

i.century Holding Limited 愛世紀集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8507

ANNUAL REPORT 2026



century

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*This annual report, for which the directors (collectively the “**Directors**” and each the “**Director**”) of i.century Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this annual 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 annual report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Qifeng
(appointed on 28 November 2025)
Mr. Wu Kang
(appointed on 28 November 2025)
Mr. Leung Kwok Hung Wilson
(resigned on 28 November 2025)
Ms. Tam Shuk Fan
(resigned on 28 November 2025)

Non-executive Director

Ms. Jiao Yue (焦悦)
(appointed on 30 March 2026)

Independent non-executive Directors

Ms. Wang Li
(appointed on 28 November 2025)
Mr. Guan Yuliang
(appointed on 28 November 2025)
Mr. Chen Ning
(appointed on 28 November 2025)
Ms. Cheung Wai Man
(resigned on 28 November 2025)
Mr. Lau Yau Chuen Louis
(resigned on 28 November 2025)
Mr. Lee Kwun Ting
(resigned on 28 November 2025)

COMMITTEES

Audit Committee

Mr. Chen Ning (*Chairman*)
(appointed on 28 November 2025)
Mr. Guan Yuliang
(appointed on 28 November 2025)
Ms. Wang Li
(appointed on 28 November 2025)
Mr. Lau Yau Chuen Louis
(resigned on 28 November 2025)
Ms. Cheung Wai Man
(resigned on 28 November 2025)
Mr. Lee Kwun Ting
(resigned on 28 November 2025)

Nomination Committee

Mr. Wu Qifeng (*Chairman*)
(appointed on 28 November 2025)
Ms. Wang Li
(appointed on 28 November 2025)
Mr. Guan Yuliang
(appointed on 28 November 2025)
Mr. Chen Ning
(appointed on 28 November 2025)
Mr. Leung Kwok Hung Wilson
(resigned on 28 November 2025)
Mr. Lau Yau Chuen Louis
(resigned on 28 November 2025)
Ms. Cheung Wai Man
(resigned on 28 November 2025)
Mr. Lee Kwun Ting
(resigned on 28 November 2025)

CORPORATE INFORMATION

Remuneration Committee

Ms. Wang Li (*Chairwoman*)
(*appointed on 28 November 2025*)
Mr. Guan Yuliang
(*appointed on 28 November 2025*)
Mr. Chen Ning
(*appointed on 28 November 2025*)
Mr. Lee Kwun Ting
(*resigned on 28 November 2025*)
Ms. Cheung Wai Man
(*resigned on 28 November 2025*)
Mr. Lau Yau Chuen Louis
(*resigned on 28 November 2025*)

COMPANY SECRETARY

Ms. Ren Fang
(*appointed on 28 November 2025*)
Mr. Kwok Chi Yin
(*resigned on 28 November 2025*)

AUTHORISED REPRESENTATIVES

Mr. Wu Qifeng
(*appointed on 28 November 2025*)
Ms. Ren Fang
(*appointed on 28 November 2025*)
Ms. Tam Shuk Fan
(*resigned on 28 November 2025*)
Mr. Kwok Chi Yin
(*resigned on 28 November 2025*)

AUDITOR

Linksfield CPA Limited
(*appointed with effect from 13 February 2026*)
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 2001-02, 20/F.
Podium Plaza, 5 Hanoi Road
Tsim Sha Tsui, Hong Kong

HLB Hodgson Impey Cheng Limited
(*resigned with effect from 13 February 2026*)
Certified Public Accountants
Registered Public Interest Entity Auditor
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street, Central, Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F COFCO TOWER
262 Gloucester Road
Causeway Bay
Hong Kong
(*with effect from 1 January 2026*)

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
(with effect from 28 July 2025)

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

COMPANY WEBSITE

www.icenturyholding.com

STOCK CODE

8507

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of i.century Holding Limited (the “**Company**”), I hereby present the annual report for the year ended 31 March 2026 (the “**Reporting Period**”).

OVERVIEW

The year 2026 brought both advances and headwinds for the Group. As a trusted apparel manufacturing partner, we benefited from sustained demand recovery across our key markets – the U.S., Europe and Australia. Underpinning our business throughout has been the ability to consistently deliver high-quality, cost-competitive products while maintaining stringent quality standards.

As a matter of ordinary business fluctuation on a year-on-year basis, (i) the Group’s revenue decreased slightly by approximately 1.1%, from approximately HK\$164.8 million for the year ended 31 March 2025 (the “**Corresponding Period**”) to approximately HK\$163.0 million for the Reporting Period; (ii) the Group’s gross profit decreased slightly by approximately 0.05%, from approximately HK\$37.88 million for the Corresponding Period to approximately HK\$37.86 million for the Reporting Period; and (iii) the Group’s gross profit margin increased slightly from approximately 23.0% for the Corresponding Period to approximately 23.2% for the Reporting Period. Meanwhile, the Group has been closely monitoring the market trends as well as innovative technology development in its industry to ensure that the Group always stays competitive.

OUTLOOK

Looking ahead, the Group will continue to fully leverage its core competitive advantages, maintain its market position, and enhance operational flexibility. Concurrently, to safeguard long-term sustainability, the Group will optimize its business portfolio to build a highly resilient industrial ecosystem, aiming to deliver steady returns for shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deeply sincere gratitude to our management and employees for their contribution and dedication, extending my appreciation to our shareholder, customers, suppliers and correspondent banks and other professional institutions for their support during the year.

Mr. Wu Qifeng

Chairman and Chief Executive Officer

29 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an apparel supply chain management services provider and its services range from products development, sourcing and procurement of raw materials, production management and quality control to logistics management. Major customers of the Group comprise apparel retail brands based predominately in the U.S., Europe and Australia, the products of which are marketed and sold under their own brands. The styles and functions of the products for the Group's key customers are generally casual lifestyle for the general consumers and outdoor performance for outdoor activities.

All the Group's products are manufactured in accordance with the specifications and requirements provided by the Group's customers. The Group proposes suggestions to the Group's customers regarding design and specification such as choices of raw materials, styling and pattern in order to meet the brand's requirements and budgets.

The Group's products were manufactured by its manufacturers suppliers or other manufacturers engaged by the Group's trading company suppliers, which are located in the People's Republic of China ("PRC").

As a matter of ordinary business fluctuation on a year-on-year basis, (i) the Group's revenue decreased slightly by approximately 1.1%, from approximately HK\$164.8 million for the Corresponding Period to approximately HK\$163.0 million for the Reporting Period; (ii) the Group's gross profit decreased slightly by approximately 0.05%, from approximately HK\$37.88 million for the Corresponding Period to approximately HK\$37.86 million for the Reporting Period; and (iii) the Group's gross profit margin increased slightly from approximately 23.0% for the Corresponding Period to approximately 23.2% for the Reporting Period.

The Group recorded a loss attributable to owners of the Company of approximately HK\$0.8 million for the Reporting Period, as compared to a profit attributable to owners of the Company of approximately HK\$0.6 million for the Corresponding Period. The turnaround was mainly attributable to an increase in the impairment losses on trade receivables during the Reporting Period in accordance with HKFRS 9 Financial Instruments.

MANDATORY UNCONDITIONAL CASH OFFER

On 5 September 2025, the Company was informed by Giant Treasure Development Limited ("**Giant Treasure**") that Giant Treasure and Three Apple Industry Holdings Group (Hong Kong) Limited ("**Three Apple**"), a company incorporated in Hong Kong with limited liability, which is legally, beneficially and wholly-owned by Mr. Wu Qifeng, had entered into a sale and purchase agreement pursuant to which Giant Treasure agreed to sell and Three Apple agreed to acquire, a total number of 280,000,000 shares of the Company ("**Share(s)**"), being 70% of the entire issued share capital of the Company as at 5 September 2025, for a total cash consideration in the amount of HK\$35,000,000.00 (being HK\$0.125 per sale Share). Completion of such sale and purchase agreement took place on 5 September 2025 ("**Completion**").

MANAGEMENT DISCUSSION AND ANALYSIS

Immediately upon Completion, Three Apple and parties acting in concert with it were interested in a total number of 280,000,000 Shares (representing 70% of the entire issued share capital of the Company as at 5 September 2025) and has become the controlling Shareholder. Immediately following the Completion, Giant Treasure ceased to have any interest in the Shares.

Pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, immediately upon Completion, Three Apple is required to make a mandatory unconditional cash offer (the “**Offer**”) for all the issued Shares (other than those already owned or agreed to be acquired by Three Apple and parties acting in concert with it) (the “**Offer Share(s)**”). The offer price for each Offer Share was HK\$0.125 in cash and the Offer was unconditional in all respects. During the offer period of the Offer, there were four valid acceptances in total, in respect of 56,000 Shares, representing approximately 0.01% of the entire issued share capital of the Company as at the closing date of the Offer (i.e. 21 November 2025). Immediately after the valid acceptances aforementioned, Three Apple became interested in an aggregate of 280,056,000 Shares, representing approximately 70% of the entire issued share capital of the Company as at 21 November 2025.

For further details of the Offer, please refer to the joint announcements of the Company and Three Apple dated 23 September 2025, 31 October 2025 and 21 November 2025, as well as the composite document jointly issued by the Company and Three Apple dated 31 October 2025.

FINANCIAL REVIEW

Revenue

The Group’s revenue was mainly derived from the sales of our key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, skirt, tank top, vests and accessories, such as cap and poncho through the provision of apparel SCM services to our customers. The Group’s revenue decreased slightly by approximately 1.1%, from approximately HK\$164.8 million for the Corresponding Period to approximately HK\$163.0 million for the Reporting Period. The marginal year-on-year decrease was within the normal range of business fluctuation.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table set out a breakdown of the Group's revenue by product categories for the years ended 31 March 2026 and 2025:

Product category	For the year ended 31 March			
	2026		2025	
	HK'000	%	HK'000	%
Jackets	36,922	22.6	42,257	25.7
Woven shirts	31,711	19.4	22,603	13.7
Pullover	24,219	14.9	21,804	13.2
Pants and shorts	35,840	22.0	44,308	26.9
T-shirts	16,594	10.2	14,523	8.8
Other products (note)	17,725	10.9	19,318	11.7
	163,011	100.0	164,813	100.0

Note: Other products include, for example, dress, skirt, tank top, vests and other accessories, such as cap and poncho.

During the Reporting Period, the sales volume of the Group amounted to 1,024,982 units of finished products. Set out below are the total sales quantities of each product category for each of the years ended 31 March 2026 and 2025:

Product category	For the year ended 31 March			
	2026		2025	
	Unit sold	%	Unit sold	%
Jackets	123,855	12.1	172,426	14.7
Woven shirts	174,273	17.0	148,918	12.6
Pullover	142,097	13.9	137,362	11.7
Pants and shorts	241,793	23.6	330,776	28.2
T-shirts	183,443	17.9	211,477	18.0
Other products (note)	159,521	15.5	173,631	14.8
	1,024,982	100.0	1,174,590	100.0

Note: Other products include, for example, dress, skirt, tank top, vests and other accessories, such as cap and poncho.

MANAGEMENT DISCUSSION AND ANALYSIS

The selling price of the finished products under each of the product categories depends primarily on, among other things, overhead expenses, purchase cost, as well as our expected profit margin. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below are the average selling price per unit of finished product sold to our customers for each product category for the years ended 31 March 2026 and 2025:

Product category	For the year ended 31 March		
	2026 Average selling price HK\$ (note (i))	2025 Average selling price HK\$ (note (i))	Rate of change %
Jackets	298.1	245.1	21.6
Woven shirts	182.0	151.8	19.9
Pullover	170.4	158.7	7.4
Pants and shorts	148.2	134.0	10.6
T-shirts	90.5	68.7	31.7
Other products (note (ii))	111.1	111.3	-0.1
Overall	159.0	140.3	13.3

Notes:

- (i) The average selling price represents the revenue for the year divided by the total sales quantities for the year.
- (ii) Other products include, for example, dress, skirt, tank top, vests and other accessories, such as cap and poncho.

Cost of revenue

Cost of revenue primarily include cost of goods sold, raw materials and consumable goods, freight and transportation fees, laboratory test and inspection fee, declaration and license charges and other expenses. The cost of revenue decreased marginally by approximately 1.3% from approximately HK\$126.9 million for the Corresponding Period to approximately HK\$125.2 million for the Reporting Period, broadly in line with the slight decrease in revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

The Group's gross profit decreased slightly by approximately 0.05%, from approximately HK\$37.88 million for the Corresponding Period to approximately HK\$37.86 million for the Reporting Period. Gross profit margin recorded a marginal improvement to approximately 23.2% for the Reporting Period (Corresponding Period: approximately 23.0%), primarily attributable to the slight reduction in cost of revenue relative to revenue.

Other income

Other income mainly consists of (i) government grants; and (ii) sundry income. The Group's other income increased by approximately 23.6% from approximately HK\$1.1 million for the Corresponding Period to approximately HK\$1.3 million for the Reporting Period. The increase was mainly due to the receipt of government grants under the Dedicated Fund on Branding, Upgrading and Domestic Sales launched by the Hong Kong Government during the Reporting Period.

Other gains and losses, net

For other gains and losses, net, this item comprises (i) net foreign exchange gains/losses; and (ii) written-off of inventories. The improvement from net loss in the amount of approximately HK\$0.4 million for the Corresponding Period to net gain in the amount of approximately HK\$1.0 million for the Reporting Period was mainly attributable to favourable foreign exchange movements.

Selling and distribution expenses

Selling and distribution expenses mainly consist of (i) commission paid; (ii) marketing expenses; and (iii) salaries and mandatory provident fund for merchandising staff. The selling and distribution expenses decreased by approximately 13.0% from approximately HK\$13.0 million for the Corresponding Period to approximately HK\$11.3 million for the Reporting Period. The decrease in selling and distribution expenses for the Reporting Report was primarily attributable to the absence of such non-recurring commission expenses incurred during the Corresponding Period in connection with certain sales agency arrangements which resulted in the addition of new customers to the Group.

Administrative expenses

Administrative expenses primarily consist of (i) Directors' remuneration; (ii) staff costs and benefits for general and administrative staff; (iii) legal and professional fee, accountancy fee and compliance costs; (iv) rent and rates expenses; and (v) depreciation of property, plant and equipment and right-of-use assets. Administrative expenses increased slightly by approximately HK\$0.3 million, from approximately HK\$24.0 million for the Corresponding Period to approximately HK\$24.3 million for the Reporting Period. As such expenses primarily consist of fixed overheads, they did not vary materially with the slight change in business volume.

MANAGEMENT DISCUSSION AND ANALYSIS

(Impairment losses)/reversal of impairment losses on trade receivables and amount due from a related party

Impairment losses on trade receivables and amount due from a related party increased to approximately HK\$2.9 million for the Reporting Period, compared to a reversal of approximately HK\$0.1 million for the Corresponding Period, primarily attributable to an increase in the impairment losses on trade receivables during the Reporting Period, recognised in accordance with HKFRS 9 Financial Instruments.

Finance costs

Finance costs mainly consist of interest on (i) bank borrowings; and (ii) lease liabilities. Finance costs decreased by approximately 7.8% to approximately HK\$1.06 million for the Reporting Period (Corresponding Period: approximately HK\$1.15 million), primarily attributable to the repayment of bank borrowings during the Reporting Period, which resulted in a lower average outstanding loan balance.

Income tax (expense)/credit

Income tax expense for the Reporting Period was approximately HK\$1.48 million as compared with income tax credit of approximately HK\$81,000 for the Corresponding Period. The increase was mainly attributable to the non-deductibility of impairment losses for tax purpose and higher taxable profits generated from certain business units during the Reporting Period.

(Loss)/profit for the year attributable to owners of the Company

Loss attributable to owners of the Company was approximately HK\$0.8 million for the Reporting Period and profit attributable to owners of the Company was approximately HK\$0.6 million for the Corresponding Period. The turnaround from profit to loss was mainly attributable to an increase in the impairment losses on trade receivables during the Reporting Period in accordance with HKFRS 9 Financial Instruments.

Dividend

The Board did not recommend the payment of any final dividend for the Reporting Period (Corresponding Period: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the Reporting Period, the Group's operations were generally financed through internally generated cash flows and borrowings from banks. As at 31 March 2026 and 2025, the Group had (i) net current liabilities of approximately HK\$8.8 million and approximately HK\$4.0 million, respectively; and (ii) bank balances and cash in the amount of approximately HK\$21.8 and HK\$14.5 million, respectively. The pledged bank deposits amounted to HK\$1.4 million as at 31 March 2025 and nil as at 31 March 2026. The Group's current ratio decreased from approximately 0.9 times as at 31 March 2025 to approximately 0.8 times as at 31 March 2026. Such decrease was mainly due to increase in lease liabilities.

Gearing ratio is calculated based on the total debts (including lease liabilities, bank borrowings and amount due to a shareholder) divided by total equity at the respective reporting date. The gearing ratio increased from approximately 119.7% as at 31 March 2025 to approximately 207.7% as at 31 March 2026, primarily attributable to the recognition of additional lease liabilities arising from new lease arrangements entered into during the Reporting Period and a decrease in total equity as a result of the loss for the year. The Group's bank borrowings decreased during the Reporting Period, reflecting the Group's continually prudent approach in managing its debt profile.

PLEDGE OF ASSETS

As at 31 March 2026, the bank borrowings of the Group were secured by a building with a carrying value of approximately HK\$14.4 million (31 March 2025: approximately HK\$14.7 million). As at 31 March 2026, there are no bank deposits secured for the bank borrowings of the Group (31 March 2025: HK\$1.4 million).

FOREIGN EXCHANGE EXPOSURE

The Group's operation mainly in Hong Kong with majority of the transactions being settled in Hong Kong dollars ("HK\$"), United States dollars ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign exchange exposure, if necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus able to maintain a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CONTINGENT LIABILITIES

As at 31 March 2026, the Group had no significant contingent liabilities (31 March 2025: Nil).

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Reporting Period (Corresponding Period: Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2026, the Group did not have other plans for material investments and capital assets.

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 16 April 2018. There has been no change in the capital of the Group since then. The share capital of the Group only comprises of ordinary shares. As at 31 March 2026, the Company's issued share capital was HK\$4.0 million and the number of issued ordinary shares was 400,000,000 of HK\$0.01 each.

CAPITAL COMMITMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATORS

The Company has defined the following key performance indicators which are closely aligned with the performance of the Group.

	2026	2025
Revenue	HK\$163,011,000	HK\$164,813,000
Gross profit	HK\$37,858,000	HK\$37,877,000
(Loss)/profit for the year attributable to owners of the Company	(HK\$800,000)	HK\$604,000
Gross profit margin	23.2%	23.0%
Net profit margin	N/A	0.4%
Return on total assets	N/A	0.9%
Return on equity	N/A	3.6%
Current ratio	0.8 times	0.9 times
Quick ratio	0.8 times	0.9 times

FUTURE PROSPECTS

Looking ahead to the coming year, the Group sees both challenges and opportunities. While recent changes in U.S. trade policy have created headwinds, the Group's decades of experience and resilience position it well to adapt and thrive.

The Group will deepen collaboration with existing customers to navigate the new tariff environment, focusing on enhanced cost management and supply chain optimisation to maintain competitive edge. Alongside its U.S. presence, the Group is actively cultivating opportunities with European and Australian brands, where demand for quality apparel manufacturing continues to grow. This balanced market approach helps mitigate concentration risk and supports sustainable long-term growth.

The Group will continue dedicating resources to new customer development to diversify its customer base, while upholding product quality and cost competitiveness as essential to retaining customer confidence and expanding market share. In parallel, the Group is exploring complementary business segments to broaden its revenue streams. To enhance operational agility, the Group plans to develop and implement integrated digital management systems for improved operational visibility.

Subject to prevailing macroeconomic conditions and demand stability in key markets, the Directors remain cautiously optimistic about the Group's business prospects for the forthcoming financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group employed a total of full time 51 employees (31 March 2025: 41). The total staff costs, including Directors' emoluments, salaries, other staff benefits and contributions to retirement schemes were approximately HK\$20.8 million for the Reporting Period (Corresponding Period: approximately HK\$20.5 million).

MANAGEMENT CONTRACTS

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Wu Qifeng, aged 33, has been appointed as an executive Director, the chief executive officer, Chairman of the Board and Chairman of the Nomination Committee on 28 November 2025. He graduated from Xi'an Eurasia University in July 2017 majoring investment with a bachelor's degree in economics. He has over 8 years of experience in the Internet of Things (IoT) industry. In August 2018, he served as General Manager of Shanghai Guozhe IoT Technology Co., Ltd.* (上海果喆物聯網科技有限公司), leading the trading segment and the IoT business segment. In September 2021, as a co-founder, he established Shaanxi Three Apple Fruit Industry (Group) Co., Ltd.* (陝西叁個蘋果果業(集團)股份有限公司) and served as General Manager, overseeing the group's ecological agriculture land remediation businesses. He is the sole director and sole shareholder of Three Apple Industry Holdings Group (Hong Kong) Limited which is the controlling shareholder of the Company.

Mr. Wu Kang, aged 61, has been appointed as an executive Director on 28 November 2025. He graduated from the department of physics at Northwest University in Xi'an in 1987, majoring in information processing. In the same year, he was assigned to the international settlement department and risk management department of the Shaanxi Provincial Branch of the Bank of China, where he served as senior manager. After leaving Bank of China in 2001, he gradually emerged as one of China's earliest prominent angel investors and he also participated in investments in multiple Chinese internet projects. Mr. Wu Kang is an uncle of Mr. Wu Qifeng.

NON-EXECUTIVE DIRECTOR

Ms. Jiao Yue ("Ms. Jiao"), aged 33, has been appointed as a non-executive Director on 30 March 2026. She has almost ten years of management experience across various industries, such as import and export and trading. Ms. Jiao graduated from Liaoning He's Medical College* (遼寧何氏醫學院) in 2015. She is currently serving as an executive Director of Zhong Ying International Group Limited (stock code: 8516), a company listed on the GEM of the Stock Exchange of Hong Kong Limited since July 2025 and the petition officer of Shenyang Huanggu District Housing Maintenance Center* (沈陽市皇姑區房屋維修中心) since February 2023. She was the human resources director of Liaoning Shanzhiyuan Agricultural Products Company Limited* (遼寧山之源農產品有限公司) from September 2021 to September 2022. She was the recruitment manager of Liaoning Zhonggu Rice Industry Company Limited* (遼寧省中谷米業有限公司) from May 2019 to September 2021. She was the executive of Shenyang Shenghexiang Import and Export Company Limited* (沈陽盛和祥進出口有限公司) from September 2015 to March 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INED(S)”)

Ms. Wang Li (“Ms. Wang”), aged 51, has been appointed as an independent non-executive Director, Chairwoman of the Remuneration Committee, a member of each Nomination Committee and Audit Committee on 28 November 2025. She currently holds the positions of deputy secretary-general & spokesperson of the Hong Kong International Automobile and Supply Chain Expo Committee, as well as the general manager of Expo Integrated Marketing Limited. She graduated from the music department of Qufu Normal University in July 1997. From 2018 to 2021, Ms. Wang served as the executive vice president of the Hong Kong Ta Kung Pao Finance and Public Relations Group. From 2021 to 2024, she served as the administrative president of the Greater Bay Area International Exchange Center Limited. She also served as senior management in several media organizations. Ms. Wang boasts a wealth of experience in brand promotion, publicity and public relationships.

Mr. Guan Yuliang (“Mr. Guan”), aged 63, has been appointed as an independent non-executive Director, a member of each Remuneration Committee, Nomination Committee and Audit Committee on 28 November 2025. He has been a senior accountant since August 2002 and an international business engineer since December 2015. He obtained a master of science in software engineering from Beihang University in January 2012 and a bachelor of economics in fiscal and financial studies (specializing in finance) from Renmin University of China in June 1987. From July 2021 to July 2023, he served as a full-time equity director and a full-time supervisor dispatched by China General Technology (Group) Holding Co., Ltd.* (中國通用技術(集團)控股有限責任公司). From August 2014 to July 2021, he held multiple positions at China Automotive Engineering Research Institute Co., Ltd.* (中國汽車工程研究院股份有限公司), a company listed on Shanghai Stock Exchange (Stock Code: 601965), including head of the finance department, chief accountant, member of the Party committee, and chairman of the labor union. Previously, he has held various positions such as general manager in several companies in PRC. With over 30 years of corporate management experience, Mr. Guan has extensive expertise in operational management, financial management, as well as risk and internal control management.

Mr. Chen Ning (“Mr. Chen”), aged 46, has been appointed as an independent non-executive Director, Chairman of the Audit Committee, a member of each Nomination Committee and Remuneration Committee on 28 November 2025. He has been a certified public accountant of China since December 2005 and a senior accountant since May 2014. Additionally, he has held the qualification of China certified tax agent since July 2014. In April 2006, he obtained a master’s degree in management from Beijing Information Science and Technology University. From 16 March 2026, Mr. Chen has been serving as the independent non-executive director at Doumob, a company listed on the Stock Exchange (stock code: 1917). From November 2023 to August 2024, Mr. Chen served as the company secretary and chief financial officer at CHYY Development Group Limited, a company listed on the Stock Exchange (stock code: 8128). From June 2022 to September 2023, he also served as an executive director at Beijing Gas Blue Sky Holdings Limited, a company listed on the Stock Exchange (stock code: 6828). Prior to these positions, Mr. Chen had served as the chief financial officer in multiple subsidiaries of an energy enterprise group. Mr. Chen is well-versed in investment and financing, financial management, as well as corporate governance matters.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Ren Fang (“Ms. Ren”), aged 43, has been appointed as the company secretary of the Company on 28 November 2025. She has been a certified public accountant of China since January 2013. She is also a chartered secretary and a chartered governance professional, as well as being an Associate of the Hong Kong Chartered Governance Institute since November 2021 and a Fellow since July 2024. She graduated from Renmin University of China with a master’s degree in accounting in June 2007. From December 2021 to November 2025, Ms. Ren served as chief of the board office at Be Friends Holding Limited, a company listed on the Stock Exchange (stock code: 01450), where she was primarily responsible for information disclosure and corporate governance. Prior to this, she served as deputy financial controller and director of securities affairs in two companies listed on the main board of the Stock Exchange from December 2012 to September 2021, and worked in the audit department at Deloitte Beijing branch from July 2007 to December 2012. Ms. Ren has over 10 years’ professional experiences in corporate governance, accounting and finance industry.

Ms. Chen Qingmei, aged 36, has been appointed as a senior vice president of the Group on 1 January 2026. She is an environmental impact assessment engineer. She has previously overseen the planning and execution of various ecological projects, including the restoration of ecological environment and establishment of a sustainable development model for mining areas in Shanxi Province, covering an area of 500 square kilometers, involving ecological management and restoration, agricultural and pastoral grass cultivation and other sectors.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules. During the Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions of the CG Code, except for the deviation from (i) code provision C.2.1 of the CG Code as set out in “Chairman and Chief Executive Officer” below; and (ii) code provision D.2.2 of the CG Code as set out in “Risk Management and Internal Control” below.

CORPORATE PURPOSE, VALUES AND STRATEGY

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board’s role to foster a corporate culture with the following core principles and to ensure that the Company’s vision, values and business strategies are aligned to it.

Integrity

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group’s employee handbook, the anti-corruption policy and the whistleblowing policy of the Group. Training are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group’s mission. This sets of tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company’s strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Composition of the Board

The composition of the Board during the Reporting Period and up to the date of this annual report is set out below:

Executive Directors

Mr. Wu Qifeng (吳奇峰) *(appointed on 28 November 2025)*

Mr. Wu Kang (吳康) *(appointed on 28 November 2025)*

Mr. Leung Kwok Hung Wilson (梁國雄) *(resigned on 28 November 2025)*

Ms. Tam Shuk Fan (譚淑芬) *(resigned on 28 November 2025)*

Non-executive Director

Ms. Jiao Yue (焦悅) *(appointed on 30 March 2026)*

Independent non-executive Directors

Ms. Wang Li (王莉) *(appointed on 28 November 2025)*

Mr. Guan Yuliang (官玉良) *(appointed on 28 November 2025)*

Mr. Chen Ning (陳凝) *(appointed on 28 November 2025)*

Ms. Cheung Wai Man (張慧敏) *(resigned on 28 November 2025)*

Mr. Lau Yau Chuen Louis (劉友專) *(resigned on 28 November 2025)*

Mr. Lee Kwun Ting (李冠霆) *(resigned on 28 November 2025)*

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report. Save as disclosed in the section, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board and chief executive.

CORPORATE GOVERNANCE REPORT

Board meetings and attendance

During the Reporting Period, the Board meets regularly to review the financial and operating performance of the Group, to make important decisions and to approve future strategies. Attendances of these meetings by Directors are set out below:

	Number of meeting attended/held				
	Annual General Meeting In number	Board In number	Audit Committee In number	Remuneration Committee In number	Nomination Committee In number
Total number of meetings held	1	6	4	2	2
Executive Directors					
Mr. Leung Kwok Hung Wilson*	1	4	—	—	1
Ms. Tam Shuk Fan*	1	4	—	—	—
Mr. Wu Qifeng**	—	3	—	—	2
Mr. Wu Kang**	—	3	—	—	—
Non-executive Director					
Ms. Jiao Yue***	—	—	—	—	—
Independent non-executive Directors					
Ms. Cheung Wai Man*	1	4	3	1	1
Mr. Lau Yau Chuen Louis*	1	4	3	1	1
Mr. Lee Kwun Ting*	1	4	3	1	1
Ms. Wang Li**	—	3	1	1	2
Mr. Guan Yuliang**	—	3	1	1	2
Mr. Chen Ning**	—	3	1	1	2

* resigned on 28 November 2025.

** appointed on 28 November 2025.

*** appointed on 30 March 2026.

CORPORATE GOVERNANCE REPORT

Responsibilities of and delegation by the Board

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors and the senior management of the Company in discharging its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and tasks are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by any of the executive Directors and the senior management. The Board also assumes the responsibilities of maintaining a high standard of corporate governance including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors including the INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for efficient and effective delivery of the Board functions. The Board had also delegated various responsibilities to the three board committees of the Company (the "**Board Committees**").

Compliance with rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules

During the Reporting Period, the Board at all times met the requirements set out in Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors (representing at least one-third) of the Board with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Independence of independent non-executive Directors

The Company has received from each INED an annual confirmation of his/her independence, and the Company considers such INED to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Relationship between Board members

Save and except that (i) Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan (who served on the Board until 28 November 2025) are husband and wife, and (ii) Mr. Wu Kang and Mr. Wu Qifeng (who served on the Board from 28 November 2025) are uncle and nephew, there are no other relationships (including financial, business, family or other material/relevant relationships) between the other members of the Board.

CORPORATE GOVERNANCE REPORT

Directors' continuous professional development

To assist the Directors' continuous professional development, the Company recommends the Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Directors also participate in continuous professional development programmed such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors understand the importance of continuous professional development and are committed to participate any suitable training to develop and refresh their knowledge and skills.

The individual training record of each Director received for the Reporting Period is summarised below:

	Course/Seminar/ Workshop organized by professional body	Reading materials
Executive Directors		
Mr. Leung Kwok Hung Wilson*	✓	✓
Ms. Tam Shuk Fan*	✓	✓
Mr. Wu Qifeng**	✓	✓
Mr. Wu Kang**	✓	✓
Non-Executive Director		
Ms. Jiao Yue***	✓	✓
Independent Non-Executive Directors		
Ms. Cheung Wai Man*	✓	✓
Mr. Lau Yau Chuen Louis*	✓	✓
Mr. Lee Kwun Ting*	✓	✓
Ms. Wang Li**	✓	✓
Mr. Guan Yuliang**	✓	✓
Mr. Chen Ning**	✓	✓

* resigned on 28 November 2025.

** appointed on 28 November 2025.

*** appointed on 30 March 2026.

CORPORATE GOVERNANCE REPORT

Independent views and input to the Board

The Company has established mechanisms to ensure independent views and input are available to the Board and such mechanism are reviewed annually. The mechanisms currently in place include:

- (a) three out of six Directors are INEDs, which exceeds the requirement of the GEM Listing Rules that at least one-third of the Board are independent non-executive directors;
- (b) INEDs have an equal status to other Board members;
- (c) INEDs share their views and opinions through regular meetings;
- (d) annual meeting between the Chairman and all INEDs without presence of other Directors, providing effective platform for the Chairman to listen independent views on various concerning the Group;
- (e) interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors;
- (f) independent professional advice would be provided to INEDs upon reasonable request to assist them to perform their duties to the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

During the Reporting Period and up to 28 November 2025, Mr. Leung Kwok Hung Wilson served as both chairman and chief executive officer of the Company (the “CEO”). Considering that Mr. Leung Kwok Hung Wilson has been operating and managing the Group since 2008, the board of directors of the Company then believed that Mr. Leung Kwok Hung Wilson would provide a strong and consistent leadership to the Group. Therefore, the board of directors of the Company then considered that the derivation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

From 28 November 2025 to 31 March 2026 and up to the date of this annual report, Mr. Wu Qifeng serves as both the Chairman and the CEO. Despite the deviation from the code provision C.2.1, the Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Further, the Board is of the view that the balanced composition of three independent non-executive Directors and the various committees of the Board in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board established three Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee specific aspects of the Group's affairs and help it in the execution of its responsibilities. Each of the Board Committee have specific written terms of reference which clearly outline the committees' authority and duties and require the Board Committees to report back on their decisions or recommendations to the Board. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit committee

The Company established the Audit Committee on 20 March 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. From 1 April 2025 to 28 November 2025, the Audit Committee consisted of three INEDs, namely Mr. Lau Yau Chuen Louis (Chairman), Ms. Cheung Wai Man and Mr. Lee Kwun Ting. Mr. Lau Yau Chuen Louis was the INED with the appropriate professional qualifications. Following a change in composition with effect from 28 November 2025, the Audit Committee as at the date of this annual report comprises three INEDs, namely Mr. Chen Ning (Chairman), Ms. Wang Li and Mr. Guan Yuliang, with Mr. Chen Ning serving as the INED with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, and to oversee the risk management and internal control procedures of the Company.

Summary of the work performed by the Audit Committee during the Reporting Period is as follows:

- reviewed the audit plan, terms of engagement, independence and qualification of the external auditor and the remuneration paid to the external auditor;
- reviewed and discussed the interim and annual financial statements of the Group and the related documents before submission to the Board for approval;
- reviewed the management letters and reports issued by the external auditor;
- reviewed the accounting principles and practices adopted by the Group and the potential impacts of the change in accounting standards to the Group's financial statements;
- reviewed the effectiveness of the risk management and internal control systems of the Group;
- reviewed the internal control adviser's reports in respect of the effectiveness of the financial, operational and compliance controls and risk management of the Groups; and
- performed other duties assigned by the Board.

During the Reporting Period, the Audit Committee held four meetings. Individual attendance records of each member of the Audit Committee are set out on page 20 of this annual report. The Audit Committee also met the external auditor without the presence of the executive Directors and the management of the Company.

CORPORATE GOVERNANCE REPORT

Remuneration committee

The Company established the Remuneration Committee on 20 March 2018 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the CG Code. From 1 April 2025 to 28 November 2025, the Remuneration Committee consisted of three members, namely Mr. Lee Kwun Ting (Chairman), Ms. Cheung Wai Man and Mr. Lau Yau Chuen Louis. Following a change in composition with effect from 28 November 2025, the Remuneration Committee as at the date of this annual report comprises three INEDs, namely Ms. Wang Li (Chairwoman), Mr. Guan Yuliang and Mr. Chen Ning.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, and to ensure that none of the Directors determine their own remuneration.

Summary of the work performed by the Remuneration Committee during the Reporting Period included but were not limited to:

- reviewed and made recommendation on the remuneration policy and structure of the executive Directors and senior management of the Company and determined their specific remuneration package;
- assessed the performance of the executive Directors and approved the terms of the executive Directors' service contracts;
- ensured that no Directors or any of his/her associates was involved in deciding his/her own remuneration; and
- recommended to the Board the remuneration package for the Directors and Chairman appointed during the Reporting Period.

During the Reporting Period, the Remuneration Committee held two meetings. Individual attendance records of each member of the Remuneration Committee are set out on page 20 of this annual report.

Remuneration policy

The Company has adopted a directors' remuneration policy aiming to set out the overall guiding principles and structure for remuneration packages of directors. The directors' remuneration policy comprises remuneration guiding principles and remuneration structure. The remuneration of executive directors is determined based on, among others, their scope of duties, responsibilities, skills, and experience required, corporate and individual performances, prevailing market practice, and general economic situation. The remuneration of non-executive director and independent non-executive directors is determined based on, among others, the number of Board committees served, experience and level of responsibilities undertaken, and prevailing market practice. In the remuneration structure for directors, independent non-executive directors are not entitled to reward with equity-based remuneration.

CORPORATE GOVERNANCE REPORT

Nomination committee

The Company established the Nomination Committee on 20 March 2018 with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and code provision B.3.1 of the CG Code. From 1 April 2025 to 28 November 2025, the Nomination Committee comprised of four members, namely Mr. Leung Kwok Hung Wilson (Chairman), Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting. Following a change in composition with effect from 28 November 2025, the Nomination Committee as at the date of this annual report comprises of four members, namely Mr. Wu Qifeng (Chairman), Ms. Wang Li, Mr. Guan Yuliang and Mr. Chen Ning.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, to identify individuals suitably qualified to become members of the Board, to assess the independence of the INEDs, and to make recommendations to the Board on relevant matters relating to appointments of Directors.

Summary of the work performed by the Nomination Committee during the Reporting Period is as follows:

- reviewed the structure, size, composition and diversity of the Board, and Board Diversity Policy;
- reviewed the nomination policy and procedures for directorship during the Reporting Period;
- assessed the independence of the INEDs;
- made recommendations to the Board on relevant matters relating to the re-election of Directors; and
- recommended to the Board on changes to its composition of the Board, the appointment and resignation of the Director and the Chairman.

During the Reporting Period, the Nomination Committee held two meetings. Individual attendance records of each member of the Nomination Committee are set out on page 20 of this annual report.

Nomination Policy

The Company has adopted a nomination policy for the Nomination Committee to consider and make recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies.

CORPORATE GOVERNANCE REPORT

Selection criteria

In evaluating and selecting any candidate for directorship to the Board, the following criteria should be considered:

- (a) character and integrity;
- (b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- (c) diversity aspects under the Company's board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity of the Board;
- (d) for INEDs, whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- (e) willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- (f) such other perspectives that are appropriate to the Company's business and succession plan and where applicable may be adopted and/or amended by the Board and/or Nomination Committee from time to time for nomination of directors and succession planning.

Procedures for appointment of new directors

- (a) if the Board determines that an additional or replacement director is required, it will deploy multiple channels for identifying suitable director candidates, including referrals from Directors, shareholders, management, advisors of the Company and external executive search firms.
- (b) upon compilation and interview of the list of potential candidates, the relevant Nomination Committee will shortlist candidates for consideration by the Nomination Committee/Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.
- (c) any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge with the Company Secretary of the Company within the lodgement period specified in the relevant shareholder circular (a) a written nomination of the candidate, (b) written confirmation from such nominated candidate of his willingness to stand for election, and (c) biographical details of such nominated candidate as required under the GEM Listing Rules. Particulars of the candidate so proposed will be sent to all shareholders for information by a supplementary circular.

CORPORATE GOVERNANCE REPORT

Procedures for re-appointment of directors

Where a retiring Director, being eligible, offers himself/herself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

Appointment and re-election of directors

All Directors are appointed for a specific term. The Company has entered into a director's service agreement with each of the executive Directors and INEDs for an initial term of three years commencing from 28 November 2025 and renewable automatically thereafter for successive terms of three year each commencing from the date next after the expiry of the then current term of office.

The non-executive Director, namely Ms. Jiao Yue, has entered into a director's service agreement with the Company for an initial term of three years commencing from 30 March 2026 and renewable automatically thereafter for successive terms of three year each commencing from the date next after the expiry of the then current term of office.

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association of the Company ("**Article**"). At each annual general meeting (the "**AGM**"), 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) will retire from office by rotation provided that every Director will be subject to retirement at the AGM at least once every three years. A retiring Director will be eligible for re-election and will continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

During the Reporting Period, Mr. Wu Qifeng, Mr. Wu Kang were appointed as executive Directors, Ms. Jiao Yue was appointed as a non-executive Director, Ms. Wang Li, Mr. Guan Yuliang and Mr. Chen Ning were appointed as independent non-executive Directors, and the selection, nomination and appointment were conducted in accordance with the Nomination Policy.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary supports the Chairman, the Board and the Board Committees by ensuring good information flow within the Board and the board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on governance matters.

Mr. Kwok Chi Yin was appointed as the company secretary of the Company on 26 September 2017 and resigned with effect on 28 November 2025.

Ms. Ren Fang ("**Ms. Ren**") was appointed as the company secretary of the Company on 28 November 2025. The biographical details are set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Ms. Ren joined the Company on 28 November 2025 and she has day-to-day knowledge of the Group affairs. Ms. Ren reports to the Chairman and is responsible for advising the Board through the Chairman on corporation governance matters. During the Reporting Period, Ms. Ren had undertaken more than 15 hours of relevant professional training.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard**"). The Company had also made specific enquiry to each of the Directors and all Directors confirmed that they have complied with the Required Standard regarding Directors' securities transactions and the Company was not aware of any non-compliance with the Required Standard by the Directors throughout the Reporting Period and up to the date of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board had overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatements or losses.

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluation a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation.

CORPORATE GOVERNANCE REPORT

Pursuant to code provision D.2.2 of the CG Code, the Group should have an internal audit function. The Group does not have an internal audit function as the Board has reviewed the effectiveness of the internal control system of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Group had engaged an independent professional firm as the Group's internal control adviser, to conduct independent internal control review for the Reporting Period to assist the Board and the Audit Committee to evaluate the effectiveness and adequacy of the Group's risk management and internal control mechanism.

Such review is conducted annually and cycles reviewed are under a rotation basis. The scope of review was previously determined and approved by the Board. The Internal Control Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and Audit Committee are of the view that there are no material internal control defeats noted. All recommendations from the Internal Control Adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

WHISTLEBLOWING POLICY

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the company secretary of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the consolidated financial statements of the Group. As at 31 March 2026, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt on the Group's ability to continue as a going concern.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. The statements by external auditors, Linksfeld CPA Limited, about their reporting responsibility on the consolidated financial statement of the Group are set out in the section headed "Independent Auditor's Report" in this annual report.

AUDITOR'S REMUNERATION

The remuneration paid to external auditor in respect of the Reporting Period is set out below:

Type of services	HK\$'000
Audit services	580
Non-audit services	0

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the Reporting Period is as follows:

Remuneration Bands	No. of individuals
HK\$nil to HK\$1,000,000	2

Details of the Directors' remuneration for the Reporting Period are set out in note 15 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

DIVERSITY

Diversity of the Board

The Company adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach of which the Board could achieve and maintain a high level of diversity. The Company recognises the benefits of having a diversified Board, as such the Group will ensure that members of the Board have the appropriate balance of skills, experience and diversity of perspectives that are required to support the Group’s business strategies and sustainable development.

Pursuant to the Board Diversity Policy, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The ultimate decision will be based on the merit and contribution the selected candidates will bring to the Board. The Board Diversity Policy will be reviewed by the Board annually.

The Board currently comprises six members, including two executive Directors, one non-executive Director and three independent non-executive Directors, of whom two are female, bring the female representation to about 33% of the Board. Based on the biographical details of the Directors as set out in the section headed “Biographical Details of Directors and Senior Management” in this annual report, the Board considers that its composition reflects a diversity of gender, educational background and business experience, and meets the diversity requirements under the GEM Listing Rules.

Diversity in workforce

The Group also continues to adopt employee diversity measures to promote the diversity at all levels of its workforce. As at 31 March 2026, Group employed a total of 51 employees (including Directors and senior management) (31 March 2025: 41), of which 25.5% (2025: 24.4%) were male and 74.5% (2025: 75.6%) were female. The Company will continue to take steps to promote diversity, including gender diversity, at workforce levels.

SHAREHOLDERS’ RIGHTS

As one of the measures to safeguard shareholders’ interest and rights, separate resolutions can be proposed at the shareholders’ meetings on each substantial issue, including the election of individual directors, for shareholders’ consideration and voting. All resolutions put forward at shareholders’ meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the website of the Stock Exchange and the Company’s website after the relevant shareholders’ meeting.

CORPORATE GOVERNANCE REPORT

Procedures for shareholders to convene an extraordinary general meeting ("EGM")

The following procedures for shareholders to convene an EGM are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (a) any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company ("**Company Secretary**"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.
- (b) eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong at 19th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the attention of the Board and/or the Company Secretary.
- (c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda. Together with a deposit of a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders.
- (d) the Requisition will be verified with the Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Eligible Shareholders concerned have been failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.
- (e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

CORPORATE GOVERNANCE REPORT

Procedures for putting forward proposals at shareholders' meetings

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to make proposals or move a resolution may, however, convene an EGM in accordance with the "Procedures for Shareholders to convene an EGM" set out above.

Procedures for shareholders to send enquires to the Board

Shareholders may send their enquiries and concerns to the Board and or Company Secretary by addressing them to the principle place of business of the Company in Hong Kong at 19th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong by post for the attention of the Board and/or the Company Secretary.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company has adopted a shareholders communication policy with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company has established a range of communication channels between itself and its shareholders, and investors. These include answering questions through the annual general meeting and any other general meeting, the publication of annual and interim reports, notices, announcements and circulars, the Company's website at www.icenturyholding.com and meetings with investors and shareholders. At the general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. News update of the Group's business development and operation are also available on the Company's website.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has established a dividend policy (the “**Dividend Policy**”) which was adopted by the Board to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits as dividends to the shareholders of the Company. Summary of which is set out below:

- (a) In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:
 - (i) the general financial condition of the Group;
 - (ii) capital and debt level of the Group;
 - (iii) future cash requirements and availability for business operations, business strategies and future development needs;
 - (iv) the contractual restrictions on the payment of dividends by the Company to its shareholders;
 - (v) the general market conditions; and
 - (vi) any other factors that the Board considers appropriate.
- (b) The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles.
- (c) The Board endeavours to strike a balance between the Shareholders’ interests and prudent capital management with a sustainable Dividend Policy.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there were no changes in any of the Company’s constitutional documents.

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 37 to the consolidated financial statement. The Group is principally engaged in provision of SCM services. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

SEGMENT INFORMATION

Details of the segment information of the Group for the Reporting Period are set out in note 8 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Reporting Period and an analysis of the likely future development of the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on page 5 and pages 6 to 15 of this annual report respectively.

RESULTS AND DIVIDENDS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 57 of this annual report.

The Board did not recommend the payment of any final dividend for the Reporting Period (Corresponding Period: nil).

The above decision was made after the cautious consideration by the Board of various factors, including the dividend policy of the Company and the turnaround of profit attributable to owners of the Company for the Corresponding Period to loss attributable to owners of the Company for the Reporting Period. With reference to the transactional and administrative costs associated with the potential dividend distribution, the Board was of the view that the declaration of such a dividend would not be cost-effective and it would be more prudent to reserve the Group's liquidity for foreseeably profitable investment opportunity in the upcoming financial year, as and when suitable opportunity arises. Accordingly, the Board resolved not to recommend the payment of a final dividend for the year ended 31 March 2026.

DIRECTORS' REPORT

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting ("AGM") to be held on Friday, 11 September 2026, the register of members of the Company will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged 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 Monday, 7 September 2026. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the AGM is 11 September 2026.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposure and summarised as follow:

- (i) the Group is exposed to credit risks of our customers;
- (ii) the Group relies on several major customers and does not enter into long-term contracts with the customers. Any disruption in the business relationship with the Group's major customers may materially and adversely affect the business, prospects, financial condition and results of operations;
- (iii) the Group is subject to intense competition from competitors engaging South and Southern Asian manufacturers, and if the Group fails to compete successfully against the competitors, the profitability and financial performance may be adversely affected;
- (iv) risks relating to the Group's business operations involving the U.S., French and Australia customers;
- (v) the Group is dependent on third parties for the production of apparel products, any disruption in the relationships with our suppliers or their operations could adversely affect our business;
- (vi) most of our suppliers are located in the PRC and any major adverse changes to the economic, political and social conditions of the PRC may adversely affect our business and results of operations;
- (vii) most of the Group's products sold to U.S. are manufactured in the PRC, such that the PRC-U.S. trade dispute may have a material and adverse effect on our business, financial conditions and results of operations;
- (viii) any failure to maintain an effective quality control system will have a material and adverse effect on our business, financial conditions and results of operations;
- (ix) the reciprocal tariff imposed by the U.S. government may bring adverse impact on business operation in U.S.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 20 to the consolidated financial statements of this annual report.

BORROWINGS

Particulars of bank borrowings of the Group as at 31 March 2026 are set out in note 30 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movement in the Company's share capital during the Reporting Period are set out in note 32 to the consolidated financial statements of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Reporting Period. As at 31 March 2026, the Company did not hold any treasury shares (as defined under the GEM Listing Rules).

RESERVES

Details of movements in reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 60 and note 36(b) to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 March 2026 and 2025, the Company did not have any reserves available for distribution to owners.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchase attributable to the major customers and suppliers respectively during the Reporting Period are as follows:

	Sales	Purchases
The largest customer	27.4%	N/A
Five largest customers in aggregate	66.5%	N/A
The largest supplier	N/A	23.1%
Five largest suppliers in aggregate	N/A	50.5%

None of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued shares of the Company) had any interest in any of these major customer or suppliers during the Reporting Period.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Mr. Wu Qifeng (吳奇峰) (*appointed on 28 November 2025*)

Mr. Wu Kang (吳康) (*appointed on 28 November 2025*)

Mr. Leung Kwok Hung Wilson (梁國雄) (*resigned on 28 November 2025*)

Ms. Tam Shuk Fan (譚淑芬) (*resigned on 28 November 2025*)

Non-executive Director

Ms. Jiao Yue (焦悅) (*appointed on 30 March 2026*)

Independent Non-executive Directors

Ms. Wang Li (王莉) (*appointed on 28 November 2025*)

Mr. Guan Yuliang (官玉良) (*appointed on 28 November 2025*)

Mr. Chen Ning (陳凝) (*appointed on 28 November 2025*)

Ms. Cheung Wai Man (張慧敏) (*resigned on 28 November 2025*)

Mr. Lau Yau Chuen Louis (劉友專) (*resigned on 28 November 2025*)

Mr. Lee Kwun Ting (李冠霆) (*resigned on 28 November 2025*)

DIRECTORS' REPORT

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election. In addition, pursuant to article 84(1) of the Article, at each AGM, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election.

Every newly appointed Director has been provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

Accordingly, Mr. Wu Qifeng, Mr. Wu Kang, Ms. Jiao Yue, Ms. Wang Li, Mr. Guan Yuliang and Mr. Chen Ning will retire from office as Directors at the forthcoming AGM to be held on 11 September 2026 and are eligible and will offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 16 to 18 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Dates, respectively and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other party not less than six months' prior notice in writing.

Each of the non-executive Director and INEDs had entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date or the date of appointment for whom appointed subsequent to the Listing Date, which may be renewable and terminated by either party giving not less than one month notice in writing.

None of the Directors has a service contract which is not determinable by the Group with one year without payment of compensation (other than statutory compensation).

INDEPENDENCE CONFIRMATION

The Company has received confirmation from each of the INEDs regarding his/her independence in accordance with Rule 5.09 of the GEM Listing Rules. The Company is of the view that all INEDs are independent.

DIRECTORS' REPORT

COMPETING INTERESTS

During the Reporting Period, the Directors were not aware of any business or interest of the Directors, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, and their respective close associates (as defined under the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflict of interest which any such person has or may have with Group.

DEED OF NON-COMPETITION

A deed of non-competition dated 20 March 2018 was entered into by the former controlling shareholders of the Company in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

During the period from 1 April 2025 to 21 November 2025, each of the former controlling Shareholders (namely, Giant Treasure, Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan) has given the Non-Competition Undertaking in favour of the Company and its subsidiaries that Giant Treasure, Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan will provide to the Company and the Directors (including the INEDs) from time to time with all information necessary for the annual review by the INEDs with regard to compliance of the terms of the Non-Competition Undertaking by the former controlling Shareholders and the enforcement of the Non-Competition Undertaking. The Non-Competition Undertaking expired on 21 November 2025 when Giant Treasure, Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan ceased to be controlling Shareholders on the same date.

The Board comprising all the INEDs have reviewed and confirmed that all the terms of the Non-Competition Undertaking have been complied with by the former controlling Shareholders during the period from 1 April 2025 to 21 November 2025. There was no matter which was required to be deliberated by the Board in relation to the compliance and enforcement of the Non-Competition Undertaking.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There have been no transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisted during or at the end of the Reporting Period.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

EMOLUMENT POLICY

A Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

EMOLUMENTS OF THE DIRECTORS, CHIEF EXECUTIVE AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements in this annual report.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 38 to the consolidated financial statements in this annual report.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

DIRECTORS' REPORT

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

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 and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**"), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under 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, were as follows:

Long positions in the shares of the Company

Name of Director	Name of Group member/ associated corporation	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Mr. Wu Qifeng	The Company	Interest of controlled corporation	238,116,000 Shares (Note)	59.53%
	Three Apple Industry Holdings Group (Hong Kong) Limited ("Three Apple")	Beneficial owner	10,000 shares	100%

Note: Mr. Wu Qifeng beneficially owns 100% of the issued share capital of Three Apple which in turn held 238,116,000 Shares. Therefore, Mr. Wu Qifeng was deemed to be interested in all the Shares held by Three Apple pursuant to Part XV of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2026, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under 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.

DIRECTORS' REPORT

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

As at 31 March 2026, and so far as known to the Directors, the following entities or persons (other than the Directors or chief executive of the Company) had interests and short positions in the shares or underlying shares, which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding in the Company
Three Apple	Beneficial owner	238,116,000 (Note)	59.53%

Note: Mr. Wu Qifeng beneficially owns 100% of the issued share capital of Three Apple which in turn held 238,116,000 Shares. Therefore, Mr. Wu Qifeng was deemed to be interested in all the Shares held by Three Apple pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 March 2026, the Directors were not aware of any interests or short positions owned by any entities or persons (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company, which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws, rules and regulations and reviews regularly the existing staff benefits for any potential improvement. Apart from the remuneration package, the Group also offers medical insurance to its employees. The Group works closely with its customers in devising new product designs each season and delivering the products according to their requirements. The Group had maintained business relationships with its five largest customers for a period ranging from 2 to 8 years. Over the years, the Directors believe that the Group has fostered a trustworthy and reliable strategic partnership with its customers, which is built upon its proven track record of quality products, industry and product knowhow, market awareness, dedicated management team, and competitive pricing. The Group has also established a stable, close-working and long-term relationship with its suppliers. During the Reporting Period, there was no material dispute or disagreement with the employees, the customers and the suppliers of the Group.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float (i.e. at least 25% of the issued shares were held by the public) as required by Rule 17.38A of the GEM Listing Rules during the Reporting Period and as at the date of this annual report.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions set out in note 33 to the consolidated financial statements. Such related party transactions constitute connected transactions for the Company under Chapter 20 of the GEM Listing Rules, but these transactions were fell under the de minimis threshold or under Rule 20.88 of the GEM Listing Rules which are exempted from reporting, annual review, announcement, circular and independent shareholders' approval requirements. The Directors confirmed that the Company has complied with the disclosure obligations, where applicable, in accordance with Chapter 20 of the GEM Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out on pages 19 to 36 of this annual report.

CHANGES IN DIRECTORS' INFORMATION

The material changes in directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of the interim report of the Company for the six months ended 30 September 2025 are set out below:

- (1) Mr. Wu Qifeng has been appointed as an executive Director, chairman of the Board and the chief executive of the Company with effect from 28 November 2025;
- (2) Mr. Wu Kang has been appointed as an executive Director, and Ms. Wang Li, Mr. Guan Yuliang and Mr. Chen Ning have been appointed as independent non-executive Directors with effect from 28 November 2025;
- (3) Ms. Jiao Yue has been appointed as a non-executive Director with effect from 30 March 2026;
- (4) Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan have been resigned as executive Directors with effect from 28 November 2025;
- (5) Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting have been resigned as independent non-executive Directors with effect from 28 November 2025.

The biographical information of the Directors as at the date of this annual report are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

DIRECTORS' REPORT

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to support environmental protection to ensure business development and sustainability. The Group implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

For details, please refer to a separate report on environmental, social and governance report ("ESG Report") will be published at the same time as the publication of this annual report. The ESG Report will be prepared in accordance with Appendix C2 to the GEM Listing Rules. The ESG Report will be available on the websites of the Stock Exchange and the Company respectively. The Company will provide a shareholder with an ESG Report in printed form upon its specific request.

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Audit Committee, Remuneration Committee and Nomination Committee of the Company are set out in the section headed "Corporate Governance Report" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Director's knowledge, information and belief, 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 operation of the Company and its subsidiaries during the Reporting Period.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of Group for the last five years is set out on page 130 of this annual report.

REVIEW BY AUDIT COMMITTEE

This annual report including the audited consolidated financial statements for the Reporting Period have been reviewed by the Audit Committee (comprising three independent non-executive Directors, namely Mr. Chen Ning (chairman of the Audit Committee), Ms. Wang Li and Mr. Guan Yuliang), has reviewed together with the management and external auditor the accounting principles and practices and the auditing, internal controls and financial reporting matters of the Group, which includes the review of the audited consolidated financial statements of the Group for the year ended 31 March 2026. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the Reporting Period comply with applicable financial reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

For the Reporting Period, the Audit Committee considered the Group's risk management and internal control system as adequate and effective.

DIRECTORS' REPORT

EVENTS AFTER THE REPORTING PERIOD

On 19 March 2026, the Board proposed to issue rights Shares (the “**Rights Share(s)**”) on the basis of one (1) Rights Share for every one (1) existing Shares held on the record date at the subscription price of HK\$0.10 per Rights Share (the “**Proposed Rights Issue**”). Gross proceeds to be raised by the Proposed Rights Issue is up to approximately HK\$40.0 million before expenses (assuming no further issue or repurchase of Shares on or before the record date), by issuing up to 400,000,000 Rights Shares. The Proposed Rights Issue has been approved by the independent shareholders of the Company at the extraordinary general meeting held on 18 May 2026 by way of poll. Details of the Proposed Rights Issue are set out in the Company’s announcements dated 19 March 2026, 25 June 2026 and 10 July 2026, its circular dated 23 April 2026, its poll results announcement dated 18 May 2026 and its listing documents dated 3 June 2026, respectively.

Saved as disclosed above, the Board is not aware of any other significant events affecting the Group, which have occurred subsequent to 31 March 2026 and up to the date of this announcement.

AUDITOR

Reference is made to the announcement of the Company dated 13 February 2026 relating to the change of auditor of the Company. HLB Hodgson Impey Cheng Limited (“**HLB**”) resigned as the auditor of the Company (the “**Auditor**”) with effect from 13 February 2026, as consensus on the proposed auditor’s remuneration for the financial year ended 31 March 2026 could not be reached between HLB and the Company. The Board, with the recommendation of the Audit Committee, has resolved to appoint Linksfeld CPA Limited (“**Linksfeld**”) as the new Auditor with effect from 13 February 2026 to fill the casual vacancy arising from the resignation of HLB and to hold office until the conclusion of this AGM of the Company.

For details, please refer to the announcement of the Company dated 13 February 2026 (the “**Announcement**”). Save as disclosed in the Announcement, the Board is not aware of any matter in connection with HLB’s resignation that needs to be brought to the attention of the shareholders of the Company.

As aforesaid, the financial statements of the Group for the financial year ended 31 March 2026 were audited by Linksfeld whose term of office will expire upon the conclusion of the AGM. With the recommendation of the Audit Committee of the Company, the Board proposes to re-appoint Linksfeld as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. An ordinary resolution will be proposed at the AGM to re-appoint Linksfeld as auditor of the Company until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

DIRECTORS' REPORT

In reaching its recommendation to the Board, the Audit Committee has considered a number of factors, including but not limited to the following:

- (a) the audit proposal of Linksfield which includes the audit plan and timetable and the size and seniority of the audit team serving the Company, noting in particular that the audit plan and timetable proposed is similar to that of for the financial year ended 31 March 2026 and the audit team serving the Company comprise one senior partner who are supported by a large team of auditors and other specialists, such as professionally qualified independent valuation specialists for areas such as the expected credit loss on contract assets and trade receivables where necessary;
- (b) Linksfield's reputation in the market and resources;
- (c) Linksfield's industry knowledge, experience and technical competence in handling audit works for companies listed on the Stock Exchange;
- (d) the appropriateness of the audit fees proposed by Linksfield taking into account (i) its reputation, qualifications and experience; (ii) the anticipated audit timetable and the proposed scope of audit work and reporting requirements; (iii) the size and seniority of the audit team serving the Company; (iv) the Company's size, complexity and risk profile; and (v) Linksfield's committed audit staff participation in on-site work; (v) its independence from the Group and objectivity; and (vi) the relevant guidelines issued by the Accounting and Financial Reporting Council.

Having considered the above factors, the Audit Committee assessed and considered that Linksfield would be independent, competent and capable and suitable to act as the auditor of the Company, and the Audit Committee and the Board are of the view that the proposed appointment of Linksfield as the auditor of the Company is in the interest of the Company and the Shareholders as a whole.

With the consolidated financial statements for the Reporting Period audited by Linksfield, who will retire in the forthcoming AGM of the Company and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Linksfield CPA Limited as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Mr. Wu Qifeng

Chairman and Chief Executive Officer

Hong Kong, 29 June 2026

INDEPENDENT AUDITOR'S REPORT



LINKSFIELD CPA LIMITED
金道連城會計師事務所有限公司
Units 2001-02, 20/F., Podium Plaza, 5 Hanoi Road,
Tsim Sha Tsui, Hong Kong
香港尖沙咀河內道5號普基商業中心20樓2001-02室

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF i.CENTURY HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of i.century Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), which are set out on pages 57 to 129 comprise:

- the consolidated statement of financial position as at 31 March 2026;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

INDEPENDENT AUDITOR'S REPORT

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**") as applicable to audits of consolidated financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw your attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$800,000 during the year ended 31 March 2026 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$8,827,000. These events or conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is that matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter (Continued)

Key audit matter	How our audit addressed the key audit matter
<i>Allowance for expected credit losses of trade receivables</i> <i>Refer to note 22 to the consolidated financial statements.</i> The Group had trade receivables with gross carrying amount and allowance for expected credit losses of approximately HK\$13,562,000 and approximately HK\$2,274,000, respectively, as of 31 March 2026. In general, the trade receivables credit terms granted by the Group to the customers are up to 90 days. Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers, aging of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses.	Our procedures for assessing management's allowance for expected credit losses on trade receivables include, but not limited to: – obtaining an understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk; – checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2026 to the underlying financial records and post year-end settlements to bank receipts; – inquiring management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding ongoing business relationship with the customers based on trade records, and checking historical and subsequent settlement records of and other correspondence with the customers;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter (Continued)

Key audit matter	How our audit addressed the key audit matter
<i>Allowance for expected credit losses of trade receivables (Continued)</i> <i>Refer to note 22 to the consolidated financial statements.</i> We focused on this area due to the magnitude of the trade receivables as at the end of reporting period is significant and determining the allowance for expected credit losses model involved the use of significant management judgements and estimates.	– for individually assessed expected credit losses, assessing the estimated loss rates with reference to the individual customers' historical observed default rates and checking the settlement history and changes in the forward-looking information; – assessing the appropriateness of the expected credit loss provision methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses with support of our valuation expert; and – considering the competency, capability and objectivity of our valuation expert by considering its qualification, relevant experience and relationship with the Group. Based on the above, we found the judgement and estimates made by management used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report other than 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 Directors and Audit Committee 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 Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the 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.

The Audit Committee assists the directors in discharging their responsibilities 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, solely to you, as a body, 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current year is therefore the key audit matter. We describe this matter 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.

The engagement partner on the audit resulting in this independent auditor's report is Chan Kong Wang.

Linksfield CPA Limited

Certified Public Accountants

Chan Kong Wang

Practising Certificate Number: P04083

Hong Kong, 29 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	9	163,011	164,813
Cost of revenue		(125,153)	(126,936)
Gross profit		37,858	37,877
Other income	10	1,324	1,071
Other gains and losses, net	11	981	(431)
Selling and distribution expenses		(11,297)	(12,962)
Administrative expenses		(24,278)	(24,016)
(Impairment losses)/reversal of impairment losses on trade receivables and amount due from a related party	12	(2,850)	134
Finance costs	13	(1,056)	(1,150)
Profit before tax	14	682	523
Income tax (expense)/credit	17	(1,482)	81
(Loss)/profit for the year attributable to owners of the Company		(800)	604
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(723)	220
Other comprehensive (loss)/income for the year		(723)	220
Total comprehensive (loss)/income for the year attributable to owners of the Company		(1,523)	824
(Loss)/earnings per share			
Basic and diluted (HK cents)	19	(0.20)	0.15

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	20	18,540	20,785
Right-of-use assets	21(a)	11,688	607
Lease deposits	23	1,329	–
		31,557	21,392
Current assets			
Trade and bills receivables	22	14,747	13,416
Deposits, prepayments and other receivables	23	3,344	9,321
Amounts due from related companies	24(a)	–	2,998
Amounts due from related parties	24(b)	3,348	1,977
Pledged bank deposits	25	–	1,400
Bank balances and cash	26	21,805	14,532
		43,244	43,644
Current liabilities			
Trade payables	27	15,191	14,666
Other payables and accruals	28	5,518	5,726
Contract liabilities	29	5,122	7,139
Amount due to a shareholder	24(c)	6,095	–
Bank borrowings	30	14,506	19,749
Lease liabilities	21(b)	4,365	306
Current tax liabilities		1,274	96
		52,071	47,682
Net current liabilities		(8,827)	(4,038)
Total assets less current liabilities		22,730	17,354

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Equity attributable to owners of the Company			
Share capital	32	4,000	4,000
Reserves		11,502	13,025
		15,502	17,025
Non-current liabilities			
Lease liabilities	21(b)	7,228	329
Deferred tax liabilities	31	–	–
		7,228	329
Total equity and non-current liabilities		22,730	17,354

The consolidated financial statement on pages 57 to 129 were approved and authorised for issue by the Board of Directors on 29 June 2026 and are signed on its behalf by:

Wu Qifeng
Director

Wu Kang
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company					
	Share capital HK\$'000 (note 32)	Share premium HK\$'000	Contribution reserve HK\$'000 (note (i))	Exchange reserve HK\$'000 (note (ii))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	4,000	43,238	—*	146	(31,183)	16,201
Profit for the year	—	—	—	—	604	604
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	—	—	—	220	—	220
Total comprehensive income for the year	—	—	—	220	604	824
At 31 March 2025 and 1 April 2025	4,000	43,238	—*	366	(30,579)	17,025
Loss for the year	—	—	—	—	(800)	(800)
Other comprehensive loss:						
Exchange differences arising on translation of foreign operations	—	—	—	(723)	—	(723)
Total comprehensive loss for the year	—	—	—	(723)	(800)	(1,523)
At 31 March 2026	4,000	43,238	—*	(357)	(31,379)	15,502

* The amount is less than HK\$1,000.

Notes:

- (i) Contribution reserve represents the differences between the aggregated share capital of the subsidiaries and one nil paid share of the Company issued as fully paid pursuant to the reorganisation for transfer of the subsidiaries to the Company. The balance was HK\$4.
- (ii) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income/loss and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to accumulated losses upon disposal of the foreign operations.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Operating activities			
Profit before tax		682	523
Adjustments for:			
Bank interest income	10	(19)	(81)
Finance costs	13	1,056	1,150
Gain on lease modification	11	(40)	–
Depreciation of property, plant and equipment	20	2,280	2,324
Depreciation of right-of-use assets	21(a)	1,083	374
Written-off of inventories	11	–	160
Impairment losses/(reversal of impairment losses) recognised in respect of trade receivables	12	2,850	(13)
Reversal of impairment losses recognised in respect of amount due from a related party	12	–	(39)
Net foreign exchange gains	11	(941)	–
Operating cash flows before movements in working capital		6,951	4,398
Increase in inventories		–	(52)
Increase in trade and bills receivables		(4,181)	(3,646)
Decrease/(increase) in deposits, prepayments and other receivables		4,648	(640)
Decrease/(increase) in amounts due from related companies		1,627	(1,351)
Increase in amount due to a shareholder		903	–
Increase in trade payables		525	7,359
(Decrease)/increase in other payables and accruals		(208)	5,346
Decrease in contract liabilities		(2,017)	(1,037)
Cash generated from operations		8,248	10,377
Income tax paid		(304)	–
Net cash generated from operating activities		7,944	10,377
Investing activities			
Interest received		19	81
Purchase of property, plant and equipment		(34)	(13)
Decrease in pledged bank deposits		1,400	–
Net cash generated from investing activities		1,385	68

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Financing activities			
Interest paid for bank borrowings		(918)	(1,090)
Proceeds from bank borrowings		5,000	–
Repayments of bank borrowings		(10,243)	(4,809)
Advance from a shareholder		8,051	–
Repayment to a shareholder		(2,859)	–
Repayments of lease liabilities (including interest paid)		(1,300)	(420)
Net cash used in financing activities		(2,269)	(6,319)
Net increase in cash and cash equivalents		7,060	4,126
Cash and cash equivalents at the beginning of the reporting period		14,532	10,189
Effect of foreign exchange rate changes		213	217
Cash and cash equivalents at the end of the reporting period		21,805	14,532
Analysis of cash and cash equivalents			
Bank balances and cash	26	21,805	14,532

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at 19th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong. The Company's immediate holding company and ultimate holding company is Three Apple Industry Holdings Group (Hong Kong) Limited, a company incorporated in Hong Kong and wholly controlled by Mr. Wu Qifeng.

The Company is an investment holding company and its subsidiaries are principally engaged in sales of apparel products with the provision of apparel supply chain management ("**SCM**") services to customers.

The shares of the Company have been listed on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 April 2018.

The consolidated financial statements are presented in Hong Kong dollar ("**HK\$**"), which is the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK\$'000), except when otherwise stated.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. These consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**") and by the Companies Ordinance (Cap. 622).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Going concern basis

The Group incurred a net loss of HK\$800,000 during the year ended 31 March 2026, and as of that date, the Group's current liabilities exceeded its current assets by HK\$8,827,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and that the Group's ability to continue as a going concern depends on its ability to generate sufficient net cash inflows from future operations and other sources.

In view of such circumstances, the directors of the Company have reviewed the Group's cash flow projections covering the fifteen-month period from the end of the reporting period (i.e., 31 March 2026), which have been prepared by management. They are of the opinion that, taking into account the plans and measures as stated below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from the date of approval of these consolidated financial statements. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

- (i) The Group has obtained a letter of undertaking from Mr. Wu Qifeng, who has confirmed that he has no intention to demand repayment of the amount due to a shareholder amounting to HK\$6,095,000 due from the Group to him as of 31 March 2026, or when the Group is financially capable to do so, for at least the next twelve months from the date of approval of these consolidated financial statements;
- (ii) As at 31 March 2026, the Group had bank borrowings of HK\$14,506,000, of which HK\$5,884,000 is repayable within one year. The remaining bank borrowings, amounting to HK\$8,622,000, were classified as current liabilities due to the existence of a repayment on demand clause in the relevant loan agreement. The directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements;
- (iii) As at 31 March 2026, the directors are confident that the Group could draw down additional bank borrowings as and when needed. On the same date, the Group had unutilised banking facility of HK\$7,000,000;
- (iv) On 19 March 2026, the directors proposed a rights issue to raise gross proceeds of up to HK\$40,000,000 (before expenses) through the issuance of up to 400,000,000 rights shares. Please refer to note 40 for further details of the rights issue;
- (v) The Group has been taking active measures to collect trade receivables through various channels to improve operating cash flows and its financial position; and
- (vi) The Group continues to apply stringent cost control in administrative expenses and capital expenditures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)***Going concern basis (continued)***

In the opinion of the directors, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due within twelve months from the date of approval of these consolidated financial statements. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve all the plans and measures described above. Whether the Group will be able to continue as a going concern depends upon that the bank will not exercise its discretionary rights to demand immediate repayment of the bank borrowings with a repayment on demand clause. It also depends on the Group's ability to defer the repayment of the amount due to the shareholder under the letter of undertaking, draw down additional bank borrowings as and when needed, successfully complete the proposed rights issue, accelerate trade receivables collection, and strictly control administrative and capital expenditures.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. In addition, adjustments would be required to provide for any further liabilities which may arise and to reclassify all non-current liabilities as current liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

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 these consolidated financial statements is determined on such a basis, except for 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*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis of preparation (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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS***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 as issued by the HKICPA for the first time, which is 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 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – Dependent Electricity ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

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

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

The directors of the Company are assessing the potential impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. They have concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with HKFRS 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted are set out below.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Buildings	Shorter of the lease term or 4%
Furniture and fixtures	20%
Leasehold improvements	Shorter of the lease term or 20%
Computers	20-30%
Motor vehicle	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (the “**CGU**”) to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Impairment of property, plant and equipment and right-of-use assets (continued)***

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so 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 (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade and bills receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and bills receivables, deposits and other receivables, amounts due from related companies, amounts due from related parties, pledged bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9 Financial Instruments. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)*Financial instruments (continued)**Financial assets (continued)**Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*

The Group always recognise lifetime ECL for trade and bills receivables without significant financing component. The ECL on these assets are assessed individually for trade and bills receivables and collectively for corporate customers using a provision matrix with past due status grouping.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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; or
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Financial instruments (continued)******Financial assets (continued)******Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)*****Write-off policy**

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade and bills receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

Measurement and recognition of ECL (continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset measured at amortised cost only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Financial instruments (continued)******Financial liabilities and equity******Classification as debts or equity***

Debts and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables and accruals, lease liabilities and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Derecognition/modification of financial liabilities (continued)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 on modification of a financial asset or a financial liability (see accounting policy above) to the additional changes to which the practical expedient does not apply.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Bank balance and cash

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Borrowings costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxation (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in a subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment is only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amounts of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Taxation (continued)******Deferred tax (continued)***

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits***Retirement benefit obligations***

Payment to Mandatory Provident Fund Scheme (the "**MPF Scheme**") is recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Retirement benefit obligations (continued)

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK\$30,000. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The retirement benefits schemes contributions arising from the MPF Scheme charged to profit or loss represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The employees employed by the Group's subsidiaries in the People's Republic of China (the "PRC") are members of state-managed retirement benefits schemes operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is to make the specified contributions under the schemes.

Revenue from contract with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Revenue from contract with customers (continued)***

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. 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.

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Sales of goods – apparel SCM services

The Group manufactures and sells a wide range of key apparel products to a number of owners or agents of global reputable brands. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is based on the price specified in the sales order and is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term up to 90 days, which is consistent with market practice.

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Leasing

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)*Leasing (continued)**The Group as a lessee**Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exception to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In the calculation of the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)*Leasing (continued)**The Group as a lessee (continued)**Lease liabilities (continued)*

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leasing (continued)

The Group as a lessee (continued)

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Related parties

A party is considered to be related to the Group if:

- (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 the key management personnel of the Group or of the Group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)***Related parties (continued)***

- (b) An entity is related to the Group if any of the following conditions applies:
- (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 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 employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a parent of the entity); or
 - (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.

A related party transaction is a transfer of resources, services or obligation between the Group and a related party, regardless of whether a price is charged.

Close family members 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4 to the consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment on property, plant and equipment and right-of-use assets

For the Group's property, plant and equipment and right-of-use assets, the Group has to exercise judgments in determining whether an asset is impaired or the event previously causing the asset impaired no longer exists, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of the asset can be supported by the recoverable amounts which are determined based on the higher of value in use and fair value less costs of disposal. In the case of value in use, the recoverable amount is evaluated using the net present value of the future cash flows which are estimated based upon the continuing use of the asset or disposal; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections are discounted using an appropriate rate. Changing the assumptions applied by management to determine the level of impairment, including the discount rates and the growth rate assumptions in the cash flow projections, could material affect the net present value result in the impairment test.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)***Allowance for ECL for trade receivables***

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 7 to the consolidated financial statements.

6. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of total borrowings and equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses as disclosed in the consolidated financial statements.

The directors review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and balance its overall capital structure through the payment of dividends and injection of capital.

The gearing ratio at the end of each reporting period was as follows:

	2026 HK\$'000	2025 HK\$'000
Total debts (note)	32,194	20,384
Equity attributable to owners of the Company	15,502	17,025
Gearing ratio	207.7%	119.7%

Note: Total debts include lease liabilities, amount due to a shareholder and bank borrowings in notes 21(b), 24(c) and 30 to the consolidated financial statements respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

Categories of financial Instruments:

	2026 HK\$'000	2025 HK\$'000
Financial assets		
Financial assets at amortised cost	42,032	35,210
Financial liabilities		
Financial liabilities at amortised cost	52,903	40,776

The management monitors and manages the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group's major financial instruments include trade and bills receivables, lease and utility deposits and other receivables, amounts due from related companies and related parties, pledged bank deposits and bank balances, trade payables, other payables and accruals, amount due to a shareholder, lease liabilities and bank borrowings. Details of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk**(i) Foreign exchange risk**

The Group's operation mainly in Hong Kong with majority of the transactions being settled in HK\$, United States dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK\$ against the US\$ as long as this currency is pegged.

No sensitivity analysis is presented since the Group's exposure to RMB are insignificant because the carrying amounts denominated in RMB are insignificant.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)**Market risk (continued)***(ii) Fair value and cash flow interest rate risk*

The Group's interest rate risk arises from pledged bank deposits, bank balances, lease liabilities and bank borrowings. Bank borrowings obtained at variable rates exposes the Group to cash flow interest rate risk. The Group is exposed to fair value interest rate risk in relation to pledged bank deposits and lease liabilities (see notes 25 and 21(b) for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see notes 26 for details). The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risk. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank balances are not expected to change significantly.

If there would be a general increase/decrease in the market interest rates by 50 basis points (2025: 50 basis points), with all other variables held constant, the Group's pre-tax profit would have increased/decreased by HK\$36,000 (2025: HK\$26,000) for the year ended 31 March 2026. The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred at the end of the reporting period and had applied the exposure to interest rate risk to those financial instruments in existence at those dates. The estimated 50 basis points increase or decrease represents management's assessment of a reasonably possible change in market interest rates over the period until the next reporting period.

Credit risk

The credit risk of the Group mainly arises from trade and bills receivables, trade deposits and other receivables, amounts due from related companies, amounts due from related parties, pledged bank deposits, and bank balances and cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

Credit risk (continued)

Lease and utility deposits and other receivables

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of lease and utility deposits and other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. The management of the Group believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Amounts due from related companies and related parties

The directors continuously monitor the credit quality and financial positions of the counterparties and the level of exposure of related companies and related parties to ensure that the follow-up action is taken to recover the debts. In this regard, the directors consider that the Group's credit risk on amounts due from related companies and related parties significantly reduced. In addition, the Group performs impairment assessment under ECL model on balances individually. As the counterparties have strong financial positions and a good history of repayment, the ECL on these balances is considered to be immaterial. The amounts due from related companies and related parties with gross carrying amount of nil and HK\$3,372,000 (2025: HK\$3,061,000 and HK\$2,001,000), respectively, as at 31 March 2026.

The Group recognised reversal on impairment loss of nil (2025: HK\$39,000) in respect of amount due from a related party as at 31 March 2026.

Pledged bank deposits and bank balances

Management considers the Group to have limited credit risk with its banks, which are leading and reputable banks are assessed as having low credit risk. The Group assessed the 12m ECL for pledged bank deposits and bank balances by reference to information relating to the probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)*Credit risk (continued)**Bills receivables*

The credit risk associated with bills receivables, which are all bank acceptance drafts, is limited because the accepting bank will cash the bills unconditionally when the Group presents these bills on due dates. Management considers the Group to have limited credit risk with its bank, which is a leading and reputable institution assessed as having low credit risk and ECL is immaterial.

Trade receivables

The Group has implemented a credit policy for its trade customers and credit terms given vary according to the length of business relationship with the customers, reputation and payment history. In order to minimise the credit risk, management of the Group reviews the recoverable amount of debtors on a combined individual and collective basis at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Specifically, the Group performs individual impairment assessments for credit-impaired trade receivables or balances that are individually significant and exhibit specific risk indicators (such as severe financial difficulties or legal disputes). For the remaining trade receivables, the Group performs impairment assessment under the ECL model collectively based on a provision matrix as appropriate, grouping customers by shared credit risk characteristics and historical past-due statuses. Because the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past-due status is not differentiated between the Group's customer bases.

The Group has concentration of credit risk, as 47% (2025: 36%) and 85% (2025: 87%) of the total trade receivables were due from the Group's largest debtor and the five largest debtors, respectively.

The following table provides information about the exposure to credit risk and ECL for trade receivables at 31 March 2026 and 2025 within lifetime ECL. Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of HK\$3,460,000 as at 31 March 2026 (2025: HK\$248,000) were assessed individually. During the year ended 31 March 2026, three specific debtors with a total gross carrying amount of HK\$854,000 entered into liquidation. The Group assessed the ECL rate for these debtors to be 100% and recognised an impairment loss of HK\$854,000 individually in profit or loss. Concurrently, as there was no reasonable expectation of recovering the associated contractual cash flows, these balances were fully written off against the recognised allowance during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)*Credit risk (continued)**Trade receivables (continued)*

As at 31 March 2026	Average loss rate %	Gross amount HK\$'000	Loss allowances HK\$'000
Neither past due nor impaired	0.22	2,767	6
1-30 days past due	0.27	4,331	11
31-60 days past due	0.71	1,620	12
61-90 days past due	1.36	103	1
91-180 days past due	2.26	1,281	28
Over 180 days past due	64.05	3,460	2,216
		13,562	2,274

As at 31 March 2025	Average loss rate %	Gross amount HK\$'000	Loss allowances HK\$'000
Neither past due nor impaired	0.11	9,224	10
1-30 days past due	0.13	1,647	2
31-60 days past due	0.27	747	2
61-90 days past due	0.56	968	5
91-180 days past due	1.24	860	11
Over 180 days past due	100.00	248	248
		13,694	278

As at 31 March 2026, the Group had HK\$58,000 (2025: HK\$30,000) impairment allowance for trade receivables based on the provision matrix and impairment allowance of HK\$2,216,000 (2025: HK\$248,000) was made on debtors with significant balances and credit-impaired debtors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)*Credit risk (continued)**Trade receivables (continued)*

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 April 2024	37	254	291
Reversal of impairment losses recognised, net	(7)	(6)	(13)
At 31 March 2025 and at 1 April 2025	30	248	278
Impairment losses recognised, net	33	2,817	2,850
Write-offs	(5)	(849)	(854)
At 31 March 2026	58	2,216	2,274

Liquidity risk

Cash flow is managed at group level by the management. The Group manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)***Liquidity risk (continued)***

The following table shows the details of 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 maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

	Weighted average interest rate %	On demand/ within 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2026							
Trade payables	-	15,191	-	-	-	15,191	15,191
Other payables and accruals	-	5,518	-	-	-	5,518	5,518
Amount due to a shareholder	-	6,095	-	-	-	6,095	6,095
Lease liabilities	4.9	4,812	5,189	1,912	496	12,409	11,593
Bank borrowings	3.3	16,799	-	-	-	16,799	14,506
		48,415	5,189	1,912	496	56,012	52,903
At 31 March 2025							
Trade payables	-	14,666	-	-	-	14,666	14,666
Other payables and accruals	-	5,726	-	-	-	5,726	5,726
Lease liabilities	6.2	342	249	99	-	690	635
Bank borrowings	3.5	21,916	-	-	-	21,916	19,749
		42,650	249	99	-	42,998	40,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)***Liquidity risk (continued)***

The following table summarises the maturity analysis of bank borrowings containing a repayable on demand clause based on the scheduled repayment dates set out in the loan agreements. The amounts include interest payments computed using contractual rates. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

	Within 1 year HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2026						
Bank borrowings	6,203	1,203	3,386	6,007	16,799	14,506
At 31 March 2025						
Bank borrowings	10,552	1,175	3,443	6,746	21,916	19,749

Interest rate benchmark reform

As listed in note 30 to the consolidated financial statements, several of the Group's Hong Kong Interbank Offered Rate ("HIBOR") bank borrowings may be subject to the interest rate benchmark reform. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant interbank offered rate regulators.

HIBOR

While the Hong Kong Dollar Overnight Index Average ("HONIA") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

Fair value of financial instruments

The carrying amounts of the Group's financial assets and financial liabilities were not materially different from their fair values at 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

8. SEGMENT INFORMATION

The Group is principally engaged in sales of apparel products with the provision of apparel SCM services to customers.

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess the performance. The information reported to the directors, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors of the Company review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Information about major customers

Revenue from customers during the reporting period individually contributing over 10% of the Group's revenue is as follows:

	2026 HK\$'000	2025 HK\$'000
Customer A	44,609	27,899
Customer B	19,242	63,108
Customer C	16,474	N/A ¹

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except as disclosed above, no single customers contributed 10% or more to the Group's revenue for both years.

Geographical information

The following tables set out information about geographic location of customers is based on the location to which the goods are delivered. The geographic location of non-current assets is based on the physical location of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

8. SEGMENT INFORMATION (continued)

*Geographical information (continued)**Revenue from external customers*

	2026 HK\$'000	2025 HK\$'000
The United States of America	89,447	49,096
France	15,159	11,347
Other European countries (note (i))	27,012	65,512
Australia	27,989	38,228
Canada	1,352	139
Hong Kong	962	51
Other locations (note (ii))	1,090	440
	163,011	164,813

Notes:

(i) Other European countries mainly include the Netherlands, Portugal and the United Kingdom.

(ii) Other locations mainly include Indonesia, New Zealand and South Africa.

Non-current assets

The following is an analysis of the Group's non-current assets by their geographical location:

	2026 HK\$'000	2025 HK\$'000
Hong Kong	29,781	20,777
PRC, excluding Hong Kong	123	19
France	980	89
Australia	673	507
	31,557	21,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. REVENUE

Disaggregation of revenue from contracts with customers:

	2026 HK\$'000	2025 HK\$'000
Sales of goods – apparel SCM services	163,011	164,813

	2026 HK\$'000	2025 HK\$'000
Timing of revenue recognition		
At a point in time	163,011	164,813

Transaction price allocated to the remaining performance obligations for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining obligations under the contracts as all contract works have an original expected duration of one year or less.

10. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Bank interest income	19	81
Government grants (note (i))	614	–
Staff welfare sponsorship	96	60
Sundry income	595	930
	1,324	1,071

Note:

- (i) During the year ended 31 March 2026, the Group recognised government grants of HK\$614,000 (2025: nil) in respect of the dedicated fund on Branding, Upgrading and Domestic Sales launched by the Hong Kong Government. There are no unfulfilled conditions or other contingencies attaching to these grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

11. OTHER GAINS AND LOSSES, NET

	2026 HK\$'000	2025 HK\$'000
Net foreign exchange gains/(losses)	941	(271)
Gain on lease modification	40	–
Written-off of inventories	–	(160)
	981	(431)

12. IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON TRADE RECEIVABLES AND AMOUNT DUE FROM A RELATED PARTY

	2026 HK\$'000	2025 HK\$'000
Impairment loss/(reversal of impairment loss) recognised in respect of trade receivables	2,850	(13)
Bad debt recovered on trade receivables	–	(82)
Reversal of impairment loss recognised in respect of amount due from a related party	–	(39)
	2,850	(134)

13. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on bank borrowings	918	1,090
Interest on lease liabilities (note 21(b))	138	60
	1,056	1,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	2026 HK\$'000	2025 HK\$'000
Auditor's remuneration		
Audit services	580	600
Non-audit services	—	—
	580	600
Commission expenses	459	3,123
Cost of inventories sold	102,204	119,113
Depreciation of property, plant and equipment (included in "Administrative expenses")	2,280	2,324
Depreciation of right-of-use assets (included in "Administrative expenses")	1,083	374
Expenses relating to short-term leases	2,640	2,643
Staff costs (excluding directors' remuneration) (note (i))		
Salaries and wages	13,550	12,270
Staff benefits	256	220
Retirement benefits schemes contributions	747	1,037
	14,553	13,527

Note:

- (i) Staff costs excluding directors' remuneration included in "Selling and distribution expenses" are salaries and wages of HK\$9,197,000 (2025: HK\$7,172,000) and retirement benefits schemes contributions of HK\$496,000 (2025: HK\$730,000). The remaining staff costs are included in "Administrative expenses".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. DIRECTORS' REMUNERATION

Directors' remuneration (included in "Administrative expenses") for the year disclosed pursuant to the GEM Listing Rules, section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation is as follows:

	Director's fee HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Retirement benefits schemes contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2026				
Executive directors:				
Mr. Wu Qifeng (notes (i) and (ii))	–	1,021	7	1,028
Mr. Wu Kang (note (i))	–	346	7	353
Mr. Leung Kwok Hung Wilson (notes (ii) and (iii))	–	3,173	16	3,189
Ms. Tam Shuk Fan (note (iii))	–	1,190	16	1,206
Non-executive director:				
Ms. Jiao Yue (note (iv))	1	–	–	1
Independent non-executive directors:				
Mr. Chen Ning (note (i))	80	–	–	80
Ms. Wang Li (note (i))	80	–	–	80
Mr. Guan Yuliang (note (i))	60	–	–	60
Ms. Cheung Wai Man (note (iii))	75	–	–	75
Mr. Lau Yau Chuen Louis (note (iii))	98	–	–	98
Mr. Lee Kwun Ting (note (iii))	74	–	–	74
	468	5,730	46	6,244

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For the year ended 31 March 2026

15. DIRECTORS' REMUNERATION (continued)

	Director's fee HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Retirement benefits schemes contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2025				
Executive directors:				
Mr. Leung Kwok Hung Wilson	–	4,800	36	4,836
Ms. Tam Shuk Fan	–	1,800	36	1,836
Independent non-executive directors:				
Ms. Cheung Wai Man	100	–	–	100
Mr. Lau Yau Chuen Louis	132	–	–	132
Mr. Lee Kwun Ting	100	–	–	100
	332	6,600	72	7,004

Notes:

- (i) Appointed on 28 November 2025.
- (ii) Also the Chief Executive Officer of the Company whose emoluments disclosed include those for his services as the Chief Executive.
- (iii) Resigned on 28 November 2025.
- (iv) Appointed on 30 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. DIRECTORS' REMUNERATION (continued)

No directors have waived or agreed to waive any remuneration during the years ended 31 March 2026 and 2025.

During the years ended 31 March 2026 and 2025, there were no amounts paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 16 below as an inducement to join or upon joining the Group or as compensation for loss of office.

Save as disclosed in note 33 to the consolidated financial statements, no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period (2025: nil).

16. FIVE HIGHEST PAID INDIVIDUALS

Among the five individuals with the highest emoluments are two directors who resigned on 28 November 2025 (2025: two) and subsequently became employees of the Group, and one director who was appointed on 28 November 2025. Their remuneration as directors is set out in note 15 above. Details of the remuneration of the two (2025: three) non-director highest paid employees, together with the employee emoluments of the two resigned directors after their transition to employees, are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries and other benefits	3,428	2,242
Retirement benefits schemes contributions	86	54
	3,514	2,296

The above individuals with the highest emoluments are within the following band:

	2026	2025
Nil to HK\$1,000,000	2	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. INCOME TAX EXPENSE/(CREDIT)

	2026 HK\$'000	2025 HK\$'000
Current tax – Hong Kong Profits Tax		
Charge for the year	1,575	96
Over-provision in prior year	(93)	–
Deferred tax (note 31)	1,482	96
Credit for the year	–	(177)
	1,482	(81)

Under the two-tiered Hong Kong Profits Tax regime, the first HK\$2 million of profits of a qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The two-tiered Hong Kong Profits Tax regime was applicable to the Group for the years ended 31 March 2026 and 2025. The profits of group entities not qualifying for the two-tiered Hong Kong Profits Tax regime will continue to be taxed at the rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary of the Group is 25% (2025: 25%). No PRC Enterprise Income Tax had been made as the Group had no assessable profit for the years ended 31 March 2026 and 2025.

Income taxes of other overseas subsidiaries are calculated at the applicable rates prevailing in the jurisdictions in which the subsidiaries operate. No income taxes of other overseas subsidiaries had been made as the Group had no assessable profit for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. INCOME TAX EXPENSE/(CREDIT) (continued)

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

	2026 HK\$'000	2025 HK\$'000
Profit before tax	682	523
Tax at the rates applicable in the countries concerned	35	(388)
Tax effect of expenses not deductible for tax purpose	1,980	632
Tax effect of income not taxable for tax purpose	(286)	(228)
Tax effect of estimated tax losses not recognised	35	334
Utilisation of tax losses previously not recognised	(21)	(431)
Over-provision in prior year	(93)	–
Tax effect of tax concession	(168)	–
Income tax expense/(credit)	1,482	(81)

18. DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed by the Board of Directors subsequent to the end of the reporting period (2025: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. (LOSS)/EARNINGS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
(Loss)/profit		
(Loss)/profit for the purpose of calculation of basic and diluted (loss)/earnings per share	(800)	604
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted (loss)/earnings per share	400,000	400,000

No diluted (loss)/earnings per share was presented for the years ended 31 March 2026 and 2025 as there were no potential dilutive ordinary shares in issue for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Furniture and fixtures HK\$'000	Leasehold improvements HK\$'000	Computers HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
Cost						
At 1 April 2024	15,352	2,628	6,380	3,391	337	28,088
Additions	–	–	–	13	–	13
Exchange realignment	–	–	–	(1)	–	(1)
At 31 March 2025 and 1 April 2025	15,352	2,628	6,380	3,403	337	28,100
Additions	–	–	–	34	–	34
Exchange realignment	–	–	–	5	–	5
At 31 March 2026	15,352	2,628	6,380	3,442	337	28,139
Accumulated depreciation						
At 1 April 2024	358	435	1,063	3,046	90	4,992
Charge for the year	307	525	1,277	148	67	2,324
Exchange realignment	–	–	–	(1)	–	(1)
At 31 March 2025 and 1 April 2025	665	960	2,340	3,193	157	7,315
Charge for the year	307	525	1,277	104	67	2,280
Exchange realignment	–	–	–	4	–	4
At 31 March 2026	972	1,485	3,617	3,301	224	9,599
Carrying amount At 31 March 2026	14,380	1,143	2,763	141	113	18,540
At 31 March 2025	14,687	1,668	4,040	210	180	20,785

As at 31 March 2026, buildings with carrying amount of HK\$14,380,000 (2025: HK\$14,687,000) were pledged to secure general banking facilities granted to the Group (note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

21. LEASES

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Office premises HK\$'000	Directors' quarters HK\$'000	Total HK\$'000
At 1 April 2024	1,005	–	1,005
Depreciation charge	(374)	–	(374)
Exchange realignment	(24)	–	(24)
At 31 March 2025 and 1 April 2025	607	–	607
Additions (note (i))	9,394	3,188	12,582
Lease modification	(421)	–	(421)
Depreciation charge	(1,053)	(30)	(1,083)
Exchange realignment	3	–	3
At 31 March 2026	8,530	3,158	11,688

Note:

(i) Amount included right-of-use assets resulting from new leases entered into.

For the years ended 31 March 2026 and 2025, the Group leased various offices for its operations. In addition, it leased a residential property as quarters for a director of the Company during the year ended 31 March 2026. Lease agreements are entered into for fixed term of two years to four years (2025: two years to three years). The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options and the amounts include future lease payments for extension options in which the Group is reasonably certain to exercise. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

21. LEASES (continued)**(b) Lease liabilities**

The movements of lease liabilities in respect of the above leases are as follows:

	Office premises HK\$'000	Directors' quarters HK\$'000	Total HK\$'000
At 1 April 2024	1,022	–	1,022
Interest on lease liabilities (note 13)	60	–	60
Lease payments	(420)	–	(420)
Exchange realignment	(27)	–	(27)
At 31 March 2025 and 1 April 2025	635	–	635
New leases entered into	9,394	3,188	12,582
Interest on lease liabilities (note 13)	134	4	138
Lease payments	(1,158)	(142)	(1,300)
Lease modification	(461)	–	(461)
Exchange realignment	(1)	–	(1)
At 31 March 2026	8,543	3,050	11,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

21. LEASES (continued)**(b) Lease liabilities (continued)**

The lease payables are repayable (based on scheduled repayment dates as set out in the lease agreements):

	2026 HK\$'000	2025 HK\$'000
Within one year	4,365	306
Exceeding one year but not exceeding two years	4,950	232
Exceeding two years but not exceeding five years	1,814	97
Exceeding five years	464	–
	11,593	635
Less: Amount due for settlement with 12 months shown under current liabilities	(4,365)	(306)
Amount due for settlement after 12 months shown under non-current liabilities	7,228	329

The weighted average incremental borrowing rate applied to lease liabilities was approximately 4.9% (2025: 6.2%).

Amounts recognised in the consolidated statement of profit or loss in relation to leases:

	2026 HK\$'000	2025 HK\$'000
Interest on lease liabilities	138	60
Depreciation of right-of-use assets	1,083	374
Expenses relating to short-term leases	2,640	2,643
Total amount recognised in consolidated profit or loss	3,861	3,077

The total cash outflow for leases for the year ended 31 March 2026 was HK\$3,940,000 (2025: HK\$3,063,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22. TRADE AND BILLS RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	13,562	13,694
Less: Allowance for ECL	(2,274)	(278)
	11,288	13,416
Bills receivables	3,459	–
	14,747	13,416

The following is an ageing analysis of trade and bills receivables based on the invoice dates (or date of revenue recognition, if earlier), net of allowance for ECL:

	2026 HK\$'000	2025 HK\$'000
0-30 days	4,497	8,874
31-60 days	6,978	340
61-90 days	776	–
Over 90 days	2,496	4,202
	14,747	13,416

The Group generally allows credit period up to 90 days (2025: 90 days) to its customers.

Details of impairment assessment of trade and bills receivables are set out in note 7 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

23. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade deposits	2,468	8,134
Lease and utility deposits	2,093	726
Prepayments	73	300
Other receivables	39	161
	4,673	9,321
Less: Non-current portion		
Lease deposits	(1,329)	–
Current portion	3,344	9,321

Details of impairment assessment of lease and utility deposits and other receivables are set out in note 7 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

24. AMOUNT(S) DUE FROM/TO RELATED COMPANIES/RELATED PARTIES/A SHAREHOLDER**(a) Amounts due from related companies**

The related companies are controlled by one or two key management personnel of the Group or close family members of one key management personnel of the Group.

During the year ended 31 March 2025, the maximum amounts due from related companies are HK\$3,270,000.

Amounts due from related companies are unsecured, interest-free and repayable on demand.

(b) Amounts due from related parties

The related parties are one key management personnel of the Group and a close family member of two key management personnel of the Group (2025: The related party is a close family member of two key management personnel of the Group).

During the year ended 31 March 2026, the maximum amounts due from related parties are HK\$3,348,000 (2025: HK\$2,437,000).

Amounts due from related parties are unsecured, interest-free and repayable on demand.

(c) Amount due to a shareholder

Amount due to a shareholder is unsecured, interest-free and repayable on demand.

Details of impairment assessment of amounts due from related companies and related parties are set out in note 7 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. PLEDGED BANK DEPOSITS

As at 31 March 2025, pledged bank deposits carried interest at 4.00% per annum. At 31 March 2025, pledged bank deposits had maturities of 2 months at inception.

As at 31 March 2025, pledged bank deposits were all denominated in HK\$.

As at 31 March 2025, pledged bank deposits were used as collaterals against a revolving loan facility granted by a bank to the Group. During the year ended 31 March 2026, the bank loan facility was terminated and the pledged bank deposits were released (note 30).

26. BANK BALANCES AND CASH

The carrying amounts of bank balances and cash are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
HK\$	4,668	3,019
US\$	16,204	10,485
Australian dollars ("AUD")	170	410
RMB	429	377
Euros	269	239
Great British pounds	65	2
	21,805	14,532

Bank balances carry interest at floating rates ranging from 0.001% to 0.45% per annum (2025: from 0.03% to 0.45% per annum) and are placed with creditworthy banks with no recent history of default.

As at 31 March 2026 and 2025, all RMB-denominated bank balances and cash are subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27. TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice dates:

	2026 HK\$'000	2025 HK\$'000
0-30 days	785	3,874
31-60 days	1,826	3,654
61-90 days	2,214	3,358
Over 90 days	10,366	3,780
	15,191	14,666

All trade payables are non-interest-bearing and are generally settled on 30-day (2025: 30-day) terms.

The carrying amounts of trade payables are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
US\$	12,891	14,273
HK\$	2,300	390
AUD	–	3
	15,191	14,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

28. OTHER PAYABLES AND ACCRUALS

	2026 HK\$'000	2025 HK\$'000
Other payables	581	935
Accruals	4,937	4,791
	5,518	5,726

The carrying amounts of other payables and accruals are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
HK\$	5,380	5,303
AUD	118	405
RMB	20	18
	5,518	5,726

29. CONTRACT LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Provision of apparel SCM services	5,122	7,139

As at 1 April 2024, the Group had contract liabilities of HK\$8,176,000.

When the Group receives a deposit before production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a deposit upon acceptance of contract.

All contract liabilities at the beginning of the years ended 31 March 2026 and 2025 have been recognised as revenue during the respective financial reporting period as the Group will normally deliver the goods to satisfy the remaining performance obligations of the relevant contract liabilities within one year.

The Group classifies contract liabilities as current because the Group expects these obligations to be settled in its normal operating cycle which is within 12 months after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. BANK BORROWINGS

	2026 HK\$'000	2025 HK\$'000
Secured (notes (i), (ii) and (iii))	12,037	16,495
Unsecured (note (iv))	2,469	3,254
	14,506	19,749

Notes:

- (i) As at 31 March 2025, the secured bank borrowings consisted of a revolving loan of HK\$4,000,000 bearing at variable interest rate at a range from 6.00% to 7.65% per annum which was guaranteed by two key management personnel of the Group and the Group's pledged bank deposits of HK\$1,400,000 (note 25).

As at 31 March 2025, unutilised banking facility amounted to HK\$3,000,000.

During the year ended 31 March 2026, the above secured bank borrowings were fully repaid, and all related banking facilities, guarantees, and securities were terminated.

- (ii) As at 31 March 2026, the secured bank borrowings consisted of outstanding balances of instalment loans HK\$7,037,000 (2025: HK\$7,495,000). They included (i) an instalment loan with principal amount of HK\$5,890,000 (2025: HK\$5,890,000) bearing variable interest rate at a range from 2.40% to 3.88% per annum (2025: 3.00% to 3.63% per annum) and secured by the collateral of property of the Group ("Property A") with carrying amount of HK\$14,380,000 (2025: HK\$14,687,000) (note 20) and (ii) an instalment loan with principal amount of HK\$2,500,000 (2025: HK\$2,500,000) bearing variable interest rate at range from 2.40% to 3.88% per annum (2025: 3.00% to 3.63% per annum) and secured by the collateral of a property owned by a close family member of two key management personnel of the Group ("Property B").

- (iii) As at 31 March 2026, the secured borrowings consisted of a revolving loan of HK\$5,000,000 (2025: HK\$5,000,000) bearing variable interest rate at a range from 3.38% to 5.85% per annum (2025: 3.50% to 4.13% per annum) which was guaranteed by one key management personnel of the Group and secured by the collateral of Property A and Property B.

As at 31 March 2026, the unutilised banking facility amounted to HK\$7,000,000 (2025: HK\$7,000,000).

- (iv) The unsecured bank borrowings were guaranteed by two key management personnel of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. BANK BORROWINGS (continued)

The bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements) as follows:

	2026 HK\$'000	2025 HK\$'000
Within one year	5,884	10,250
Exceeding one year but not exceeding two years	913	902
Exceeding two years but not exceeding five years	2,700	2,791
Exceeding five years	5,009	5,806
	14,506	19,749
Less: Amounts classified as current liabilities Within one year or exceeding one year but containing a repayment on demand clause	(14,506)	(19,749)
Amounts classified as non-current liabilities	—	—

As at 31 March 2026 and 2025, the bank borrowings are all denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. DEFERRED TAX

	Accelerated tax depreciation HK\$'000
At 1 April 2024	177
Credit to profit or loss (note 17)	(177)
At 31 March 2025, 1 April 2025 and 31 March 2026	–

As at 31 March 2026, the Group had unused estimated tax losses arising in Hong Kong of HK\$22,474,000 (2025: HK\$28,137,000) available indefinitely for offsetting against future profits of the subsidiaries in which the losses arose. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of future profit streams of the related Hong Kong subsidiaries.

32. SHARE CAPITAL

	2026		2025	
	Number of ordinary shares '000	Carrying amount HK\$'000	Number of ordinary shares '000	Carrying amount HK\$'000
Ordinary shares of HK\$0.01 each Authorised: At beginning and the end of the year	10,000,000	100,000	10,000,000	100,000
Issued and fully paid: At beginning and the end of the year	400,000	4,000	400,000	4,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

33. MATERIAL RELATED PARTY TRANSACTIONS**(a) Related party transactions**

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following related party transactions during the years ended 31 March 2026 and 2025:

	2026 HK\$'000	2025 HK\$'000
Handling expenses to related companies (notes (i) and (ii))	2,373	2,961

Notes:

- (i) The related companies are controlled by close family members of one key management personnel of the Group.
- (ii) The transactions were conducted at term and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that those related party transactions were conducted in the normal ordinary course of business of the Group.

(b) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the directors as disclosed in note 15 to the consolidated financial statements, is as follows:

	2026 HK\$'000	2025 HK\$'000
Short-term employee benefits	9,566	7,848
Post-employment benefits	90	107
	9,656	7,955

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

(c) Balances with related parties

Details of the balances with related parties at the end of the reporting period are set out in note 24 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, the Group entered into various lease agreements for office premises and a director's quarters. At lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$12,582,000 (2025: nil). Lease deposits of HK\$903,000 (2025: nil) had been paid through the amount due to a shareholder. In addition, the amounts due from related companies of HK\$1,371,000 (2025: nil) were transferred to an amount due to a related party.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified as cash flows from financing activities in the Group's consolidated statement of cash flows.

	Amount due to a shareholder HK\$'000 (note 24(c))	Lease liabilities HK\$'000 (note 21(b))	Bank borrowings HK\$'000 (note 30)	Total HK\$'000
At 1 April 2024	–	1,022	24,558	25,580
Exchange realignment	–	(27)	–	(27)
Financing cash flows	–	(420)	(5,899)	(6,319)
Interest expenses (note 13)	–	60	1,090	1,150
At 31 March 2025 and 1 April 2025	–	635	19,749	20,384
New leases entered into	–	12,582	–	12,582
Exchange realignment	–	(1)	–	(1)
Financing cash flows	5,192	(1,300)	(6,161)	(2,269)
Operating cash flows	903	–	–	903
Lease modification	–	(461)	–	(461)
Interest expenses (note 13)	–	138	918	1,056
At 31 March 2026	6,095	11,593	14,506	32,194

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Investments in subsidiaries		31	1
Right-of-use assets		6,762	–
Lease deposits		903	–
		7,696	1
Current assets			
Amounts due from subsidiaries		1,128	1,114
Amount due from a related company		–	24
Amount due from a related party		24	–
Bank balances and cash		604	117
		1,756	1,255
Current liabilities			
Accruals		1,355	281
Lease liabilities		2,610	–
Amount due to shareholder		6,095	–
		10,060	281
Net current (liabilities)/assets		(8,304)	974
Total assets less current liabilities		(608)	975
Equity			
Share capital	32	4,000	4,000
Reserves	36(b)	(8,749)	(3,025)
		(4,749)	975
Non-current liabilities			
Lease liabilities		4,141	–
Total equity and non-current liabilities		(608)	975

The financial statements were approved and authorised for issue by the Board of Directors on 29 June 2026 and are signed on its behalf by:

Wu Qifeng
Director

Wu Kang
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)**(b) Reserves movements of the Company**

	Share premium HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	43,238	(44,977)	(1,739)
Total comprehensive loss for the year	—	(1,286)	(1,286)
At 31 March 2025 and 1 April 2025	43,238	(46,263)	(3,025)
Total comprehensive loss for the year	—	(5,724)	(5,724)
At 31 March 2026	43,238	(51,987)	(8,749)

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place of incorporation/ operation	Legal form	Class of share/ registered capital held	Issued and fully paid share capital/ registered capital		Proportion of ownership interest and voting power Indirectly held by the Company		Principal activities
				2026	2025	2026	2025	
Majestic City Enterprises Holdings Limited	Hong Kong	Private limited liability company	Ordinary	HK\$100	HK\$2	100%	100%	Provision of apparel SCM services
Majestic City Global Limited	Hong Kong	Private limited liability company	Ordinary	HK\$2	HK\$2	100%	100%	Property holding
Majestic City International Limited	Hong Kong	Private limited liability company	Ordinary	HK\$2	HK\$2	100%	100%	Provision of apparel SCM services
Majestic City (EU) Limited	Hong Kong	Private limited liability company	Ordinary	HK\$1,000	HK\$1,000	100%	100%	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

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

None of the subsidiaries of the Company had debt securities outstanding at the end of the reporting period or at any time during the years ended 31 March 2026 and 2025.

38. RETIREMENT BENEFITS SCHEMES

The Group operates the MPF Scheme under rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has chosen to follow the minimum statutory contribution requirement of 5% (2025: 5%) of eligible employees' monthly relevant income but limited to the mandatory cap of HK\$30,000 (2025: HK\$30,000). The contributions are charged to profit or loss as incurred. The assets of the MPF Scheme are held separately from those of the Group in an independently administrative fund.

The employees of the Group's subsidiary in the PRC are members of state-managed retirement benefits schemes operated by the government of the PRC. The subsidiary is required to contribute a specific percentage of 16% (2025: 16%) of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is made the specified contributions under the schemes. The contributions are charged to profit or loss as incurred.

During the years ended 31 March 2026 and 2025, the Group had no forfeited contributions under the MPF Scheme and the retirement benefits schemes utilised to reduce the existing levels of contributions. As at 31 March 2026 and 2025, there was no forfeited contribution under the MPF Scheme and retirement benefits schemes which may be used by the Group to reduce the contribution payable in the future years.

39. CONTINGENT LIABILITIES

The Group had no material contingent liabilities for disclosure as at 31 March 2026 (2025: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

40. EVENTS AFTER THE REPORTING PERIOD***Rights issue***

On 19 March 2026, the directors of the Company proposed to issue rights shares (the “**Rights Share(s)**”) on the basis of one Rights Share for every one existing share held on the record date at a subscription price of HK\$0.10 per Rights Share (the “**Proposed Rights Issue**”). Gross proceeds to be raised by the Proposed Rights Issue is up to HK\$40,000,000 before expenses (assuming no further issue or repurchase of shares on or before the record date), by issuing up to 400,000,000 Rights Shares. The Proposed Rights Issue was approved by the independent shareholders of the Company at the extraordinary general meeting held on 18 May 2026 by way of poll. Had the Proposed Rights Issue occurred as at the end of the reporting period, it would have significantly changed the number of ordinary shares outstanding as at 31 March 2026. The basic and diluted earnings per share for the current and prior periods would have been retrospectively adjusted for the bonus element inherent in the Proposed Rights Issues.

Details of the Proposed Rights Issue are set out in the Company’s announcements dated 19 March 2026 and 25 June 2026, its circular dated 23 April 2026, its poll results announcement dated 18 May 2026 and its listing documents dated 3 June 2026, respectively.

FINANCIAL SUMMARY

For the year ended 31 March 2026

The following is a summary of the results, and of the assets and liabilities of the Group for the last five financial years, as extracted from its published audited consolidated financial statements:

RESULTS

	2026 HK\$'000	Year ended 31 March			
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	163,011	164,813	118,829	149,745	170,570
Profit/(loss) before tax	682	523	(17,402)	(4,947)	18,844
Income tax (expense)/credit	(1,482)	81	(197)	(8)	370
(Loss)/profit for the year	(800)	604	(17,599)	(4,955)	19,214

ASSETS AND LIABILITIES

	2026 HK\$'000	As at 31 March			
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Current assets	43,244	43,644	35,842	51,864	72,262
Non-current assets	31,557	21,392	24,101	16,290	1,688
Total assets	74,801	65,036	59,943	68,154	73,950
Current liabilities	52,071	47,682	42,905	34,378	35,370
Non-current liabilities	7,228	329	837	52	–
Total liabilities	59,299	48,011	43,742	34,430	35,370
Equity attributable to owners of the Company	15,502	17,025	16,201	33,724	38,580

Note: The summary above does not form part of the audited consolidated financial statements.