Officer" | the chief financial officer of the Company, as appointed and designated from time to time |
| "close associate(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" | China Hongbao Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM |
| "Company Secretary" | the company secretary of the Company, as appointed and designated from time to time |
| "Controlling Shareholder(s)" | has the meaning ascribed to it under the GEM Listing Rules |

| | |
|---|---|
| "Director(s)" | the director(s) of the Company |
| "GEM" | GEM of the Stock Exchange |
| "GEM Listing Rules" | Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKFRS" | Hong Kong Financial Reporting Standard(s) issued by the HKICPA |
| "HKICPA" | Hong Kong Institute of Certified Public Accountants |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Issued Share Capital" | issued share capital of the Company |
| "Listing" | the listing of the Shares on GEM on 10 August 2015 |
| "Listing Date" | 10 August 2015, the date on which the Shares were listed on GEM |
| "NASDAQ" | National Association of Securities Dealers Automated Quotations, a US-based stock market exchange |
| "Nomination Committee" | the nomination committee of the Board |
| "O2O e-commerce" | the Group's provision of integrated online-and-offline sales of food, daily necessities and other commodities in the PRC |
| "Option(s)" | the share option(s) granted/to be granted by the Company pursuant to the Scheme |
| "PRC" or "Mainland China" | the People's Republic of China, which for the purpose of this report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

| | |
|---|---|
| “Remuneration Committee” | the remuneration committee of the Board |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Scheme” | the share option scheme of the Company adopted by the Shareholders on 6 July 2015, which has been expired on 5 July 2025 |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US” | United State of America |
| “US$” | United States dollars, the lawful currency of the US |
| “%” | per cent |