Grand Brilliance
Group Holdings Limited
君百延集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8372

2026
ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "HONG KONG STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Hong Kong Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Hong Kong Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Grand Brilliance Group Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "We") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Hong Kong Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Ms. Wong Bik Kwan Bikie
(Chairman and Chief Executive Officer)

Non-executive Directors

Dr. Miu Yin Shun Andrew
Mr. Chiu Man Wai

Independent non-executive Directors

Mr. Ng Leung Sing *SBS, JP*
Mr. Chow Ming Po Aaron
Mr. Chiu Fan Wa (appointed on 1 June 2025)

AUDIT COMMITTEE

Mr. Chiu Fan Wa (*Chairman,* appointed on 1 June 2025)
Mr. Chow Ming Po Aaron
Dr. Miu Yin Shun Andrew

REMUNERATION COMMITTEE

Mr. Chow Ming Po Aaron *(Chairman)*
Ms. Wong Bik Kwan Bikie
Mr. Chiu Fan Wa (appointed on 1 June 2025)

NOMINATION COMMITTEE

Mr. Ng Leung Sing *SBS, JP (Chairman)*
Mr. Chow Ming Po Aaron
Mr. Chiu Man Wai
Ms. Wong Bik Kwan Bikie (appointed on 20 June 2025)
Mr. Chiu Fan Wa (appointed on 20 June 2025)

COMPANY SECRETARY

Ms. Lee Ka Man

AUTHORISED REPRESENTATIVES

Ms. Wong Bik Kwan Bikie
Ms. Lee Ka Man

COMPLIANCE OFFICER

Ms. Wong Bik Kwan Bikie

AUDITOR

BDO Limited
Certified Public Accountants and Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2901–2903 and 2905
29/F, The Octagon
6 Sha Tsui Road
Tsuen Wan
New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

STOCK CODE

8372

COMPANY WEBSITE

www.grandbrilliancegroup.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of Directors of the Group, I am pleased to present this annual report of the Group for the year ended 31 March 2026.

For the year ended 31 March 2026, Hong Kong's economy generally remained stable and showed positive momentum despite a complex and challenging global environment. The Group achieved its business growth through diversifying the product portfolio and enhance our research and development ability. The Group will further expand the product portfolio and enhance the customer services to improve our one-stop medical device solutions services.

Looking ahead, we continue to be optimistic on the outlook of the medical and healthcare industry, attributable to the increase of aging population and rising healthcare awareness of the public in Hong Kong together with our automation solution to eliminate the medical manpower shortage crisis in Hong Kong. The Group is looking for suitable investment opportunities to diversify business and bring better investment return to the shareholders of the Company.

Last but not least, I wish to take this opportunity to express my sincere thanks to our customers, staff, business partners and shareholders for their unremitting confidence in and support for the Group. I would also like to extend by heartfelt appreciation to the Board for their efforts and contributions to the Group's expeditious business growth.

Wong Bik Kwan Bikie
Chairman and Chief Executive Officer

Hong Kong, 26 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

We are an established medical device distributor and one-stop medical device solutions provider with over 20 years of experience in the medical device market in Hong Kong.

BUSINESS REVIEW

For the year ended 31 March 2026, the Group continued to implement our business strategy to solidify our position as a major medical device distributor in Hong Kong. We have established a subsidiary company which will facilitate and bring about the Group's future business development in developing an own brand medical device in order to support and sustain the growth of our business and expand our business. The Group achieved its business growth through diversifying the product portfolio and enhance our research and development ability.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 6.6%, from approximately HK$94.4 million for the year ended 31 March 2025 to approximately HK$100.7 million for the year ended 31 March 2026. The increase was primarily attributable to certain tenders won during the year for supplying medical equipment in the expansion of existing hospitals under the First Hospital Development Plan implemented by the Government of Hong Kong Special Administrative Region.

Gross profit and gross profit margin

The Group recorded gross profit of approximately HK$46.4 million for the year ended 31 March 2026, representing an increase by approximately HK$0.7 million or 1.4%, as compared to approximately HK$45.7 million for the year ended 31 March 2025. Gross profit margin decreased from approximately 48.4% for the year ended 31 March 2025 to approximately 46.1% for the year ended 31 March 2026. The decrease in gross profit margin was mainly due to change in product mix.

Administrative and other operating expenses

Administrative and other operating expenses mainly included auditor's remuneration, advertising and marketing expenses, depreciation, Directors' remuneration, legal and professional fee, rent, rates and management fee for office and warehouses, recruitment costs, staff costs, travelling and entertainment expenses and other miscellaneous expenses.

Administrative and other operating expenses remained relatively stable at approximately HK$37.9 million for the year ended 31 March 2026, as compared to approximately HK$37.8 million for the year ended 31 March 2025.

Income tax expenses

Income tax expenses remained relatively stable at approximately HK$0.9 million for the year ended 31 March 2026 (2025: approximately HK$0.9 million).

Profit for the year

The Group's profit decreased by approximately HK$1.1 million from approximately HK$9.2 million for the year ended 31 March 2025 to approximately HK$8.1 million for the year ended 31 March 2026. The decrease was primarily attributed to decrease in government grants but partly offset by increase in gross profit explained above.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Board has declared the payment of an interim dividend of HK0.25 cent (2025: HK0.25 cent) per ordinary share in lieu of final dividend for the year ended 31 March 2026. It is expected that the interim dividend will be paid on Monday, 10 August 2026 to the shareholders of the Company whose name appear on the register of members on Friday, 17 July 2026.

LIQUIDITY AND FINANCIAL RESOURCES

Liquidity

As at 31 March 2026, current assets amounted to approximately HK$126.7 million (2025: approximately HK$121.6 million). Current liabilities were approximately HK$16.7 million (2025: approximately HK$18.7 million).

Financial Resources

As at 31 March 2026, the Group had total cash and bank balances of approximately HK$53.1 million (2025: approximately HK$60.2 million).

As at 31 March 2026, the Group had trade receivables of approximately HK$42.6 million (2025: approximately HK$25.3 million).

Gearing Ratio

The gearing ratio of the Group as at 31 March 2026 was nil (2025: nil) as the Group had no material debt financing.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company since the listing. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2026, the Company's issued share capital was HK$8,000,000 and the number of issued ordinary shares was 800,000,000 of HK$0.01 each. Details of the Group's share capital are set out in note 26 to the consolidated financial statements in this annual report.

COMMITMENTS

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

SEGMENT INFORMATION

Segment information is disclosed in note 6 to the consolidated financial statements.

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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2026.

SIGNIFICANT INVESTMENTS

As at 31 March 2026, there was no significant investment held by the Group (2025: nil).

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with certain business transactions being settled in HK$, United States dollars ("US$") or Euro. As HK$ is pegged to US$, the Directors do not expect any significant movement in the US$/HK$ exchange rate. The Group monitors its foreign currency exposure closely and will consider undertake foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating result.

CHARGE OF GROUP'S ASSETS

No pledged bank deposits was placed in bank to secure the banking facilities of the Group as at 31 March 2026 and 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2026, the Group has a total of 51 employees (2025: 47 employees). Staff costs, including Directors' remuneration, of the Group were approximately HK$24.6 million for the year ended 31 March 2026 (2025: approximately HK$24.0 million). Remuneration is determined with reference to factors such as comparable market salaries and work performance, qualification and experience of individual employees. In addition to a basic salary, year-end discretionary bonuses are offered to employees with outstanding performance to attract and retain eligible employees to contribute to the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Ms. Wong Bik Kwan Bikie (黃碧君女士) ("Ms. Wong"), aged 57, is the Chairman, chief executive officer ("CEO") and executive Director. Ms. Wong is also a member of the Remuneration Committee and Nomination Committee and compliance officer of the Company. Ms. Wong is a distinguished leader in both the business and social sectors. After founding the Group in November 1997, she has served as the Group's Chairperson, Chief Executive Officer and Executive Director. She is responsible for overseeing business management, strategic planning, and development. She is also the spouse of Dr. Miu, a non-executive director of the Group. She is a director and shareholder of B&A Success Limited, a controlling shareholder of the Company.

Ms. Wong holds a Diploma in General Nursing and a Master of Business Administration degree from the University of South Australia.

Her career and societal contributions have expanded progressively over time, with achievements spanning the business domain and extensive community service.

Key Milestones

- *November 1997*: Founded the Group and assumed the roles of Chairperson, Chief Executive Officer, and Executive Director, leading the Group's steady growth.

- *2018*: Honored with the "Greater Bay Area Outstanding Women Entrepreneur Award 2018" by the Hong Kong Small and Medium Enterprises Association and Metro Finance Radio.

- *2019*:

  - Recognized as a "2019 Outstanding Chinese Model Woman" by China Central Television.

  - Awarded the "Junzi Entrepreneur Enterprise Award" by The Hang Seng University of Hong Kong.

- *2020*: Began serving as the Executive Chairperson of the Greater Bay Area Hong Kong Women Entrepreneurs Association and Chairperson of the Youth Development Committee, actively promoting women entrepreneurship and youth development in the region.

- *2022*: Appointed Vice President of the 5th Executive Council of the Hong Kong Zhuhai Association, fostering cross-border cooperation.

- *2023*:

  - Received the "Junzi Enterprise Award" again from The Hang Seng University of Hong Kong.

  - Honored with the "Standard Chartered Enterprise Achievement Award 2023 — Innovation Economy Enterprise — Excellence Award" by Standard Chartered Bank and Hong Kong Economic Journal.

  - Began serving as Vice Chairperson of the 44th, 45th, and 46th Board of Directors of Yan Oi Tong, and became a school director for Yan Oi Tong Ngan Po Ling Kindergarten, Tin Ka Ping Secondary School, and Lau Wong Fat Mrs. Primary School.

— *2024*: Appointed Honorary Deputy Team Leader of Tai Po Football Club, extending her leadership influence into the sports sector.

— *2025*:

  — Became a founding member of the Hong Kong Red Cross “EmpowerHer Network.”

  — Appointed as Convener of Health Seminars and a member of the Healthy City Committee under the Yau Tsim Mong District Office, contributing to public health promotion.

— *2026 *:

  — Received the “Junzi Enterprise Award” again from The Hang Seng University of Hong Kong.

  — Received Health Partnership Awards from etnet.

Honors and Impact

Ms. Wong’s exceptional performance in both business and philanthropy has made her a highly respected role model. Her contributions are not limited to professional success but extend deeply into social service. She holds numerous prominent positions, including:

— Honorary President of the Arts and Culture Development Foundation and Director of the Youth Development Committee.

— Honorary Advisor of the Youth Hong Kong Expats Association (青年港漂總會).

With her outstanding leadership and dedication to societal betterment, Ms. Wong has established herself as a paragon of excellence in multiple sectors, setting a benchmark for future generations to follow.”

NON-EXECUTIVE DIRECTORS

Dr. Miu Yin Shun Andrew (苗延舜醫生) (“Dr. Miu”), aged 59, was appointed as the non-executive Director on 18 September 2017. He is also a member of the Audit Committee. Dr. Miu is responsible for providing consultation on technical information on medical devices.

Dr. Miu obtained a degree of Bachelor of Medicine and Bachelor of Surgery from the Chinese University of Hong Kong in December 1990. He was awarded a fellowship by the Royal College of Surgeons of Edinburgh in July 1995, a fellowship in orthopaedic surgery by the Royal College of the Surgeons of Edinburgh in February 2000, a fellowship by the Hong Kong College of Orthopaedic Surgeons in March 2000, a fellowship in orthopaedic surgery by the Hong Kong Academy of Medicine (in orthopaedics) in May 2000, a first fellowship in rehabilitation of the Hong Kong College of Orthopaedic Surgeons in October 2004. He then obtained a degree of Master of Science in Sports Medicine and Health Science from the Chinese University of Hong Kong in November 2015.

Dr. Miu has extensive experience of over 32 years in the medical industry. He is the spouse of Ms. Wong. Dr. Miu has been practising as an orthopaedic specialist in Elite Clinic Limited since November 2011.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chiu Man Wai (趙文煒先生), aged 57, was appointed as the non-executive Director on 18 September 2017. He is also a member of the Nomination Committee. Mr. Chiu is responsible for advising on matters relating to investors' relations to the Group.

Mr. Chiu obtained a degree of Bachelor of Arts in Mathematics from Oxford University in June 1990. He also obtained a degree of Master of Science in Mathematical Modelling and Numerical Analysis from Oxford University in October 1991.

Mr. Chiu has extensive experience of over 29 years in the financial industry. Prior to joining the Group, Mr. Chiu was an investment analyst of the research department of Worldsec International Limited from March 1993 to April 1996 and served as a director of the research department of BNP Paribas Equities Hong Kong Limited from April 1996 to March 2004.

Moreover, Mr. Chiu has served as a director of Abridge Enterprises Company Limited since April 2007, which is mainly engaged in the provision of financial and investment services. He has also been a director of Technic Investment Company Limited since February 2004, a company whose principal business is investment. In addition, he has been a director of United Builders Insurance Company Limited since May 1996, a company whose principal business is insurance advisory services.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Leung Sing *SBS, JP* (吳亮星先生), aged 76, was appointed as the independent non-executive Director on 1 March 2018. He is also the chairman of the Nomination Committee. He has been an independent non-executive director of SmarTone Telecommunications Holdings Limited (stock code: 315), a company listed on the Hong Kong Stock Exchange since 23 June 1997.

Mr. Ng has served as a director in Bank of China (Hong Kong) Trustees Limited from August 2009 to December 2025. He served as a director in Hong Kong Mortgage Corporation Limited from April 2014 to April 2018.

Mr. Ng Leung Sing was an independent non-executive director of Hanhua Financial Holding Co., Ltd. (stock code: 3903), a company listed on the Hong Kong Stock Exchange, until 16 October 2022 and also was an independent non-executive director of Nine Dragons Paper (Holdings) Limited (stock code: 2689) a company listed on the Hong Kong Stock Exchange, until 3 December 2024.

In addition, he has served as a Hong Kong deputy to the 10th, 11th, 12th and 13th National People's Congress of the People's Republic of China ("PRC") since March 2003. He was previously a member of the Legislative Council of Hong Kong from 1998 to 2004 and 2012 to 2016, and a member of the Provisional Legislative Council of Hong Kong from 1996 to 1998. Moreover, he held the position of the trustee in the Hong Kong Government Land Fund from 1988 to 1997. He served as a Chinese representative in Sino-British Land Commission from 1988 to 1997. Mr. Ng obtained a Diploma in Chinese Law from the University of East Asia, Macau (currently known as the University of Macau) in May 1987.

Mr. Chow Ming Po Aaron (周明寶先生), aged 53, was appointed as an independent non-executive Director on 21 June 2021. He is also the chairman of the Remuneration Committee, a member of the Audit Committee and Nomination Committee.

Mr. Chow is a practicing solicitor in Hong Kong. Mr. Chow obtained his Bachelor of Laws degree and Postgraduate Certificate in Laws from the University of Hong Kong respectively in 1995 and 1996. Mr. Chow was admitted as a solicitor of the High Court of Hong Kong in 1998. Mr. Chow is one of the founders of V. Hau & Chow, a firm of solicitors in Hong Kong, and has been a partner of the firm since 2006. Mr. Chow currently serves as the legal adviser for the Hong Kong Pui Ching Alumni Association Limited, an honorary legal adviser for the Hong Kong Chinese Civil Servants' Association and an honorary legal advisor for the Greater Bay Area Hong Kong Women Entrepreneurs Association.

Mr. Chiu Fan Wa (趙帆華先生), aged 61, was appointed as an independent non-executive Director on 1 June 2025. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee.

Mr. Chiu is a founder and the managing director of Chiu, Choy & Chung C.P.A. Limited, and a partner of F. S. Li & Co. Mr. Chiu graduated from City University of Hong Kong and obtained a Bachelor of Arts (Honours) degree with major in accountancy in 1992 and was awarded a Master of Professional Accounting from The Hong Kong Polytechnic University in 2002. He is a Certified Public Accountant (Practising) in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of the Chartered Accountants in England and Wales, a fellow member of The Society of Chinese Accountants & Auditors, a fellow member of The Taxation Institute of Hong Kong and a Chartered Tax Advisor.

Mr. Chiu was an independent non-executive director of Tianda Pharmaceuticals Limited from 31 March 2009 to 1 July 2023.

SENIOR MANAGEMENT

Mr. Cheung Chong Chi (張創智先生), aged 48, Chief Financial Officer of the Group. Mr. Cheung joined the Group on 12 August 2019. He is primarily responsible for overseeing accounting, financial management, company secretarial and internal control matters of the Group.

Mr. Cheung graduated from the Chinese University of Hong Kong with a Degree of Bachelor of Business Administration in May 1999. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.

Mr. Lau Wai Man (劉偉民先生), aged 39, is the manager in marketing, project and service engineering of the Group. Mr. Lau joined the Group in February 2015 and is primarily responsible for developing new business opportunities, and invention of new technology and marketing. Mr. Lau obtained a degree of Bachelor of Engineering in Medical Engineering from the University of Hong Kong in November 2008 and a degree of Master of Science in Biomedical Engineering from the Chinese University of Hong Kong in December 2009. Before joining the Group, Mr. Lau worked in AML Health Plus Limited, a company engaged in the manufacturing and export of medical and health care devices, from April 2010 to December 2014 where his last position was assistant marketing and project manager. Mr. Lau worked as a research assistant in the Prenatal Diagnostic Laboratory at Tsan Yuk Hospital under the University of Hong Kong from October 2009 to April 2010. He also worked as a junior research assistant in the Department of Medicine and Therapeutics of the Chinese University of Hong Kong from August 2008 to August 2009.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining robust corporate governance.

The Board believes that high standard of corporate governance is essential for the Group to enhance corporate value and accountability, safeguard shareholders' interests, set forth business development direction, develop internal controls and policies, and enhance transparency.

The Group has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in the Appendix C1 to the GEM Listing Rules. The Board considers that the Group has complied with the all code provisions, except for code provision C.2.1 of the CG Code as mentioned on page 15, for the financial year ended 31 March 2026.

CULTURES AND VALUES

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:

1. Integrity and code of conduct

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 (including therein the Group's code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where staff have a feeling of commitment and emotional engagement with the Group's mission. This sets the 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.

Directors' Securities Trading Transactions

The Group has adopted a code of conduct set out in the "required standard of dealings" in Rules 5.48 to 5.67 of the GEM Listing Rules.

The Group has made specific enquiries of all the Directors and the Directors have confirmed that they have been complying with the required standard of dealings and the related code of conduct regarding director's securities transactions.

As far as the Group is aware, the Directors and employees of the Group have not breached the required standard of dealings and the code of conduct.

Board of Directors

There are currently six Directors, responsible for formulating the overall business development targets and long-term company strategies, assessing results of management policies and monitoring performance of the management. The Board currently comprises the following Directors:

Ms. Wong Bik Kwan Bikie	Chairman, Chief Executive Officer and Executive Director
Dr. Miu Yin Shun Andrew	Non-executive Director
Mr. Chiu Man Wai	Non-executive Director
Mr. Ng Leung Sing *SBS, JP*	Independent non-executive Director
Mr. Chow Ming Po Aaron	Independent non-executive Director
Mr. Chiu Fan Wa (appointed on 1 June 2025)	Independent non-executive Director

Detailed biographical information of all Directors is contained in the "Biographical Details of Directors and Senior Management" section on pages 8 to 11.

Mr. Chiu Fan Wa, who was appointed as an independent non-executive Director of the Company on 1 June 2025, obtained legal advice as referred to in Rule 5.02D of the GEM Listing Rules on 26 May 2025, and Mr. Chiu Fan Wa has confirmed that he understand his obligations as a Director of the Company.

For the financial year ended 31 March 2026, the Company has held five regular board meetings and one annual general meeting ("AGM"). The meetings were conducted either on in-person meetings and/or live tele-conference basis. The Company Secretary of the Company is responsible for maintaining full minutes of the Board meetings and Committee meetings which are open for inspection at any reasonable time on reasonable notice by any of our directors.

The attendance records of each Director and each member of the Board committees during the financial year ended 31 March 2026 are as follows:

	Number of meetings attended/eligible to attend during the term of office				
Members	**AGM**	**Board meetings**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**
Executive Directors					
Ms. Wong Bik Kwan Bikie	1/1	5/5	N/A	2/2	0/0
Non-executive Directors					
Dr. Miu Yin Shun Andrew	1/1	5/5	3/3	N/A	N/A
Mr. Chiu Man Wai	1/1	5/5	N/A	N/A	2/2
Independent non-executive Directors					
Mr. Ng Leung Sing *SBS, JP*	1/1	5/5	N/A	N/A	2/2
Mr. Chow Ming Po Aaron	1/1	5/5	3/3	2/2	2/2
Mr. Chiu Fan Wa	1/1	4/4	3/3	1/1	0/0

Our Board believes that it has achieved a balanced compositions, including but not limited to the following measurable objectives in terms of age, gender and length of services.

Age group	**No. of Directors in the category**
Below 40 years old	–
Between 41–60 years old	5
Over 60 years old	1

Gender	**No. of Directors in the category**
Female	1
Male	5

Length of services	
Less than 5 years	1
Over 5 years	5

Except for that Dr. Miu Yin Shun Andrew and Ms. Wong Bik Kwan Bikie, the Directors, are in spousal relation and substantial shareholders of the Company, there are no other financial, business, family or other relevant relationships among our board members.

The Board, acting in the interest of the Group and its shareholders, is primarily responsible for overall strategic policy, business development, corporate governance, regulatory compliance and reporting, risk management, internal control systems, dividend policy, shareholders' relationship, accounting policies and financial statements, and other functions assigned to the Board in accordance with the articles of association (the "Articles of Association") of the Company.

The Board delegates the daily operations of the Group's business, execution of business development plan, implementation of risk management and internal controls to the management of the Group. The Board remains active in conducting regular reviews of the functions and performance of the management. The management of the Group must obtain the approval of the Board before entering into and arranging any significant transaction/contract.

RE-COMPLIANCE WITH RULES 5.05(1), 5.05(2), 5.28 AND 5.34 OF THE GEM LISTING RULES

Following the resignation of Mr. Mui Wai Sum as independent non-executive Director on 14 March 2025, the Company was not in compliance with (i) rule 5.05(1) of the GEM Listing Rules, which stipulates that every board of directors of a listed issuer must include at least three independent non-executive directors; (ii) rule 5.05(2) of the GEM Listing Rules, which stipulates that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (iii) rule 5.28 of the GEM Listing Rules, which stipulates that every listed issuer must establish an audit committee comprising a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in rule 5.05(2) of the GEM Listing Rules, and be chaired by an independent non-executive director; and (iv) Rule 5.34 of the GEM Listing Rules, which stipulates that an issuer must establish a remuneration committee comprising a majority of independent non-executive directors. Following the appointment of Mr. Chiu Fan Wa as independent non-executive Director, chairman and member of audit committee and member of remuneration committee on 1 June 2025, the Company re-complied with rules 5.05(1), 5.05(2), 5.28 and 5.34 of the GEM Listing Rules.

As at the date of the annual report, each independent non-executive Director has made an annual independence confirmation and the Board is satisfied that all independent non-executive Directors are independent and comply with the independence guidelines of the GEM Listing Rules.

In accordance with the Articles of Association of the Company, at each AGM, one-third of the Directors (if their number is not multiples of three, the nearest but not less than one-third of the number) will retire on a rotation basis, while every Director shall retire at least once every three years at the AGM. A Director who retires on a rotating basis shall include a Director who wishes to retire and does not stand for re-election. Any other retiring Director shall be the Director with the longest term since the last re-election or appointment, if a number of Directors are re-elected on the same day, the Director to be retired shall be determined by drawing lots (unless otherwise agreed).

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code provides that the role of Chairman and chief executive officer should be separate and should not be performed by the same individual.

For the financial year ended 31 March 2026, the role of Chairman is performed by the CEO, Ms. Wong Bik Kwan Bikie. As the Chairman of the Board, Ms. Wong is responsible for the formulating, planning and directing the Group's overall strategy and always seeks for Board approval for any significant decisions and transactions.

Although Ms. Wong performs both roles, our Board has conducted an assessment and believed that the independence, effectiveness and functionality of the Board and the Group's operations has been and will be highly maintained together with independent check and balance measures in place as the Board has sufficient number of Directors who have diversified background and expertise.

Terms of appointment of non-executive directors

Dr. Miu Yin Shun Andrew has entered into an appointment letter for a term of three years commencing from 16 September 2024. Mr. Chow Ming Po Aaron has entered into an appointment letter for a term of three years commencing from 21 June 2024, Mr. Chiu Man Wai has entered into an appointment letter for a term of three years commencing from 5 September 2025, Mr. Ng Leung Sing, *SBS, JP* has entered into an appointment letter for a term of three years commencing from 5 September 2025 and Mr. Chiu Fan Wa has entered into as appointment letter for a term of three years commencing from 1 June 2025. All of the above directors are subject to their respective retirement by rotation and re-election at the Company's annual general meeting in accordance with the Articles of Association of the Company in force from time to time, and subject to the relevant provisions of Companies Ordinance.

Board Committees

The Board has established three Board Committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") of the Group. The terms of reference and assigned specific duties of the above committees are available on the GEM website and the Company's website.

All Directors (including independent non-executive Directors) bring valuable business experience, knowledge and expertise from different areas to the Board facilitating it to operate efficiently and effectively. All Directors have full and timely access to all information of the Group and to the services and advice of the Company Secretary and senior management. The Directors may, where appropriate, seek independent professional advice for performing their duties of the Group, at the expense of the Group. The Directors shall disclose the details of their other duties to the Group and the Board regularly reviews the contributions of the Directors in the discharge of their duties with the Group.

Audit Committee

The Board has complied with the provisions of the CG Code set out in Appendix C1 to the GEM Listing Rules and established the Audit Committee on 1 March 2018. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and on the Company's website.

Mr. Mui Wai Sum, the former independent non-executive Director of the Company and chairman and member of the audit committee, resigned on 14 March 2025. Subsequent to the resignation of Mr. Mui, the Company was not in compliance with Rule 5.28 of the GEM Listing Rules, which stipulates that every listed issuer must establish an audit committee comprising a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules, and be chaired by an independent non-executive director.

Following the appointment of Mr. Chiu Fan Wa as independent non-executive director and chairman and member of the audit committee of the Company on 1 June 2025, the Company re-complied Rule 5.28 of the GEM Listing Rules.

The Audit Committee consists of three independent non-executive Directors and one non-executive Director, namely:

Mr. Chiu Fan Wa	Chairman of Audit Committee & Independent non-executive Director
Mr. Chow Ming Po Aaron	Independent non-executive Director
Dr. Miu Yin Shun Andrew	Non-executive Director

The main responsibilities of the Audit Committee include, but not limited to:

- Making recommendations to the Board on the appointment, reappointment, resignation, dismissal and removal of the external auditors;

- Approving the remuneration and engagement terms of all services provided by the external auditors;

- Reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process;

- Review of financial information of the Group, including the true and fairness of the quarterly, interim and annual financial statements, accounting policies and practice (or change in, if any), major judgmental areas, going concern consideration, compliance with accounting standards and GEM Listing Rules in relation to financial reporting;

- Reviewing the adequacy of resources, qualifications and experience of accounting staff, and their training programmes and budget of the Company's accounting and financial reporting function;

- Reviewing and monitoring the effectiveness and adequacy of the Group's risk management and internal control measures;

- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function; and

- Regularly report observations and make recommendations to the board (if any).

The Board as a whole acts as the corporate governance function of the Group, and holds the ultimate responsibilities for the following matters while the Board has delegates these duties to the Audit Committee:

- developing and reviewing the corporate governance policies and practices of the Company and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of directors and senior management;
- reviewing and monitoring the policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and directors; and
- reviewing the Company's compliance with the CG Code set out in Appendix C1 of the GEM Listing Rules and disclosure in the Corporate Governance Report.

For the financial year ended 31 March 2026, the Audit Committee has held three meetings, by means of live/teleconference/video conference, and performed its main duties, including (1) review and advise on the Group's annual reports and results announcements, the relevant accounting principles and practices adopted by the Group; (2) review the risk management and internal control procedures adopted by the Group, the internal control review report, and provide suggestions and comments thereon; and (3) review the effectiveness of the accounting function and internal audit function and provide suggestions and comments thereon.

In addition, the Audit Committee holds private meetings with external auditors in the absence of management to discuss the matters involved in the audit and other matters that the independent auditors wish to raise.

Remuneration Committee

The Board has complied with the provisions of the CG Code set out in Appendix C1 to the GEM Listing Rules and established the Remuneration Committee; and develop the terms of reference in writing on 1 March 2018.

Mr. Mui Wai Sum, the former independent non-executive director of the Company and member of the remuneration committee, resigned on 14 March 2025. Subsequent to the resignation of Mr. Mui, the Company was not in compliance with Rule 5.34 of the GEM Listing Rules, which stipulates that an issuer must establish a remuneration committee comprising a majority of independent non-executive directors.

Following the appointment of Mr. Chiu Fan Wa as independent non-executive director of the Company and member of remuneration committee of the Company on 1 June 2025, the Company re-complied Rule 5.34 of the GEM Listing Rules.

The Remuneration Committee consists of two independent non-executive Directors and our CEO and executive Director namely:

Mr. Chow Ming Po Aaron	Chairman of Remuneration Committee and Independent non-executive Director
Mr. Chiu Fan Wa	Independent non-executive Director
Ms. Wong Bik Kwan Bikie	CEO and Executive Director

The Group adopts the remuneration committee model set out in E.1.2 (c) (ii) of Appendix C1 to the GEM Listing Rules.

The main duties of the Remuneration Committee include, but not limited to:

- make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration;
- review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; and
- ensure that no director or any of his associates is involved in deciding his own remuneration.

For the financial year ended 31 March 2026, the Remuneration Committee has held two meetings to review and make recommendations to the Board on the remuneration packages of the proposed candidate, the executive Director, the non-executive Directors, the independent non-executive Directors and senior management; and to review the bonus to senior management. There were no material matters relating to the share option schemes of the Company which required review or approval by the Remuneration Committee during the year.

Details of the senior management's emoluments by band are set out in note 12(c) to the consolidated financial statements.

Nomination Committee

The Board has complied with the provisions of the CG Code set out in Appendix C1 to the GEM Listing Rules and established the Nomination Committee on 1 March 2018. The written terms of reference of the Nomination Committee are posted on the website of the Stock Exchange and on the Company's website.

The Nomination Committee consists of three independent non-executive Directors, one executive Director and one non-executive Director, namely:

Mr. Ng Leung Sing *SBS, JP*	Chairman of Nomination Committee and Independent non-executive Director
Mr. Chow Ming Po Aaron	Independent non-executive Director
Mr. Chiu Man Wai	Non-executive Director
Ms. Wong Bik Kwan Bikie (appointed on 20 June 2025)	Executive Director
Mr. Chiu Fan Wa (appointed on 20 June 2025)	Independent non-executive Director

The main responsibilities of the Nomination Committee include, but not limited to:

- reviewing the structure, size and composition (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually or when necessary;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of, individuals nominated for directorships;
- assessing the independence of the independent non-executive Directors;
- making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors;
- reviewing the board diversity policy, as appropriate and making recommendations on any required changes to the board for consideration; and
- reviewing the measurable objectives under the board diversity policy and the progress of the attainment of the objectives, so as to ensure effective implementation; and make disclosure of its review results.
- supporting the Company's regular evaluation of the Board's performance.

For the financial year ended 31 March 2026, the Nomination Committee has held two meetings to review the Board's composition, structure, size and diversity, review the biography of the proposed candidate and recommend to the Board for approval; and is of the view that the Board consisted of members with balanced and diversified attributes, such as gender, age, education background, professional qualifications, experience, skills and knowledge to discuss matter regarding the retirement and re-election of directors and succession planning for directors and to assess the independence of independent non-executive directors.

MECHANISM ON INDEPENDENT VIEWS TO THE BOARD

The Company recognises that board independence is critical to good corporate governance. The Board has established a mechanism which is to enable Directors to seek independent professional advice when exercising Directors' duties to ensure a strong independent element to the decision made by the Board which is key to an effective Board.

According to the mechanism, subject to the prior approval by the executive Director of the Company (which approval shall not be unreasonably withheld or delayed), the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively, either on the Company's affairs or in respect of their fiduciary or other duties, at the Company's expense. In case of the Board is seeking independent professional advice, prior approval must be given by the executive Director of the Company (which approval shall not be unreasonably withheld or delayed).

The Board will review this mechanism on an annual basis to ensure the implementation and effectiveness of this mechanism.

Summary of board diversity policy (the "Policy")

The Company has adopted the Policy which is summarized as follows, including measurable objectives that the Company has set for implementing the Policy, and progress on achieving those objectives.

Policy Statement

The Company believes that board diversity is essential to achieve its strategic development and sustainable development.

In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All Board appointments are based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the board of directors (the "Board").

Measurable Objectives

Selection of candidates of the Board members is 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 is based on merit and contribution that the selected candidates can bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The Board had achieved gender diversity of the Board since its listing. As at 31 March 2026, the members of the Board consist of five male members and one female member. The nomination committee will review annually the need for achieving higher gender diversity in the Company. Gender diversity at workforce levels (including our senior management) is disclosed in the Environmental, Social and Governance Report in this annual report.

Monitoring and Reporting

The Nomination Committee of the Company is responsible for reporting annually on the Board's composition under diversified perspectives, and monitoring the implementation of the Policy.

Review of the Policy

The Nomination Committee has reviewed the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will also discuss any revisions to the Policy that may be required, and recommend any such revisions to the Board for consideration and approval.

Disclosure of Policy

The Policy is published on the Company's website for public information.

Nomination Policy and Procedures

The Board has adopted a nomination policy setting out the selection criteria and procedures for the Nomination Committee to select and recommend suitable candidates for directorship in order to ensure the Board has a balanced and diversified skills, experience and perspectives.

The Nomination Policy requires Nomination Committee to consider a variety of factors, individually and collectively, in assessing the suitability of a proposed candidate, including but not limited to the following criteria:

- The Policy;
- Achievements, professional qualification and experience appropriate to the business and compliance requirements of the Group;
- Sufficiency of time and interest commitment of the proposed candidates to the Group;
- Level of independence for the appointment of independent non-executive Director; and
- any other relevant and material factors as may be considered by the Nomination Committee.

The Board has also established nomination procedures for Directors' nomination pursuant to the GEM Listing Rules and the Company's Articles of Association as follows:

(a) Appointment of New Director

For proposed appointment of new Director, the Nomination Committee must call out a meeting and evaluate the proposed candidate based on the selection criteria mentioned above and make recommendations to the Board regarding whether the proposed candidates are qualified and appropriate for directorship.

For directorship nomination proposed by Shareholders at the general meeting, the Nomination Committee should also evaluate such candidates in accordance to the same selection criteria and the Board should make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.

(b) Re-election of Director at general meeting

Retiring Directors are eligible for nomination by the Board to stand for re-election at the general meeting according to the Articles of Association of the Company.

The Nomination Committee and the Board should review the overall contribution, participation and performance of the retiring Director and the Board should then make recommendation to the Shareholders in respect of the proposed re-election of Director at the General Meeting.

DIRECTORS' TRAINING AND CONTINUOUS DEVELOPMENT

Each new Director is given formal, comprehensive and customised induction training at the time of first appointment to ensure their proper understanding of the Group's business and operations, and sufficient awareness of the Directors' duties and responsibilities under the GEM Listing Rules and related regulations. The Group also provides continuous briefings and training courses to Directors to keep them up to date on the GEM Listing Rules and other applicable regulatory requirements as well as the Group's business and governance policies.

The Company has received from all directors records of their continuous professional development training for the year ended 31 March 2026, details of which are set out below.

	Participation of relevant continuing training courses regarding the latest regulatory requirements
Ms. Wong Bik Kwan Bikie	✓
Dr. Miu Yin Shun Andrew	✓
Mr. Chiu Man Wai	✓
Mr. Ng Leung Sing *SBS, JP*	✓
Mr. Chow Ming Po Aaron	✓
Mr. Chiu Fan Wa	✓

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare consolidated financial statements for the financial year ended 31 March 2026, to reflect a true and fair financial position, results and cash flows of the Group for the year then ended, and the proper preparation of financial statements on an on-going basis in accordance with applicable statutory requirements and accounting standards. The Directors are not aware of any material uncertainties that may affect the business of the Group or raise significant questions about the Group's ability to operate on an on-going basis.

AUDITOR'S STATEMENT AND REMUNERATION

The Directors acknowledged of their responsibility for preparing the financial accounts.

A statement by the Group's auditors on their reporting obligations in respect of the Group's financial statements for the year ended 31 March 2026 is set out in the "Independent Auditor's Report" section of this annual report.

For the financial year ended 31 March 2026, the remuneration of annual audit service provided by the auditor of the Company, BDO Limited, to the Group is HK$600,000. Save as disclosed above, there was no other non-audit service provided by the auditor during the year ended 31 March 2026.

The Audit Committee has reviewed and approved the remunerations, service terms and independence of the auditors for the financial year ended 31 March 2026.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and its responsibility to continually review their effectiveness and adequacy.

The Group has established a risk management policy setting out the process of identification, evaluation and management of the principal risks affecting the business. Each division is responsible for identifying, assessing and managing risks within its divisions, identifying and assessing the principal risks on a quarterly basis with mitigation plans to manage those risks. The management is responsible for overseeing the risk management and internal control activities of the Group, attending quarterly meetings with each divisions to ensure principal risks are properly managed and new or changing risks are identified and documented. Lastly, the Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

For the financial year ended 31 March 2026, the Group has performed a risk assessment of its business and operations and, on that basis, have identified, evaluated and prioritised key risks from financial, operational compliance and risk management aspects. The Group is dedicated in designing and implementing controls and measures to manage the key risks to an acceptable and reasonable level, rather than eliminate them entirely.

The management has also confirmed to the Board and Audit Committee that there are no major deficiencies in the risk management and internal controls system of the Group.

The Group has engaged an independent professional internal control consultant firm (the "Internal Control Consultant") to review the entity level policies, risk assessment and internal control systems of major business processes of the Group for financial year ended 31 March 2026. The Internal Control Consultant performs the review, reports the relevant findings and recommendations to the Board and Audit Committee and follows up on management responses to the recommendations on an on-going basis. Overall, the Board considers the risk management and internal control system of the Group are effective and adequate.

The Group does not have an internal audit department and the Board has reviewed the need for an internal audit function and considered that it more cost-effective to appoint external independent professionals to independently review and continuously evaluate the Group's internal monitoring systems and risk management systems, taking into account the size and nature of the Board. The Board will review the need for an internal audit function at least annually.

Whistleblowing Policy

The Board has adopted a whistleblowing policy (the "Whistleblowing Policy"). The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee of the Company. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2026 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board has adopted an anti-corruption policy (the "Anti-corruption Policy"). The Group is committed to achieve the highest standards of integrity and ethical behavior in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption policy sets out the specific behavioral guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption policy has been prepared as a guide to all employees of the Group and third parties dealing with the Group.

The Anti-corruption policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

PROCEDURES FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has adopted a policy on disclosure of inside information. If the information is believed as inside information, and must be disclosed, the management must:

(a) Escalate to the CEO and present the information to the Board;

(b) Prepare an announcement to the Stock Exchange disclosing the inside information if the announcement is important;

(c) Send the announcement to the Stock Exchange without delay and send a copy of the announcement to all Directors.

If the information is believed not price sensitive, and need not be disclosed, the management must explain the reason for non-disclosure and record the information in the disclosure file.

COMPANY SECRETARY

The Company has engaged and appointed Ms. Lee Ka Man, a representative from an external secretarial services provider, as the company secretary of the Company. The primary contact person with the company secretary of the Company is Mr. Cheung Chong Chi, Chief Financial Officer. Ms. Lee is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She has over 18 years of experience in the fields of company secretarial and compliance. Ms. Lee has confirmed that she has taken no less than 15 hours of relevant professional training pursuant to Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHT

The Board and management are committed to meeting and communicating with shareholders through the AGM of the Group, listening to shareholder opinions and answering questions from shareholders about the Group and its business. The Chairman of the Board, the Directors and senior management attend the AGM of the Group to answer questions from shareholders.

In accordance with Article 58 of the Articles of Association of the Company, any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must be in writing specifying the objects of the meeting, and be signed by the shareholder(s) concerned and deposited at the principal place of business of the Company in Hong Kong.

Shareholders may also make enquiries or recommendations to Directors, company secretary and management at the Shareholders' Meeting. They may do so by sending an e-mail to ir@grandbrilliance.com or by calling the Group (tel: +852 2425 0926).

INVESTORS' RELATIONSHIP

The Company has adopted the Shareholders Communication Policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Group has established various channels of communication with shareholders and public investors to ensure that they are well-informed with the latest news and developments of the Group. The Group provides shareholders with up- to-date information on the Group's development, financial performance and results, and major transactions/ decisions through annual and interim report. All published information is uploaded to the Group's website at www.grandbrilliancegroup.com or GEM website www.hkgem.com.

During the year, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy and was satisfied with the said policy and considered the overall communication with shareholders was effective.

CONSTITUTIONAL DOCUMENT

On 5 September 2025, the Company has adopted the new amended and restated articles of association of the Company in substitution for the existing amended and restated articles of association of the Company. The proposed amendments to the existing amended and restated articles of association of the Company were set out in the circular to shareholders of the Company dated 21 July 2025 and has been approved by shareholders of the Company by way of special resolution at the annual general meeting of the Company held on 5 September 2025. The latest version of the Memorandum and the Articles of Association are available on the websites of the Stock Exchange and the Company.

DIVIDEND POLICY

The Company has adopted a dividend policy on 21 June 2019 pursuant to the relevant GEM Listing Rules, the Company's Articles of Association and relevant rules and regulations.

Purpose

The dividend policy (the "Dividend Policy") aims 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 dividend to the shareholders of the Company (the "Shareholders").

Principles and Guidelines

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

1. the actual and expected financial performance of the Group;
2. the capital and debt level of the Group;
3. the general market conditions;
4. the expected working capital requirements, capital expenditure requirements and future development plans of the Group;
5. retained earnings and distributable reserves of the Company and each of the members of the Group;
6. the liquidity position of the Group;
7. any restrictions on dividend payouts imposed by any of the Group's lenders;
8. the statutory and regulatory restrictions which the Group is subject to from time to time; and
9. any other relevant factors that the Board may deem appropriate.

Form of Dividend

Subject to the Company's Articles of Association, dividends may be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may also consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

General Restrictions

The payment of dividend by the Company is subject to any restrictions under the Companies Act of the Cayman Islands and the Articles of Association of the Company.

Approval

According to the Articles of Association of the Company, any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an AGM and must not exceed the amount recommended by the Board. The Board may from time to time pay the Shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.

Clarification

There is no assurance that dividends will be paid in any particular amount for any specific period. The Company may at its discretion not to declare dividend in consideration of various factors, such as maintaining or adjusting the capital structure and reserving sufficient capital to capture future business opportunities, etc.

Review

The Board will from time to time review the Dividend Policy and may exercise at its absolute and sole discretion to update, amend and/or modify the Dividend Policy at any time as the Board deems fit and necessary.

Disclosure of dividend policy

This Dividend Policy is published on the Company's website for investors' information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Grand Brilliance Group Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "we") is principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance.

This Environmental, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performance of the Group and demonstrates its commitment to sustainable development.

The Group believes sustainability is the key to achieving continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operations and governance perspectives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CHAIRMAN'S STATEMENT

Dear valued stakeholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the ESG Report of the Group, which demonstrates our growing commitment to improving our ESG performance.

The Group believes that sustainable development is vital to the environment and contributes to the long-term prosperity and development of its business. Therefore, the Group strives to formulate a sound governance structure to effectively manage ESG matters related to the Group. The Board must assess the potential impact of ESG issues on the overall strategy of the Group, set out ESG management approach and strategy, and supervise the Group's ESG issues. Information about the Group's governance structure is stated in the section headed "SUSTAINABILITY GOVERNANCE".

To identify and prioritise major ESG issues that have a significant impact on our operations and stakeholders, we continuously communicate with internal and external stakeholders. The Board has delegated the ESG Working Group (the "Working Group") and hired an independent third party to conduct a materiality assessment. Information about the stakeholder engagement channels and the materiality assessment conducted by the Group is stated in the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT" respectively. In order to have a deeper understanding of stakeholders' expectations of the Group's sustainable development, the Group will further strengthen its communication with stakeholders and formulate relevant policies and measures based on their opinions to improve the Group's ESG performance.

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its impact on the environment. To fulfil the Group's commitment to corporate social responsibility and allow the Group's stakeholders to better understand the Group's progress in improving ESG performance, the Group has set targets for ESG issues that are material to the Group. The Board and the Working Group use the ESG-related data collected to compare the Group's performance in different years to track the progress of ESG targets. The Working Group monitors the progress against the ESG targets and reports to the Board on the performance at least once annually. The Board reviews the Group's ESG-related targets and their progress at least once annually and adjusts the Group's ESG management approach where appropriate. To achieve these targets, the Group actively implements the principles of sustainable development and adopts relevant measures at operational levels. These targets and environmental protection measures can help raise the environmental awareness of employees and enhance the Group's ESG performance.

In closing, on behalf of the Board and the management team of the Group, I would like to express my sincere gratitude to our valued stakeholders for their persistent support, while also expressing my appreciation to our employees for their valuable contribution to the development of the Group. Looking forward, the Group will continue to deepen the integration of ESG concepts into its business strategy and management system, and operate its business in a more responsible and sustainable manner in order to create sustainable value for shareholders and pursue a sustainable future.

Wong Bik Kwan Bikie
Chairman and Chief Executive Officer

Hong Kong, 26 June 2026

SUSTAINABILITY GOVERNANCE

The Board holds the overall responsibility of overseeing the Group's ESG-related issues, as well as ensuring the effectiveness of the Group's risk management and internal control systems. With the assistance of ESG professionals, the Board is equipped with the skills, experience and knowledge needed to oversee the ESG strategies of the Group. The Board discusses the Group's ESG-related matters at least annually. In particular, the Board is accountable for setting forth ESG management approaches, strategies, policies, and objectives, prioritising ESG issues, reviewing the Group's ESG performance, and approving disclosures in the Group's ESG reports.

The Group has established the Working Group to raise employees' awareness of ESG issues. The Working Group comprises senior management and general staff with adequate knowledge of ESG. Its members span across different business departments. They are responsible for executing the Group's ESG measures, collecting and analysing ESG data, giving suggestions to the Board on ESG issues and reviewing ESG-related matters across the Group's different departments.

With the assistance of the Working Group, the Board continuously evaluates and monitors the Group's ESG performance, risk, opportunities and targets. The members of the Working Group regularly discuss the effectiveness of the Group's policies and procedures and seek opportunities to improve the Group's ESG performance. The Working Group reports its findings to the Board at least once per year so that the Board can find solutions to manage the Group's ESG-related risks and opportunities.

REPORTING SCOPE

Unless specified otherwise, the ESG Report focuses on the Group's operation as a medical device distributor in Hong Kong and Macau. The ESG key performance indicators ("KPIs") data are gathered and include companies and subsidiaries under the Group's direct operational control. The reporting scope of the ESG Report differs from that for the financial year ended 31 March 2025 ("FY2025") by including operations in Macau. Since the environmental impact of the business operation in Macau is deemed immaterial, its environmental data will be excluded from the reporting scope. The Group will extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") as set out in Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report of this annual report.

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Code as follows:

Materiality: The materiality assessment was conducted to identify material ESG issues, thereby adopting the confirmed material ESG issues as the focus for the preparation of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board and the Working Group. For further details, please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT".

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.

Consistency: This ESG Report will use consistent disclosure methodologies to allow for meaningful comparisons of ESG data in the future. If there are any changes in the calculation methods that may affect comparisons with previous reports, the Group will provide explanations for the corresponding data.

Balance: This ESG Report aims to provide a balanced representation of the Group's ESG performance. It avoids selections, omissions, or presentation formats that may appropriately influence a decision or judgement by readers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PERIOD

The ESG Report specifies the ESG initiatives, plans and performance of the Group during the financial year ended 31 March 2026 (the "Reporting Period" or "FY2026").

STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to shareholders and investors, employees, customers, suppliers and business partners, government and regulatory authorities and media, non-governmental organisations and the public.

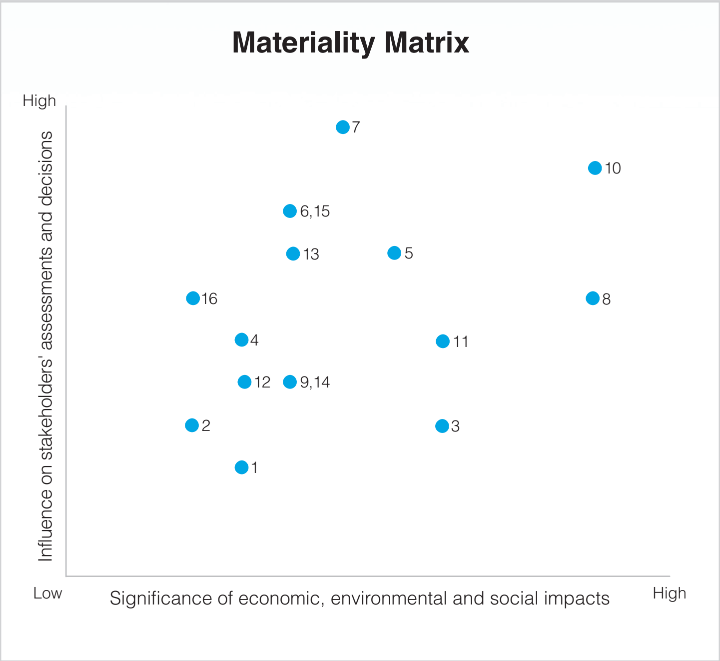
In formulating operational strategies and ESG measures, we take into account the stakeholders' expectations and concerns, and strive to improve the Group's performance through mutual cooperation with the stakeholders, resulting in the creation of greater value for the community by utilising diversified key communication channels, shown as below:

Stakeholders	Key Communication Channels	Expectations and Concerns
Shareholders and investors	• Financial reports • Announcements and circulars • General meetings and other shareholder meetings • Company website	• Corporate governance • Financial performance • Shareholders' rights and interest • Accurate, complete and timely information disclosure • Business compliance
Employees	• Regular performance review • Training, seminars and briefing sessions • Emails and notice boards	• Employees' compensation and benefits • Health and safety working environment • Career development
Customers	• Service improving team • Customer support hotline and email	• High quality products and services • Stable supplies of products • Protect customers' rights
Suppliers and business partners	• Supplier evaluation	• Sustainable supply chain • Fair and open procurement • Stable business relationship • Product safety • Price competitiveness
Government and regulatory authorities	• Company secretary • Regulatory newsletters	• Compliance with laws and regulations • Environmental protection • Contribution to society • Corporate governance • Product safety
Media, non-governmental organisations and the public	• ESG reports • Public welfare events	• Involvement in communities • Environmental protection awareness

MATERIALITY ASSESSMENT

We identified, assessed and disclosed ESG information that is material and relevant to our businesses and operations based on the above summarised expectations and concerns from our stakeholders, with reference to industry characteristics. The Group has compiled a questionnaire in accordance with the identified material ESG issues to collect information from relevant stakeholders. Stakeholders thoroughly assessed the materiality of each issue in terms of the level of influence on stakeholders' assessments and decisions as well as the level of significance of economic, environmental, and social impacts. The materiality assessment result is used to determine the focus of disclosure in the ESG Report and formulate the Group's ESG strategies. The Board has reviewed and validated the result of the materiality assessment.

The following is a materiality matrix of the Group's material ESG issues included in the ESG Report:



	ESG Issues		ESG Issues
1	Greenhouse Gas ("GHG") Emissions	9	Supply Chain Management
2	Waste Management	10	Product Responsibility
3	Use of Resources	11	Customer Privacy Protection
4	Climate Change	12	Intellectual Property ("IP") Rights
5	Employment	13	Advertising and Labelling
6	Health and Safety	14	Anti-corruption
7	Development and Training	15	Community Investment
8	Child and Forced Labour Prevention	16	Regulatory Compliance

We understand the needs of stakeholders and are committed to continuous evaluation of our ESG risk management and internal control systems. Accordingly, we have conducted and will continue with an on-going materiality assessment so as to further improve the related ESG concerns and data collection system.

CONTACT US

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on its ESG approach and performance which will help it continuously improve its sustainability performance. For any suggestions or opinions, questions or comments, please send to the Company through the communication channels as stated on the Company's website.

Reporting Mechanism

We welcome and provide channels for our stakeholders, including suppliers, customers and employees to report instances of suspected unethical acts or potential breaches of our policy. Suspected non-compliance may be reported to managers, department heads or senior executives.

Stakeholders may also submit enquiries or report suspected cases to our management through e-mailing info@grandbrilliancegroup.com or by calling the Group (tel: +852 2425 0926).

A. ENVIRONMENTAL

A1. Emissions

The Group strives to protect the environment through the implementation of control and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to enhance their awareness of environmental protection and complying with the relevant environmental laws and regulations.

As a corporation providing medical device distribution services, the Group's daily operations have limited impact on the environment while its emissions are limited to air emissions, GHG emissions and waste disposal, which are mainly derived from the use of resources in its businesses in Hong Kong. With the aim of lowering its emissions, the Group focuses on nurturing and strengthening the employees' awareness of environmental protection in their daily work processes, and actively implementing the Group's environmental protection measures.

In order to mitigate the environmental impact brought by the Group's operations, the Group has adopted and implemented the Corporate Social Responsibility Policy. This policy applies the waste management principles of "Reduce, Reuse, Recycle and Replace" as well as the emissions mitigation principle, with objectives of minimising the adverse environmental impacts and ensuring that the waste disposal or emissions being generated are conducted in an environmentally responsible manner.

Within its established Corporate Social Responsibility Policy, the Group is continually looking for opportunities to pursue environmentally friendly initiatives and enhance its environmental performance by reducing energy consumption and the use of other resources.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant environmental laws and regulations in Hong Kong that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to the Waste Disposal Ordinance (Cap. 354).

Air Emissions

Air emissions from the Group's vehicles were the major sources of air pollutants within the Group. The Group has adopted several energy and resources conservation measures in achieving its goal of reducing pollution and use of energy, which include the following:

- Using fuels that comply with the environmental standards of the places where we operate for our vehicles;
- Refuelling at approved gasoline filling stations so as to ensure the oil standards and quality;
- Encouraging our staff to utilise teleconferences and video conferences, to reduce air and GHG emissions related to transportation needed for meetings;
- Replacing gasoline vehicles with electric vehicles;
- Disposing of any vehicles that reached the useful life limit set by the authority; and
- Requiring drivers to turn off the engine and hand over the car key when waiting for loading and unloading.

The summary of air emissions performance was as follows:

Indicators[1]	Unit	FY2026	FY2025
Nitrogen oxides ("NO_x")	g	1,654	2,793
Sulphur oxides ("SO_x")	g	48	85
Particulate matter ("PM")	g	122	206

Notes:

1. The calculation method and respective emission factors of air emissions were based on "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by The Stock Exchange of Hong Kong Limited.

GHG Emissions

The principal GHG emissions of the Group were direct GHG emissions from the combustion of gasoline for the Group's vehicles (Scope 1), energy indirect GHG emissions from purchased electricity (Scope 2) and other indirect GHG emissions from business air travel and disposal of paper waste at landfills (Scope 3). The Group has set an emissions target of maintaining or reducing the total GHG emissions intensity in each of the years by the financial year ending 31 March 2030 ("FY2030"), using approximately 0.74 tonnes of carbon dioxide equivalent ("tCO_2e") per revenue in million in the financial year ended 31 March 2022 ("FY2022") as the baseline. During the Reporting Period, the Group's total GHG emissions intensity was approximately 0.50 tCO_2e per revenue in million (FY2025: approximately 0.58 tCO_2e per revenue in million), representing a year-on-year decrease of approximately 14%, attributable to normal fluctuations. The Group is thus on track to accomplish its aforementioned target and the commitment to reduce its GHG emissions and actively adopts energy conservation measures as well as other initiatives, including:

- Actively adopting measures of environmental protection and energy conservation. Relevant measures are described in the sections headed "Air Emissions" and "Energy Management"; and
- Actively adopting paper-saving measures in office. Relevant measures are described in the section headed "Waste Management".

The summary of GHG emissions performance is as follows:

Indicators[2]	Units	FY2026	FY2025
Direct GHG emissions (Scope 1) — Gasoline consumption	tCO_2e	9	15
Energy indirect GHG emissions (Scope 2) — Purchased electricity	tCO_2e	32	32
Other indirect GHG emissions (Scope 3) — Business air travel and disposal of paper waste at landfills	tCO_2e	9	8
Total GHG emissions	tCO_2e	50	55
Intensity[3]	tCO_2e/revenue in million	0.50	0.58

Notes:

2. The reported GHG emissions comprise Scope 1, location-based Scope 2, and Scope 3 emissions under Categories 5 (disposal of paper waste at landfills) and 6 (business air travel), covering Hong Kong operations under operational control, which was selected in line with the GHG Protocol as it best reflects where the Group directs the operating activities that generate emissions. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but are not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Bank Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by The Stock Exchange of Hong Kong Limited, the global warming potential values from the "Sixth Assessment Report" published by the Intergovernmental Panel on Climate Change and the ESG Data Hub created by CLP Holdings Limited. The Group maintained consistent measurement approaches, inputs, and assumptions for GHG emissions calculations as applied in FY2025.

3. During the Reporting Period, the total amount of the Group's revenue was approximately HK$100.7 million (FY2025: approximately HK$94.4 million). The amount would also be used for calculating other intensity data.

Waste Management

Hazardous waste handling method

As the Group did not generate any hazardous waste during the Reporting Period, the Group has not set any targets for hazardous waste management. However, it has established guidelines governing the management and disposal of hazardous waste. In case there is any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste in order to comply with the relevant environmental laws and regulations.

Non-hazardous waste handling method

Although the Group only generated a minimal amount of non-hazardous waste, such as paper, that is mainly from office operation, the Group has placed great emphasis on waste reduction with the principle of "Reduce, Reuse, Recycle and Replace" to promote better utilisation of environmental resources.

With the aim of minimising the environmental impact of non-hazardous waste that is generated from its business operations, the Group has developed relevant policies to promote resources conservation. The Group has set a waste generation target of maintaining or reducing the total non-hazardous waste intensity in each of the years by FY2030, using approximately 11.86 kg per revenue in million in FY2022 as the baseline. During the Reporting Period, the Group's total non-hazardous waste intensity was approximately 10.70 kg per revenue in million (FY2025: approximately 13.14 kg per revenue in million), representing a year-on-year decrease of approximately 19%, attributable to normal fluctuations. The Group is thus on track to accomplish its aforementioned target and the commitment to reduce its waste generation. The Group has implemented the following procedures to encourage employees to share responsibilities in waste management and minimise waste generation:

- Using double-sided printing or photocopying wherever possible;
- Recycling one-sided printed paper; and
- Placing "Green Message" reminders on office equipment.

The summary of non-hazardous waste generation performance is as follows:

Indicators	Units	FY2026	FY2025
Paper	kg	1,077	1,240
Total non-hazardous waste generation	kg	1,077	1,240
Intensity	kg/revenue in million	10.70	13.14

Discharges into Water

The Group does not consume significant amounts of water in its business operations, and therefore its business activities did not generate a material portion of discharges into water during the Reporting Period. The majority of the water supply and discharge facilities are provided and managed by the property management company.

A2. Use of Resources

The Group strives to use its resources effectively, not only due to cost considerations, but also because it benefits the environment and can improve the workplace conditions for the Group's employees. The Group is committed to the responsible use of resources in its business operations and has developed green office initiatives to promote resources conservation among its staff.

Energy Management

The Corporate Social Responsibility Policy has been developed to set energy conservation as one of the Group's fundamental policies. All employees must implement the adopted measures, including the purchase of energy-efficient products and services, and assume responsibility for the Group's overall energy efficiency. By building up an energy management system, we develop and regularly review our energy targets to continuously enhance the Group's energy performance. Unexpectedly high consumption of electricity will be investigated to find out the root cause and preventive measures will be taken. The Group has set an energy efficiency target of maintaining or reducing the total energy consumption intensity in each of the years by FY2030, using approximately 2,056.04 kWh per revenue in million in FY2022 as the baseline. During the Reporting Period, the Group's total energy consumption intensity was approximately 1,237.39 kWh per revenue in million (FY2025: approximately 1,479.96 kWh per revenue in million), representing a year-on-year decrease of approximately 16%, attributable to normal fluctuations. The Group is thus on track to accomplish its aforementioned target and the commitment to reduce its energy consumption. The green office and energy conservation measures are listed as below:

- Turning off the air-conditioning system and idle equipment at night or when staff leave the office to reduce electricity usage;
- Turning off the lights when the office can be dominated by natural light;
- Adopting higher energy-efficient office equipment in our workplace;
- Posting electricity-saving reminder labels in common areas; and
- Encouraging our staff to participate in campaigns or activities relating to the promotion of energy conservation.

The summary of energy consumption performance is as follows:

Indicators[4]	Units	FY2026	FY2025
Direct energy consumption — Gasoline consumption	kWh	31,768	56,035
Indirect energy consumption — Purchased electricity	kWh	92,837	83,673
Total energy consumption	kWh	124,605	139,708
Intensity	kWh/revenue in million	1,237.39	1,479.96

Note:

4. During the Reporting Period, gasoline consumption was equivalent to approximately 3,278 litres (FY2025: approximately 5,782 litres). The unit conversion calculation is based on the conversion factors in "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong Limited and the "Energy Statistics Manual" issued by the International Energy Agency.

Water Consumption

Water consumption during the Group's operation is minimal, primarily for cleaning and sanitation; thus, it is considered immaterial, and no water consumption was recorded. However, the Group endeavours to encourage all employees and customers to develop the habit of conserving water consciously. Due to the Group's business nature and its operational location, there were no significant issues regarding sourcing water that is fit for purpose.

Packaging Materials

The Group only consumed a limited number of plastic films in its business and operation, and therefore it is considered immaterial.

A3. The Environment and Natural Resources

Although the core business of the Group has limited impact on the environment and natural resources, as an ongoing commitment to good corporate social responsibility, the Group recognises the responsibility of minimising the negative environmental impacts of its operations in achieving sustainable development to generate long-term value for its stakeholders and the community.

The Group has set up the Corporate Social Responsibility Policy to work tirelessly to mitigate the environmental impacts of its activities through adopting industry best practices, targeted at reducing natural resources consumption and maintaining effective emission management. We regularly assess our businesses' environmental risks, and adopt preventive measures to reduce those risks and ensure compliance with relevant laws and regulations.

Indoor Air Quality

Good indoor air quality is important as employees spend most of their time working in the office. Indoor air quality in our workplace is regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered out by air purifying equipment in the workplace, and regular cleaning of the air conditioning system is conducted to ensure the office's indoor air quality.

A4. Climate Change

The Group recognises that climate change has been affecting its stakeholders, business operations and communities in different aspects. The Group has formulated the Climate Change Policy to enhance its ability to respond to climate impacts and mitigate the risks and impacts of climate change on the Group, thereby helping the Group to adapt and resist climate change. In FY2026, the Group paid close attention to the impact of climate change as described below.

Physical Risks

The increasing frequency and severity of extreme weather events such as extreme cold or extreme heat, storms, rainstorms and typhoons, could heighten the risk of power shortages, interrupt the supply chain and damage the Group's assets, disrupting the Group's operation. Climate change may cause delays in shipments from our suppliers or to our customers and disrupt the production of medical devices, leading to increased production costs, higher price of medical devices, and reduced revenue, as well as increasing costs of handling supply chain disruptions and/or damaged sites. These events could also disrupt the work of employees and even cause casualties. As a countermeasure, the Group has formulated contingency arrangements to reduce or avoid losses when extreme weather events affect the Group's supply chain and/or operating sites. The Group will identify these risks and prioritise those that may have a significant impact to take precautionary measures in the first place. At the same time, the Group will examine the possibility of changing its business model to reduce or avoid these serious effects on business operations.

Transition Risks

To achieve sustainable development, governments are enacting climate-related legislation or tightening regulations to support the global vision of decarbonisation. The Stock Exchange of Hong Kong Limited has also required listed companies to enhance climate-related disclosures in their ESG reports, which may result in increased compliance costs. Failure to meet the climate change compliance requirements may expose the Group to risks of claims and lawsuits and the Group's corporate reputation may also decline.

The Group will regularly monitor existing and emerging climate-related trends, policies and regulations to avoid reputational risks due to delayed responses. In addition, in order to reduce the Group's environmental impact and to comply with the requirements of the Stock Exchange of Hong Kong Limited, the Group has set targets to reduce energy consumption and GHG emissions. The Group will continue to assess the effectiveness of the Group's actions to address climate change and enhance its resilience against climate-related issues.

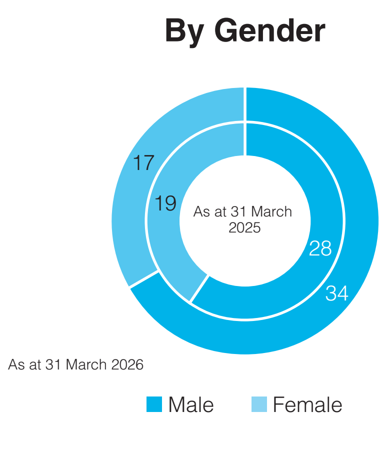
B. SOCIAL

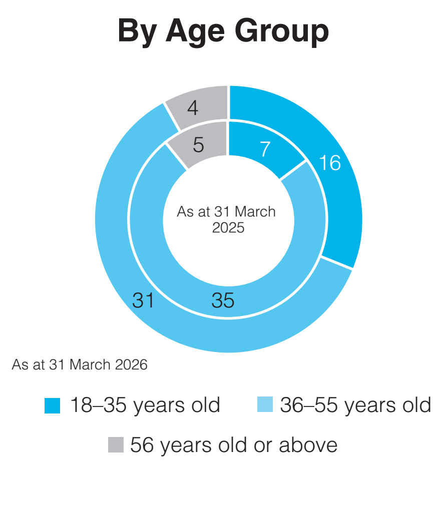
B1. Employment

Human resources are fundamental to supporting the development of the Group. Hence, the Group has adopted the Human Resource Management Policy and procedures to fulfil its vision of people-oriented management and realise the full potential of employees. These policies cover recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunity, etc.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong and Macau that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited to, the Employment Ordinance (Cap. 57), the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and the Minimum Wage Ordinance (Cap. 608) of Hong Kong, and the Framework Law on Employment Policy and Worker's Rights (Law No. 4/98/M) and the Labour Relations Law (Law No. 7/2008) of Macau.

As at 31 March 2026, the Group had a total of 51 (As at 31 March 2025: 47) full-time employees, all of whom were located in Hong Kong (As at 31 March 2025: 46 located in Hong Kong and 1 located in Macau). Further illustrations of our staff composition are as follows:





The Group's overall turnover rate[5] during the Reporting Period was approximately 38.8% (FY2025: approximately 73.1%). The Group's turnover rate by gender, age group and geographical region[6] was as follows:

Indicators	Unit	FY2026	FY2025
Overall turnover rate	%	38.8	73.1
By gender			
Male	%	29.0	76.7
Female	%	55.6	66.7
By age group			
18–35 years old	%	60.9	62.5
36–55 years old	%	33.3	74.6
56 years old or above	%	22.2	80.0
By geographical region			
Hong Kong	%	37.1	73.9
Macau	%	200.0	–

Notes:

5. The calculation method of the overall turnover rate: total number of departures in the year ÷ average number of employees at the beginning and the end of the year × 100%.

6. The calculation method of the employee turnover rate by category: number of departures in the category in the year ÷ average number of employees at the beginning and the end of the year × 100%.

Recruitment, Promotion and Dismissal

We apply robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their experience, qualifications and expertise required for the position and potential to fulfil the Group's current and future needs.

Our basis for compensation and promotion are job-related skills, qualifications and performances, ensuring that we treat and evaluate employees and applicants in a fair way and compensate employees relative to the industry and local labour markets in which we operate, which consists of a competitive level of fixed and variable compensation.

Unreasonable dismissal under any circumstances is forbidden in the Group. The dismissal process will be initiated only on a reasonable basis and a warning letter must be sent prior to the dismissal. Official dismissal will only be considered when the employee fails to correct the problems after receiving the warning letter.

Employee Welfare

The Group determines the employee's remuneration based on factors such as qualification, contribution and years of experience. Remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund and discretionary bonus. The key principle of the Group's remuneration policy is to remunerate employees in a manner that is market competitive. The Group regularly carries out its staff evaluation to assess their performance.

In addition, the Group has formulated policies for determining the working hours and rest periods for employees following local employment laws.

Diversity, Equal Opportunity and Anti-discrimination

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any forms. The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. The Group will continue to strive for providing equal opportunity and ensure a diverse and sustainable workforce in the face of a demographic environment.

B2. Health and Safety

We are committed to providing and maintaining a safe and healthy environment for all our employees. The Group has established relevant policies on the prevention and remediation of safety accidents, and detection of potential safety hazards in the workplace, so as to maintain a safe working environment. During the Reporting Period, the Group recorded no lost days due to work injury (FY2025: Nil). No work-related fatalities occurred between 1 April 2023 and 31 March 2026.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong and Macau that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance (Cap. 509) and the Employees' Compensation Ordinance (Cap. 282) of Hong Kong, and the General Regulations on Health and Safety on Industrial Working Environment of Macau (Decree-Law No. 57/82/M).

Occupational Health and Safety

The Group follows the occupational health and safety guidelines recommended by the Labour Department and the Occupational Safety and Health Council.

The Human Resource Department takes responsibility for offices' occupational health and safety and relevant promotions and monitoring. It is responsible for monitoring and reviewing the safety and security management system periodically, and performing regular checking in the office to ensure the safety of employees. Moreover, we have provided a first aid box in the office and the supplies inside are regularly replenished. The Group acknowledges the relatively long time spent in front of computers by its employees working in the office and its potential harm to health. Therefore, the Group reminds its employees to pay attention to their work posture and encourages them to take their eyes off the computer and take a short break regularly. The Group's health and safety policy has been listed in its Staff Handbook, all accidents and health or safety problems are required to be reported to management as soon as possible.

On top of current practice, the Group has designed and implemented on-site and mechanical safety training to minimise the possibilities of significant occupational safety and health impacts. The Group is formulating occupational safety education and training for employees to enhance their safety awareness by introducing training courses based on health and safety rules and regulations as stipulated in the Occupational Safety and Health Ordinance. The abovementioned occupational health and safety practices are both reviewed regularly to ensure good protection of employees.

B3. Development and Training

Employee Development

The Group regards its staff as the most important asset and resource. The Group recognises the valuable contribution of its talents to the continued success of the Group. The Group is committed to inspiring its human capital towards delivering excellence. This is achieved through the development of a training strategy that focuses on creating value and serving the needs of its customers, talents and society. In light of this, the Group provides regular training, development programmes and training sponsorship for its employees.

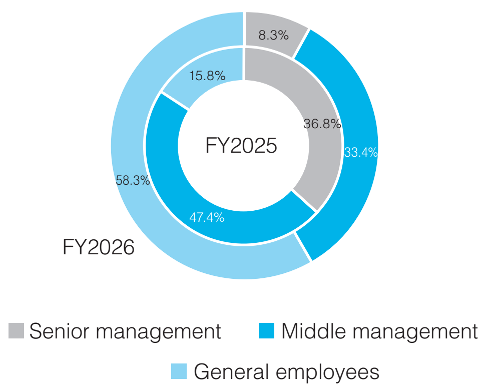
To ensure the effectiveness of the training programmes, the Group has developed relevant policies for controlling the related training procedures. A training plan is developed by the management based on the requirements of various departments and employees. Training content is regularly updated to ensure contents are relevant to stakeholders' changing needs such as laws and regulations, market trends, product trends and customer behaviour changes. The Group encourages and supports employees to participate in personal and professional training to fulfil the needs of the Group's development. The Group also encourages the culture of sharing knowledge and experience. Meanwhile, the Group provides on-the-job training to enhance its staff's professional knowledge and expertise, as well as some external training courses and seminars. The Group strives to keep its employees up-to-date with the industry trend and product development and better accommodate the needs of different stakeholders, including customers and suppliers.

The Group believes that participating in exhibitions, trade shows, or conventions, can help its employees to have better comprehension of the latest industry and market trends. The Group has been participating in various local and international trade shows and exhibitions including Hospital Authority Convention, Hong Kong International Medical and Healthcare Fair and Paediatric Society Annual Scientific Meeting in the past years.

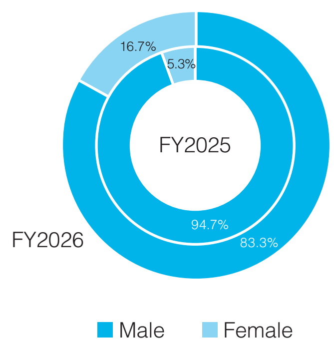
During the Reporting Period, the percentage of total employees trained[7] was approximately 47.1% (FY2025: 40.4%). During the Reporting Period, the Group's average training hours completed per employee[8] were approximately 12.6 hours (FY2025: approximately 7.4 hours), mainly due to enhanced internal training programmes and sponsorship of job-related external courses, conferences, and exhibitions on a case-by-case basis. The Group also supports staff under the Hong Kong Institution of Engineers Scheme "A" Graduate Training in Biomedical Discipline and Continuing Professional Development programmes. Other training activities included but were not limited to safety regulations, performance management, business ethics and equipment and consumable training provided by suppliers.

Further illustrations of our breakdown of employees trained[9] are as below:

By Employee Category



By Gender



The average training hours completed per employee[10] were as follows:

Indicators	Unit	FY2026	FY2025
Average training hours completed per employee	hours	12.6	7.4
By employee category			
Senior management	hours	7.1	0.7
Middle management	hours	12.6	19.4
General employees	hours	14.4	3.0
By gender			
Male	hours	15.8	11.6
Female	hours	6.4	1.3

Notes:

7. The calculation method of the percentage of total employees trained: total number of employees trained in the year ÷ total number of employees at the end of the year × 100%.

8. The calculation method of the average training hours completed per employee: total training hours in the year ÷ total number of employees at the end of the year.

9. The calculation method of the breakdown of employees trained by category: number of employees trained in the category in the year ÷ total number of employees trained in the year × 100%.

10. The calculation method of the average training hours completed per employee by category: training hours of employees in the category in the year ÷ number of employees in the category at the end of the year.

We believe that a harmonious working environment could enhance the Group's performance. The Group has promoted team spirit, strengthened the interdepartmental communication and enhanced the work efficiency at workplace.

B4. Labour Standards

Child and Forced Labour Prevention

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Employment Ordinance of Hong Kong and the Labour Relations Law of Macau. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong and Macau that have a significant impact on the Group relating to preventing child and forced labour. The relevant laws and regulations include, but are not limited to, the Employment Ordinance (Cap. 57) of Hong Kong, and the Labour Relations Law (Law No. 7/2008) of Macau.

The Group has established a recruitment process to check the background of candidates and the formal reporting procedures to deal with any exceptions, and conducts regular reviews and inspections to prevent child and forced labour in operation. Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data. The Human Resources Department also ensures identity documents are carefully checked.

To prevent forced labour, all employees enter into labour contracts on a voluntary and fair basis and are free to leave their position with proper notifications. The rights and responsibilities of employees, including code of conduct, working hour and remuneration, are listed in the employment agreement, which must be signed by each employee before joining the Group, and the Staff Handbook, to ensure employees acknowledge their rights and prevent any form of forced labour. The Group's employees work overtime on a voluntary basis.

If child labour or forced labour is found to be employed as a result of a breach of the recruitment process, the Group will immediately stop the work of the child labour or forced labour and provide the necessary assistance for the affected individuals.

B5. Supply Chain Management

Suppliers of the Group's operation are primarily focused on supplying medical devices and providing medical device solutions, whereas suppliers of its medical device services mainly comprise medical device manufacturers, technicians and quality inspectors, etc. The Group has maintained long-term and stable relationships with major suppliers and business partners. All suppliers and business partners are evaluated carefully and are subject to regular monitoring and assessment by the Purchasing Department and the Operation Department. During the Reporting Period, the Group had a total of 53 suppliers (FY2025: 53). During the Reporting Period, all the Group's 53 suppliers met the standard in the Group's regular supplier performance evaluation or complied with the Group's Purchasing Policy. The Group's number of suppliers by geographical region was as below:

Indicators	Unit	FY2026	FY2025
Total number of suppliers	number	53	53
By geographical region			
Mainland China	number	22	22
France	number	4	4
Germany	number	5	5
Hong Kong, China	number	3	3
Malaysia	number	3	3
Singapore	number	1	1
The United States	number	15	15

Environmental and Social Risks of Supply Chain

In view of the increasing environmental concerns in society, the Group is aware of the importance of managing environmental and social risks of its supply chain. The Group has embedded environmental and social considerations in the procurement process and supplier communication. The Group will continue to monitor its supply chain regarding the environmental and social standards. Besides the above management procedures, we have formulated the related policies to clearly classify the suppliers and business partners who deal with the Group, in order to manage the potential environmental and social risks along the supply chain.

We have also formulated the Purchasing Policy to ensure that the suppliers could be selected in a transparent and fair way. The Group should not differentiate or discriminate in the treatment of certain suppliers. The procedures include measures to prevent all kinds of business bribery and conflict of interest, such as the avoidance of employees' personal interests directly or indirectly in or given by the suppliers.

Suppliers Selection

Unless the customers specify, the Group selects its suppliers from its internal list of approved suppliers which is reviewed and updated periodically based on various factors such as track record, pricing, product quality, market reputation, timeliness of delivery, financial conditions and after-sale services.

The Group serves as a bridge between its overseas suppliers of medical devices and its customers to manage the pre-market and post-market matters of the relevant medical devices, such that any updated medical device information can be disseminated to the relevant parties while feedback can be collected and delivered to the manufacturers for action:

Our quality management rests on:

- Efficient communication channels;
- Application for listing medical devices;
- Keeping detailed distribution records;
- Prompt feedback handling;
- Maintenance and repair service arrangements; and
- Product alerts modifications and recalls.

The Group is continuously performing assessment on its suppliers' performance, pricing competitiveness and compliance status through close communications and monitoring over daily operations.

Green Procurement

The Group is committed to supporting local economies by prioritising procurement from local suppliers to reduce the carbon footprint from transportation. The Group continuously monitors the policies implemented by the local government in the location where it operates. If the information on environmentally friendly products or services is published by official organisations, the Group will seriously consider adopting their recommendations, to purchase goods and services that have less impact on the environment. If any of our suppliers commit any material violations of laws and regulations, we will consider terminating our contract with them. The Group regularly monitors the Purchasing Policy to ensure its effectiveness.

B6. Product Responsibility

The Group attaches great importance to product quality and corporate reputation, actively ensuring its product and service quality through internal controls, and is committed to supplying quality products that meet the international standards. We also maintain close communication with customers to ensure we understand and meet their needs and expectations. We hope to understand customers' satisfaction, in order to continuously improve our products and services, so as to achieve customer satisfaction.

The Group understands that innovation is the key to keeping up with market trends and continuous success and therefore is sparing no effort in integrating new technology into its business strategy. We will continue to advance our business operations in order to provide high quality products and services that meet clients' needs, achieve ultimate success and contribute to economic and industrial development.

If any complaint is received, the Group will investigate the relevant issue and follow up with the customer to ensure that the complaint is being handled in a timely manner. During the Reporting Period, the Group did not have any recalled products due to safety and health reasons (FY2025: Nil). During the Reporting Period, the Group did not receive any complaints in relation to products and services (FY2025: Nil).

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong and Macau that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance (Cap. 362), the Trade Marks Ordinance (Cap. 559), the Copyright Ordinance (Cap. 528) and the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong, and the Consumer Rights and Interests Protection Law (Law No. 9/2021) and the Personal Data Protection Act (Law No. 8/2005) of Macau.

Product Quality and Safety

The Group pays high attention to the quality and safety of its services and products. The Group has a stringent quality assurance process across all operation-related departments and strives to provide a pleasant user experience for its customers. The Group has designed and implemented certain measures to ensure its services and products meet a high standard of quality and safety, and that the risk of its product liability is contained. Our key measures include, but are not limited to:

- Procuring only from approved suppliers, with their certifications checked regularly;
- Carrying out quality checks on all products arriving at our warehouse, only products that have passed the quality check can be sent to the customer;
- Requiring suppliers to provide proof of disinfection for single-use disposable medical equipment;
- Appointing designated staff and engineers to inspect our medical devices and equipment on a regular basis;
- Regularly reviewing our inventory levels for slow-moving inventory, obsolescence or declines in market values;

- Accepting reasonable returns or exchanges for minor defective products after careful examination;
- Offering warranty (generally in one-year term) on products to our customers; and
- Establishing a mechanism to report obsolete or expired products to senior executives.

As a risk transfer measure, we have procured insurance over our product liability. The Group continuously assesses the reasonable sufficiency and cost-effectiveness of such insurance policy and coverage. In addition, the suppliers may be required to indemnify us against any liabilities, losses and damages resulting from any infringement of patents or trademarks, or any property damage or personal injury arising solely from defects in suppliers' manufacture, materials or workmanship of any products.

The Group carefully manages and monitors the quality of products. All products the Group sells are properly labelled to help the Group to keep track of its products. If there are quality issues with the products sold by the Group, the Group promptly identifies the source of defects and the defective batch of products through its tracking system. When necessary, the products will be recalled to rectify the issues and prevent recurrence in the future. The Group also provides repair services for the products sold by the Group. We have established a guideline to standardise the related procedures. When a request from a customer is received, the designated staff should get in touch with the customer within a certain period of time, understand the conditions, analyse the problem and suggest solutions. The record of the whole inspection and repair process should be kept.

IP Rights

The Group believes that its branding and IP rights are critical to its success. The Group believes that many of its customers are attracted to it because of its strong brand names and reputation. The continuing success and growth of both of the Group's business of supplying medical devices and providing medical device solutions services therefore depend on its ability to protect and promote its brands, trademarks, copyrights and other IP rights. During the Reporting Period, there were no disputes or infringements in connection with our IP rights pending or threatened against the Group which could have a material adverse effect on its operations or financial performance. The Group keeps monitoring if there are any infringements of its IP rights.

Customer Privacy Protection

The Group is committed to strengthening the protection of customers' privacy. The Group's employees are trained to maintain the confidentiality of its customers' information. The Group also has a data backup system through which its back-up data are stored in different locations to reduce the risk of data loss. We have also implemented firewall, antivirus and anti-spam solutions for our IT systems to prevent leakage of confidential information, which are upgraded constantly. The Group regularly reviews the effectiveness of its information security controls to meet its privacy and data protection obligations.

Advertising and Labelling

The Group strictly complies with relevant laws and regulations, continues to adopt fair marketing practices and ensures that all products sold are properly labelled. The Group has regulated the conduct of marketing personnel in the process of product sales and contract signing, strictly prohibiting the dissemination of misleading and ambiguous product information and excessive commitment, while protecting customers' information rights.

B7. Anti-corruption

The Group does not tolerate any corruption, fraud and all other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in its business.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations in Hong Kong and Macau that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance (Cap. 201) and the Competition Ordinance (Cap. 619) of Hong Kong, and the Prevention and Suppression of Bribery in the Private Sector (Law No. 19/2009) of Macau. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees (FY2025: Nil).

The Group provides anti-corruption training for the Directors and staff at least once per year. The relevant anti-corruption training covers legal knowledge and integrity behaviours in the workplace. Where appropriate, the Group delivers online anti-corruption training to the Directors and staff. The anti-corruption training helps to encourage a clean and honest style of work, so that employees can be strict with themselves and fulfil their duties. During the Reporting Period, the Directors and employees of the Group received a total of approximately 6.0 hours (FY2025: 5.0 hours) and 45.0 hours (FY2025: 42.0 hours) of anti-corruption training respectively.

All Directors and staff of the Group are expected to carry out their work in an honest and ethical manner as outlined by the Code of Conduct. The Group regularly reviews the Code of Conduct to ensure its effectiveness in preventing corruption.

Anti-bribery

The Group has established the Anti-bribery Guidelines to prohibit employees from soliciting or accepting any advantage related to their employment without the permission of the Directors. In addition, employees are not permitted to make any payments or offers of payment or advantage that they know, with reasonable certainty, will be given to any related parties, in order to comply with relevant laws and regulations. According to the Anti-bribery Guidelines, the Group has designed and implemented certain key anti-bribery measures including:

- Inviting at least three suppliers to bid for deals that involve a large amount;
- According to our approval matrix, material transactions must be approved by different work personnel and the senior management; and
- Prohibiting the use of business opportunities or authority to gain personal benefits or advantages.

Anti-fraud

The Group has also established the Anti-fraud Policy to detect and prevent fraud within the Group. By implementing the fraud risk assessment mechanism, the Group is able to dictate the frequency of risk assessment and apply relative investigation procedures so as to minimise the fraud risk to an acceptable level.

Whistle-blowing Policy

The Group has also implemented the Whistle-blowing Policy which allows all employees as well as independent third parties (e.g. customers, suppliers, contractors, etc.) who deal with the Group to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Board or the audit committee anonymously. The Group will handle the reports and complaints with care and will treat the whistle-blowers' concerns fairly and properly. Any person who is found to have victimised or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions. The Board and the audit committee will supervise and review the implementation and effectiveness of the Whistle-blowing Policy on a regular basis.

B8. Community Investment

Community Participation

The Group is committed to supporting the public by means of social participation and contribution as part of its strategic development. As mentioned in the Corporate Social Responsibility Policy, the Group's community investment focuses on areas including education, and elderly care. To nurture corporate culture and strengthen practices of corporate citizenship, we embrace human capital into the social management strategies so as to sustain our corporate social responsibility and support the Group's strategic development. Our employees are encouraged to donate to recognised charitable institutions in order to help the grass-roots community or those in need, so that they can receive proper education and medical care. During the Reporting Period, the Group mainly focused on community welfare for underprivileged groups through making approximately HK$0.9 million of donations to 4 organisations: Yan Oi Tong Limited, Hong Kong Red Cross, Yan Chai Hospital and Bright Side Foundation Limited (FY2025: HK$0.9 million). The money donated will be used to support the daily operations of these organisations and help a variety of underprivileged groups who are beneficiaries of these organisations. The charitable activities in which the Group participated include, but are not limited to:

Yan Oi Tong Mid-Autumn Festival Care Programme

The Group contributed HK$10,000 to Yan Oi Tong to support the Mid-Autumn Festival Care Programme, which provides assistance to solitary, frail elderly and disadvantaged families, as well as the Sunshine Petrol Station Programme for grassroots single-parent households.

Hong Kong Red Cross 75th Anniversary Gala Dinner

The Group supported the Hong Kong Red Cross 75th Anniversary Gala Dinner held on 13 October 2025, themed "Humanity. As Our Beginning". The Group contributed HK$3,800 to support the organisation's initiatives in strengthening community resilience and improving the lives of vulnerable communities.

Yan Oi Tong Charity TV Show

As one of the most recognised fundraising TV Shows in Hong Kong, the Yan Oi Tong Charity TV Show 2025 was broadcast on TV on 18 October 2025. The show is a major platform of increasing public awareness of Yan Oi Tong's services while generating financial support for its ongoing social initiatives. HK$120,000 of donations were made by the Group in the event.

Yan Oi Tong Annual Charity Ball 2026

The Yan Oi Tong Annual Charity Ball 2026, themed "The Wizard of Oz", was held on 16 January 2026 to support disadvantaged groups in overcoming adversities and regaining hope and faith. The Group contributed HK$68,000 to support Yan Oi Tong's diverse welfare initiatives.

Yan Oi Tong Cantopop 321 Charity Concert 2026

The Yan Oi Tong Cantopop 321 Charity Concert 2026 was held on 21 March 2026 to raise funds for Yan Oi Tong's diverse welfare programmes. The Group donated HK$12,000 through the purchase of tickets for the concert.

During the Reporting Period, the Group received a certificate of thanks for the Women's Holistic Wellness Empowerment Programme 2026, as well as the Caring Company logo in recognition of its six years of commitment to fostering a caring culture and supporting community development. We will continue to uphold our social responsibility while developing our business.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (1)

Mandatory Disclosure Requirements	Sections
Governance Structure	CHAIRMAN'S STATEMENT; SUSTAINABILITY GOVERNANCE; STAKEHOLDER ENGAGEMENT; MATERIALITY ASSESSMENT
Reporting Principles	REPORTING FRAMEWORK
Reporting Boundary	REPORTING SCOPE

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (2)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions — Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions — Waste Management (Not applicable and explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1. Emissions — Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A1. Emissions — Waste Management
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, and a description of reduction target(s) set and steps taken to achieve them.	A1. Emissions — Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ’000s) and intensity (e.g. per unit of production volume, per facility).	A2. Use of Resources — Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2. Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources — Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A2. Use of Resources — Packaging Materials (Not applicable and explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change — Physical Risks; A4. Climate Change — Transition Risks

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	B1. Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1. Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety
KPI B2.2	Lost days due to work injury.	B2. Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety — Occupational Health and Safety

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. Development and Training — Employee Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. Development and Training — Employee Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B4. Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4. Labour Standards — Child and Forced Labour Prevention
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. Labour Standards — Child and Forced Labour Prevention
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5. Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5. Supply Chain Management — Suppliers Selection
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5. Supply Chain Management — Environmental and Social Risks of Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5. Supply Chain Management — Green Procurement

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Product Responsibility — IP Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Product Responsibility — Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6. Product Responsibility — Customer Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	B7. Anti-corruption — Whistle-blowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community Investment — Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community Investment — Community Participation

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (3)

In accordance with Appendix C2 of the GEM Listing Rules, the Group has provided climate-related disclosures on a voluntary basis, with the exception of the mandatory disclosure of Scope 1 and Scope 2 GHG emissions as required under paragraphs 28(a), 28(b), and 29, as set out below:

Paragraph	Description	Section/Statement
28	An issuer shall disclose its absolute gross GHG emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent, classified as:	A1. Emissions — GHG Emissions
(a)	Scope 1 GHG emissions;	
(b)	Scope 2 GHG emissions;	
29	An issuer shall:	A1. Emissions — GHG Emissions
(a)	measure its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring GHG emissions;	

Paragraph	Description	Section/Statement
(b)	disclose the approach it uses to measure its GHG emissions including:	A1. Emissions — GHG Emissions
(i)	the measurement approach, inputs and assumptions the issuer uses to measure its GHG emissions;	
(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its GHG emissions; and	
(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c)	for Scope 2 GHG emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 GHG emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 GHG emissions; and	A1. Emissions — GHG Emissions
(d)	for Scope 3 GHG emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	A1. Emissions — GHG Emissions

DIRECTORS' REPORT

The Directors present their report and 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 activities of the subsidiaries are set out in note 32 of the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and the analysis of the Group's performance for the year ended 31 March 2026 as well as outlook/prospects of the Group's business are provided in the sections "Chairman's Statement" on page 4, and "Management Discussion and Analysis" on pages 5 to 7 of this annual report.

Description of key risk factors and uncertainties that the Group is facing is provided in Management Discussion and Analysis on pages 5 to 7 of this annual report and in note 5 to the consolidated financial statements while the financial risk management objectives and policies of the Group can be found in note 37 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Summary on page 120 of the annual report. In addition, discussions on the Group's compliance with relevant laws and regulations which have a significant impact on the Group, relationships with its key stakeholders and environmental policy are contained in the Directors' Report on pages 56 to 65 of the annual report and in the Environmental, Social and Governance Report on pages 27 to 55 respectively.

SEGMENTAL INFORMATION

An analysis of the Group's revenue from operations by geographical locations of customers for the year ended 31 March 2026 is set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2026 and its consolidated financial position as at that date are set out in the consolidated financial statements on pages 70 and 71 of this annual report respectively.

The Board declared payment of an interim dividend of HK0.25 cent (2025: HK0.25 cent) per ordinary share, in lieu of final dividend, for the year ended 31 March 2026.

CLOSURE OF THE REGISTER OF MEMBERS

(A) Entitlement to Interim Dividend

For the purpose of determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 15 July 2026 to Friday, 17 July 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date of payment of the interim dividend will be Friday, 17 July 2026. In order to qualify for the entitlement of the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 14 July 2026.

(B) Entitlement to Attend and Vote at the AGM

For the purpose of determining Shareholders' entitlement to attend and vote at the forthcoming 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 Shares will be registered. The record date for attending the AGM is Tuesday, 8 September 2026. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 September 2026.

DONATIONS

Donations of approximately HK$0.9 million were made by the Group during the year.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 120 in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the financial year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 26 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group are set out in note 27 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

As at 31 March 2026, the distributable reserves of the Company amounted to approximately HK$71 million.

Under the Companies Law of the Cayman Islands, subject to the provisions of Articles of Association of the Company, the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2026, so far as the Company is aware, the aggregate revenue attributable to our five largest customers and the largest customer accounted for approximately 57.6% and 15.6%, respectively, of the Group's total revenue for the financial year. Purchases from the Group's five largest suppliers accounted for approximately 69.3% of the Group's total purchases for the financial year and the purchase from the largest supplier included therein amounted to approximately 23.9%.

None of the Directors, or any of his or her close associates (as defined under the GEM Listing Rules) or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any beneficial interest in the Group's five largest customers or suppliers during the financial year.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Director

Ms. Wong Bik Kwan Bikie *(Chairman and Chief Executive Officer)*

Non-executive Directors

Dr. Miu Yin Shun Andrew
Mr. Chiu Man Wai

Independent non-executive Directors

Mr. Ng Leung Sing *SBS, JP*
Mr. Chow Ming Po Aaron
Mr. Chiu Fan Wa (appointed on 1 June 2025)

Pursuant to article 83(3) of the Articles of Association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Pursuant to Article 84(1) of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Ms. Wong Bik Kwan Bikie and Mr. Chow Ming Po Aaron will retire by rotation at the 2026 AGM, and being eligible, will offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled under the Articles of Association of the Company to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him or her as a Director in the execution or discharge of his or her duty.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DIRECTORS' SERVICE CONTRACT/LETTERS OF APPOINTMENT

None of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out on pages 8 to 11 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

REMUNERATION POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes commissions, discretionary bonus and other merit payments), taking into account factors such as their experience, level of responsibility, individual performance, the profit performance of our Group and general market conditions.

The remuneration of the Directors is determined on the basis of the relevant Director's experience, responsibility, performance and the time devoted to the business.

The Remuneration Committee will meet at least once for each year to discuss remuneration related matters (including the remuneration of the Directors and the senior management of the Company) and review the remuneration policy of the Group.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building a good employee relations and employee retention of the Group. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, mandatory provident funds, bonuses and a share option scheme. The management regularly reviews its employee's remuneration packages to ensure they are up to prevailing market standard.

The Group has established long term business relationships with its major suppliers and customers for over years. The Group will endeavor to maintain its established relationship with these existing suppliers and customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Group believes sustainability is the key to achieve continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operations and governance perspective.

RETIREMENT BENEFITS PLAN

Particulars of retirement benefits plan of the Group for the year ended 31 March 2026 are set out in note 4m(ii) to the consolidated financial statements.

MANAGEMENT CONTRACTS

During the financial year, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as the share option scheme as set out in section headed "Share Option Scheme", at no time during the financial year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, or any of the Company's subsidiaries a party to any arrangement to enable the Directors or their respective associates to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which shall have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which shall be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which shall be required to notify the Company and the Hong Kong Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, were as follows:

Long position in the shares of the Company and associated corporations

Name of Director/ chief executive	Name of Group member/associated corporation	Nature of Interest	Number of shares	Number of underlying shares	Aggregate Interest	Approximate percentage of shareholding
Ms. Wong Bik Kwan Bikie ("Ms. Wong") *(Note 1)*	The Company	Interest in a controlled corporation	568,028,001	–	568,028,001	71.00%
	B&A Success	Beneficial owner	100 shares of US$1.00 each	–	–	100%
Dr. Miu Yin Shun Andrew ("Dr. Miu") *(Note 2)*	The Company	Interest of spouse	568,028,001	–	568,028,001	71.00%
Mr. Chiu Man Wai *(Note 3)*	The Company	Interest in a controlled corporation	7,990,000	–	7,990,000	0.99%
	Infinite Crystal Limited	Beneficial owner	900 shares of US$1.00 each	–	–	100%
Mr. Chow Ming Po Aaron	The Company	Beneficial owner	7,810,000	–	7,810,000	0.98%

Notes:

1. The shares are registered in the name of B&A Success Limited ("B&A Success"), the entire issued share capital of which is legally and beneficially owned by Ms. Wong. Under the SFO, Ms. Wong is deemed to be interested in the same number of shares held by B&A Success.

2. Dr. Miu is the spouse of Ms. Wong. Under the SFO, Dr. Miu is deemed to be interested in the same number of shares deemed to be held by Ms. Wong.

3. The shares are registered in the name of Infinite Crystal Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Chiu Man Wai. Under the SFO, Mr. Chiu is deemed to be interested in the same number of shares held by Infinite Crystal Limited.

Save as disclosed above, as at 31 March 2026, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2026, so far as the Directors are aware, other than the Directors or chief executive of the Company whose interests are disclosed under the paragraph headed "Directors' and chief executive's interest and short positions in shares, underlying shares or debentures of the Company or any associated corporation" above, the following persons had an interest or short position in the shares or underlying shares of the Company which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5.0% or more of the issued voting shares of any member of the Group:

Long position in the shares of the Company

Name of shareholders	Nature of Interest	Total number of shares	Approximate percentage of shareholding
B&A Success	Beneficial owner	568,028,001	71.00%

Saved as disclosed above and so far as is known to the Directors, the Directors were not aware of any other persons other than the Directors or chief executive of the Company who held an interest or short positions in the shares and underlying shares of the Company as at 31 March 2026 which required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Share Option Scheme") on 1 March 2018. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 80,000,000 shares, being 10% of the total number of shares in issue at the time dealings in the shares first commenced on the Hong Kong Stock Exchange. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the shares in issue as at the date of grant.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the Share Option Scheme will enable the Group to reward the employees, Directors and other selected participants for their contributions to the Group. The Board may, at its discretion, grant an option to the eligible participants to subscribe for shares at an exercise price and subject to the other terms of the Share Option Scheme.

The subscription price for shares under the Share Option Scheme will be a price determined by the Board and shall be the highest of (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share.

The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the Share Option Scheme is adopted. The remaining life of the scheme is approximately 2 years. Subject to certain restrictions contained in the Share Option Scheme, an option may be exercised in accordance with the terms of the Share Option Scheme and the terms of grant thereof at any time during the applicable option period, which is not more than ten years from the date of grant of option. There is no general requirement on the minimum period under the Share Option Scheme for the holding of an option before it can be exercised. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

A nominal consideration of HK$1.0 is payable on acceptance of the grant of an option.

The number of options available for grant under the Share Option Scheme as at 1 April 2025 and 31 March 2026 are 71,940,000.

A total of 71,940,000 Shares are available for issue under the Share Option Scheme, representing 8.99% of the total issued capital of the Company as at the date of this Annual Report.

There were no share options outstanding, granted, exercised, forfeited, cancelled or lapsed during the year ended 31 March 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year. As at 31 March 2026, the Company did not hold any treasury shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and Directors of the Company's subsidiaries, or any of their respective associates, as defined in the GEM Listing Rules, had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group (other than being a director of the Company and/or its subsidiaries and their respective associates) during year ended 31 March 2026.

DEED OF NON-COMPETITION

Ms. Wong Bik Kwan Bikie and B&A Success (collectively the "Controlling Shareholders") have confirmed to the Company of their compliance with the non-competition undertakings provided to the Company under a deed of non-competition dated 1 March 2018. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholders during the year.

RELATED PARTY TRANSACTIONS

Save as disclosed in note 31 to the consolidated financial statements, no other related party transactions were conducted by the Group during the year.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

The rental expenses paid to Solaire International Limited as disclosed in note 31 "related party transactions" to the consolidated financial statements for the year ended 31 March 2026 constituted a connected transaction as defined in Chapter 20 of the GEM Listing Rules.

The transaction is a de minimis transaction in accordance with GEM Listing Rules 20.74(1) fully exempt from the reporting, annual review, announcement, circular (including independent financial advice) and shareholders' approval requirements.

There are no other non-exempt connected transactions during the year.

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the related party transactions disclosed in note 31 to the consolidated financial statements, no Director or Controlling Shareholder had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party and subsisted as at 31 March 2026 or during the financial year.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 12 to 26 of this annual 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 the public float as required under the GEM Listing Rules during the year.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors in writing an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

INDEPENDENT AUDITOR

The financial statements of the Company for the year ended 31 March 2026 were audited by BDO Limited. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO Limited as auditor of the Company.

No change in auditors of the Company since the date of listing.

EVENTS AFTER THE REPORTING PERIOD

There is no significant subsequent event after the report period and up to the date of this annual report.

ON BEHALF OF THE BOARD
Grand Brilliance Group Holdings Limited

Wong Bik Kwan Bikie
Chairman and Chief Executive Officer

Hong Kong, 26 June 2026

INDEPENDENT AUDITOR'S REPORT

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TO THE SHAREHOLDERS OF GRAND BRILLIANCE GROUP HOLDINGS LIMITED
（君百延集團控股有限公司）
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Grand Brilliance Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 70 to 119, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Assessing the net realisable value of inventories

(Refer to Notes 4(h), 5(ii) and 21 to the consolidated financial statements)

As at 31 March 2026, the Group held inventories with a broad product range which comprised mainly medical consumables and also medical equipment and instruments with an aggregate carrying value of approximately HK$25,973,000.

KEY AUDIT MATTERS *(Continued)*

Assessing the net realisable value of inventories *(Continued)*

Changes in customers' preferences and demand and market trend could result in inventories on hand no longer saleable or being sold at a discount below their cost. Estimating future demand of medical devices and the related selling prices is inherently subjective and uncertain as it involves management's judgement in identifying slow moving and obsolete inventories and estimation of the extent of markdown necessary to sell those inventories.

We identified the assessment of the net realisable value of inventories as a key audit matter because of the significance of inventories to the consolidated financial statements of the Group and due to significant estimation and judgement made by the management in assessing net realisable value.

Our procedures in relation to assessing the net realisable value of inventories included:

— Reviewing and assessing management's process and control on identification of slow moving and obsolete inventories and estimation of the net realisable value of these inventories;

— Evaluating the Group's provision policy on inventories and assessing whether the inventory provision at the end of the reporting period was determined on a basis consistent with the Group's inventory provision policy;

— Assessing, on a sample basis, whether items in the inventory ageing analysis prepared by the management were classified within the appropriate ageing brackets by tracing to the underlying records including purchase invoices and our prior year records;

— Evaluating the Group's inventory provision balance for slow moving items with reference to nature of the items, their historical sales and sales subsequent to the end of the reporting period;

— Evaluating accuracy of inventory provision by evaluating the historical reversal of write-down of inventories; and

— Testing the arithmetic accuracy of inventory provision calculation.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

- 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 group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

BDO Limited
Certified Public Accountants

Lee Ming Wai
Practising Certificate Number P05682
Hong Kong, 26 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	*7*	**100,713**	94,448
Cost of revenue		**(54,331)**	(48,726)
Gross profit		**46,382**	45,722
Other income	*8*	**1,722**	3,421
Other gains or losses	*9*	**703**	(648)
Gain on bargain purchase arising from acquisition of a subsidiary	*33*	**–**	975
Distribution and selling expenses		**(1,454)**	(1,397)
Administrative and other operating expenses		**(37,896)**	(37,785)
(Provision)/Reversal of loss allowance on trade receivables, net		**(272)**	10
Share of results of associates		**74**	18
Finance costs	*10*	**(214)**	(208)
Profit before income tax	*10*	**9,045**	10,108
Income tax expense	*11*	**(937)**	(917)
Profit and total comprehensive income for the year		**8,108**	9,191
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**8,413**	9,460
Non-controlling interests		**(305)**	(269)
Profit and total comprehensive income for the year		**8,108**	9,191
		HK cent(s)	HK cent(s)
Earnings per share			
Basic and diluted earnings per share	*14*	**1.05**	1.18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**712**	1,352
Interest in an associate	16	**726**	652
Other asset	17	**2,680**	2,690
Financial assets at fair value through profit or loss	18	**800**	1,100
Deposits	22	**576**	678
Right-of-use assets	19	**2,125**	4,030
Deferred tax assets	20	**117**	50
		7,736	10,552
Current assets			
Inventories	21	**25,973**	27,799
Financial assets at fair value through profit or loss	18	**1,066**	724
Trade and other receivables, deposits and prepayments	22	**46,797**	31,615
Tax recoverable		**7**	1,267
Cash and cash equivalents	23	**53,123**	60,235
		126,966	121,640
Current liabilities			
Trade and other payables	24	**12,434**	13,929
Contract liabilities	25	**2,235**	2,250
Tax payable		**429**	664
Lease liabilities	19	**1,624**	1,852
		16,722	18,695
Net current assets		**110,244**	102,945
Total assets less current liabilities		**117,980**	113,497
Non-current liabilities			
Lease liabilities	19	**429**	2,054
Net assets		**117,551**	111,443
CAPITAL AND RESERVES			
Share capital	26	**8,000**	8,000
Reserves	27	**109,199**	102,786
Equity attributable to owners of the Company		**117,199**	110,786
Non-controlling interests	34	**352**	657
Total equity		**117,551**	111,443

On behalf of the directors

Wong Bik Kwan Bikie
Chairman and Executive Director

Miu Yin Shun Andrew
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Equity attributable to owners of the Company							
	Share capital *(note 26)* HK$'000	Share premium* *(note 27)* HK$'000	Merger reserve* *(note 27)* HK$'000	Share option reserve* *(note 28)* HK$'000	Retained earnings* *(note 27)* HK$'000	Total HK$'000	Non-controlling interests *(note 34)* HK$'000	Total HK$'000
At 1 April 2024	8,000	52,499	1,500	992	40,335	103,326	(50)	103,276
Profit and total comprehensive income for the year	–	–	–	–	9,460	9,460	(269)	9,191
Non-controlling interest recognised on acquisition of a subsidiary *(note 33)*	–	–	–	–	–	–	976	976
Lapse of share options	–	–	–	(992)	992	–	–	–
Dividend declared *(note 13)*	–	–	–	–	(2,000)	(2,000)	–	(2,000)
At 31 March 2025 and 1 April 2025	**8,000**	**52,499**	**1,500**	**–**	**48,787**	**110,786**	**657**	**111,443**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**8,413**	**8,413**	**(305)**	**8,108**
Dividend declared *(note 13)*	**–**	**–**	**–**	**–**	**(2,000)**	**(2,000)**	**–**	**(2,000)**
At 31 March 2026	**8,000**	**52,499**	**1,500**	**–**	**55,200**	**117,199**	**352**	**117,551**

* The total of these equity accounts as at the end of the reporting periods represent “Reserves” in the consolidated statement of financial position

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
Profit before income tax		**9,045**	10,108
Adjustments for:			
Bank interest income		**(940)**	(1,615)
Dividend income		**(26)**	(19)
Changes in fair value of financial assets at fair value through profit or loss		**(42)**	1,446
Impairment loss on other assets		**10**	–
Depreciation of property, plant and equipment		**679**	746
Depreciation of right-of-use assets		**1,905**	2,889
Finance costs		**214**	208
Share of results of associates		**(74)**	(18)
Provision/(Reversal) of loss allowance on trade receivables, net		**272**	(10)
Allowance for inventories		**1,411**	823
Gain on bargain purchase arising from acquisition of a subsidiary		**–**	(975)
Operating profit before working capital changes		**12,454**	13,583
Decrease/(Increase) in deposits		**102**	(678)
Decrease/(Increase) in inventories		**415**	(4,122)
Increase in trade and other receivables, deposits and prepayments		**(15,453)**	(13,441)
(Decrease)/Increase in trade and other payables		**(1,497)**	4,690
(Decrease)/Increase in contract liabilities		**(15)**	1,875
Cash (used in)/generated from operations		**(3,994)**	1,907
Income tax refunded/(paid)		**21**	(555)
Net cash (used in)/generated from operating activities		**(3,973)**	1,352
Cash flows from investing activities			
Bank interest received		**941**	1,654
Dividend income received		**26**	19
Purchase of property, plant and equipment		**(39)**	(180)
Net cash inflow from acquisition of a subsidiary	*33*	**–**	2,454
Settlement of outstanding consideration for acquisition of an associate		**–**	(180)
Net cash generated from investing activities		**928**	3,767
Cash flows from financing activities			
Repayment of principal portion of lease liabilities	*30*	**(1,853)**	(2,664)
Interest paid on lease liabilities	*30*	**(214)**	(208)
Dividend paid	*30*	**(2,000)**	(2,000)
Net cash used in financing activities		**(4,067)**	(4,872)
Net (decrease)/increase in cash and cash equivalents		**(7,112)**	247
Cash and cash equivalents at beginning of the year		**60,235**	59,988
Cash and cash equivalents at end of the year		**53,123**	60,235
Analysis of the balances of cash and cash equivalents			
Cash at banks and on hand		**53,123**	60,235

1. GENERAL INFORMATION

Grand Brilliance Group Holdings Limited (the "Company") was incorporated in the Cayman Islands with limited liability under the Companies Law, Cap. 22 of the Cayman Islands on 5 July 2017. Its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 29 March 2018. The address of the Company's registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is situated at Units 2901–2903 and 2905, 29/F, The Octagon, 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the "Group") are principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance.

The Company's parent is B&A Success Limited ("B&A Success"), a company incorporated in the British Virgin Islands ("BVI"). In the opinion of the directors, B&A Success is also the ultimate parent of the Company.

The consolidated financial statements for the year ended 31 March 2026 were approved and authorised for issue by the directors on 26 June 2026.

2. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

(a) Adoption of amendments to HKFRS Accounting Standards — effective on 1 April 2025

The following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Group's consolidated financial statements for annual period beginning on 1 April 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The adoption of the above amendments to HKFRS Accounting Standards that are effective for the current reporting period did not have any significant impact on the Group's consolidated financial statements.

2. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability Disclosure[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 No mandatory effective date yet determined but available for adoption

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The above new and amendments to HKFRS Accounting Standards that have been issued but not yet effective are not expected to have a material impact on the Group's results and financial position upon application except for those mentioned below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's consolidated financial statements.

2. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

Currently, the Group derecognises its financial liabilities upon the issuance of cheques to their creditors. Under the amendments, the Group as a debtor should derecognise trade payable on the settlement date, i.e. the date on which the creditor receives the cash, as oppose to when the Group issues the cheque. Similarly, the Group should derecognise a trade receivable upon receiving cash from the debtor after the cheque has been cleared by the bank. The Group is the process of reviewing the derecognition practices for financial assets and financial liabilities to ensure compliance; and assessing the impact of amendments to the Group's financial statements upon adoption.

3. BASIS OF PREPARATION

(a) Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below.

All values are rounded to the nearest thousand except otherwise indicated.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and its major subsidiaries.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the difference is recognised in profit or loss as a gain on bargain purchase.

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

(b) Subsidiaries

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

The Group recognises the non-controlling interests in the non wholly-owned subsidiaries separately from owner's equity. Non-controlling interests are measured initially at either fair value or the Group's proportionate share of the fair value of the subsidiaries' identifiable net assets.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions are eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred, they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis as follows:

Furniture, fixtures, moulds and equipment	20%
Leasehold improvements	Over the shorter of the remaining lease terms or 20%
Motor vehicles	30%

The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Other asset

Other asset represents club membership held for long-term investment purposes and are with an indefinite useful life. Other asset acquired separately is initially recognised at cost and subsequently carried at cost less accumulated impairment losses.

Other asset with indefinite useful life is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired, by comparing its carrying amount with its recoverable amount (see note 4(n)). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

(f) Leasing

i. The Group as lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities expect for short-term leases and/or low value leases. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

Right-of-use asset is recognised at cost which comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease. The Group measures right-of-use assets applying a cost model. Under cost model, the right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

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

Subsequent to the commencement date, the Group measures lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Leasing *(Continued)*

i. The Group as lessee *(Continued)*

Lease modification

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

ii. The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the underlying assets are classified as operating leases. The Group evaluates the terms and conditions of the lease arrangements for medical devices, such as whether lease term constitutes a major part of the economic life of the medical devices and whether the present value of the minimum lease payments amounts to substantially all the fair value of the medical devices, to determine if the Group retains substantially all the significant risks and rewards incidental to ownership of these medical devices such that the lease arrangements are to be accounted for as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(g) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price in accordance with HKFRS 15 *Revenue from Contract with Customers* ("HKFRS 15").

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(g) Financial instruments *(Continued)*

(i) Financial assets *(Continued)*

Debt instruments

There are two measurement categories into which the Group classifies its debt instruments:

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

Fair value through profit or loss: Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Changes in fair value and interest income are recognised in profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All equity instruments are classified as fair value through profit or loss, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(g) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and other financial assets measured at amortised cost.

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

The Group measures loss allowances for trade receivables using HKFRS 9 *Financial Instruments* ("HKFRS 9") simplified approach and has calculated ECLs based on lifetime ECLs. For trade receivables which are not assessed for ECLs individually, the Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

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

(iii) Financial liabilities

The Group classifies its financial liabilities at amortised cost which including trade and other payables. They are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with the Group's accounting policy for borrowing costs note 4(o).

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(g) Financial instruments *(Continued)*

(iv) Equity instruments

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

(v) Derecognition

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

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

(h) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(i) Recognition of revenue and other income

Revenue and other income are recognised as the following bases:

(i) Revenue from sales of medical consumables, medical instruments and medical equipment other than those mentioned in note (ii) below is recognised at point in time when the goods are delivered and have been accepted by the customers. Generally there is only one performance obligation in the contract.

Some contracts include multiple performance obligations, which mainly include sales of medical equipment and provision of related installation services. The Group allocates the transaction price to each performance obligation based on its relative stand-alone selling price. For these contracts, revenue for the sales of medical equipment is recognised at point in time when the goods are delivered and have been accepted by customers. Revenue for provision of installation services is recognised at a point in time after the installation services have been rendered.

(ii) Revenue from rendering of maintenance services is recognised over time during the contractual period of the maintenance services, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

(iii) Revenue from leasing of medical devices is recognised on a straight-line basis over the terms of the relevant lease agreement.

(iv) Interest income is recognised on time-proportion basis using effective interest method.

Contract liabilities

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Income taxes

Income taxes comprise current tax and deferred tax, and are recognised in profit or loss.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of the reporting period and reflects any uncertainty related to income tax.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

(l) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. 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 translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Employee benefits

(i) Short-term employee benefits

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

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absence such as sick leave and maternity leave are not recognised until the time of leave.

(ii) Defined contribution retirement plan

Retirement benefits to employees are provided through defined contribution plans. The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all its employees who are eligible to participate in the MPF Scheme. The MPF Scheme is administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The Group has no further payment obligations once the contributions have been paid. Contributions to the MPF Scheme are recognised as an expense in profit of loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(n) Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, interests in associates and other asset are subject to impairment testing. Other asset with indefinite useful life are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU")). As a result, some assets are tested individually for impairment and some are tested at CGU level.

An impairment loss is recognised as an expense immediately for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(o) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs include finance charges in respect of lease liabilities.

(p) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(q) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(r) Provisions and contingent liabilities

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

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are 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 associated 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.

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

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment of non-financial assets

Management assesses impairment by evaluating conditions specific to the Group that may lead to impairment of non-financial assets. When an impairment trigger exists and in the case of other asset with indefinite use life that is required to be tested for impairment annually, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts of other asset (note 17) incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market conditions existing at the end of the reporting period and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. Future changes in the events and conditions underlying the estimates and judgements would affect the estimation of recoverable amount and result in adjustment to the carrying amount of other asset.

(ii) Allowance for inventories

The Group performs regular review to identify obsolete or expired inventories which require write-down or write-off. In addition, management carries out inventory review at the end of the reporting period and makes allowance for slow moving and obsolete items. A considerable amount of judgement and estimates is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate, additional allowances may be required. Management reviews inventory aging analysis to identify slow-moving inventories that are no longer saleable or being sold at a discount below their cost due to changes in customers' preferences and demand and market trend. Management estimates the net realisable value for such inventories based primarily on the current market conditions and historical selling experience. Specifically for medical consumables with shelf life, inventory provision is made based on their shelf life. During the year, the Group recognised inventory allowance of HK$1,411,000 (2025: HK$823,000).

(iii) Impairment loss on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables (other than those which are to be assessed individually). The expected loss rates are based on the historical default rates for the groups of customers categorised for similar risk characteristic as reflected by their background and type and adjusted for forward-looking information. Forward looking information is determined with reference to the market available information of the comparable companies and the expected economic conditions and industry outlook. At the end of the reporting period, the historical observed default rates are updated and changes in the forward looking estimates are analysed and updated when necessary. The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in note 37(a).

6. SEGMENT INFORMATION

(a) Operating segment information

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, i.e. directors of the Company who are used to make strategic decisions.

During the reporting period, the directors assessed the operating performance and allocated the resources of the Group as a whole as the Group is primarily engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance. Therefore, the Group has only one operating segment that qualifies as reportable segment under HKFRS 8 *Operating Segment*.

(b) Geographical segment information

The Company is an investment holding company and the principal place of the Group's operations is in Hong Kong. Accordingly, management determines that the Group is domiciled in Hong Kong. Most of the Group's revenue are derived from and most of the Group's non-current assets (other than deferred tax and financial assets) are located in Hong Kong. As a result, no separate segmental analysis is presented.

(c) Disaggregation of revenue from contracts with customers

	2026 HK$'000	2025 HK$'000
Timing of revenue recognition		
Over time	**2,867**	2,317
At a point in time	**97,690**	91,975
	100,557	94,292

(d) Information about major customers

Revenue from major customers individually contributing 10% or more of the Group's total revenue is set out as follows:

	2026 HK$'000	2025 HK$'000
Customer A	**15,689**	18,608
Customer B	**10,340**	9,743

7. REVENUE

The Group is principally engaged in supplying medical devices and providing medical device solutions including market trend analysis, sourcing of medical devices, after-sale services, technical support and training services, medical devices leasing services and quality assurance. Revenue derived from the principal activities comprises the following:

	2026 HK$'000	2025 HK$'000
Revenue from contracts with customers:		
Sales of medical devices and products		
Medical consumables	**61,902**	58,646
Medical equipment	**34,248**	31,657
Medical instruments	**1,540**	1,672
	97,690	91,975
Rendering of maintenance services	**2,867**	2,317
	100,557	94,292
Revenue from other source:		
Rental income from leasing medical devices	**156**	156
	100,713	94,448

8. OTHER INCOME

	2026 HK$'000	2025 HK$'000
Bank interest income	**940**	1,615
Government grants *(note)*	**753**	1,747
Dividend income	**26**	19
Sundry income	**3**	40
	1,722	3,421

Note: Government grants mainly included subsidies for Research Talent Hub of the Innovation and Technology Fund for supporting the payroll of the research talent of HK$241,000 (2025: HK$492,000), subsidies under Research and Development Cash Rebate Scheme for conducting research and development of HK$394,000 (2025: HK$481,000) and subsidies under Enterprise Support Scheme for conducting research and development of HK$21,000 (2025: HK$450,000). There were no unfulfilled conditions or contingencies relating to these government subsidies.

9. OTHER GAINS OR LOSS

	2026 HK$'000	2025 HK$'000
Changes in fair value of financial assets at fair value through profit or loss		
— Unlisted equity securities *(note)*	**–**	(1,529)
— Other investments	**42**	83
Exchange gain, net	**671**	798
Impairment loss on other assets	**(10)**	–
	703	(648)

Note: For the year ended 31 March 2025, the Group had 1% equity interest in an unlisted investee company which was a developer and provider of autonomous mobile robots. During the year ended 31 March 2025, the investee was undergoing liquidation process and its fair value was assessed to be immaterial. Accordingly, fair value loss of HK$1,529,000 was recognised for the investment for the year ended 31 March 2025.

10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2026 HK$'000	2025 HK$'000
Auditor's remuneration	**600**	600
Cost of inventories recognised as expense		
— Carrying amount of inventories sold	**52,920**	47,903
— Allowance for inventories	**1,411**	823
	54,331	48,726
Depreciation of property, plant and equipment* *(note 15)*	**679**	746
Depreciation of right-of-use assets* *(note 19)*	**1,905**	2,889
Employee costs (including directors' emoluments *(note 12(a))*)		
— Salaries, allowances and other benefits	**23,823**	23,441
— Contributions to defined contribution retirement plan<	**665**	590
	24,488	24,031
Finance costs — interest on lease liabilities *(note 19)*	**214**	208
Research and development expenditure#	**4,617**	3,926

* Included in administrative and other operating expenses

Included in research and development expenditure are staff costs amounted to approximately HK$4,597,000 (2025: HK$3,915,000) which are included in the employee costs above

< For the year ended 31 March 2026, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2025: nil). As at 31 March 2026, no forfeited contribution under these plans is available to reduce future contribution (2025: nil).

11. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2026 HK$'000	2025 HK$'000
Current tax for the year		
— Hong Kong Profits Tax	**1,093**	967
Over-provision in respect of prior years	**(89)**	–
	1,004	967
Deferred tax *(note 20)*	**(67)**	(50)
	937	917

The Group has no income subject to taxation in the Cayman Islands, the British Virgin Islands and United Kingdom. The Company and its Hong Kong incorporated subsidiaries are subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Pursuant to the tax rules and regulations of Macau, the subsidiaries incorporated and operated in Macau are liable to Macau Profits Tax at the rate of 12%.

The Group operates in certain jurisdictions where the Pillar Two Model Rules are enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Model Rules.

The income tax expense for the year can be reconciled to the profit before income tax in the consolidated statement of comprehensive income as follows:

	2026 HK$'000	2025 HK$'000
Profit before income tax	**9,045**	10,108
Tax calculated at applicable Hong Kong Profits Tax rate	**1,492**	1,668
Income tax on concessionary rate	**(165)**	(165)
Effect of different tax rates of subsidiary operating in other jurisdictions	**14**	30
Tax effect of income not taxable for tax purposes	**(298)**	(457)
Tax effect of expenses not deductible for tax purposes	**380**	628
Tax effect of tax losses not recognised	**675**	89
Tax effect of other temporary differences not recognised	**12**	92
Tax effect of additional allowance for research and development expenses	**(1,084)**	(967)
Utilisation of tax losses previously not recognised	**–**	(1)
Over-provision in respect of prior years	**(89)**	–
Income tax expense	**937**	917

12. DIRECTORS' EMOLUMENTS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of each of the directors are set out as follows:

	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Discretionary bonuses HK$'000	Pension scheme contribution HK$'000	Total HK$'000
Year ended 31 March 2026					
Executive director					
Ms. Wong Bik Kwan Bikie ("Ms. Wong")	**–**	**4,194**	**1,674**	**27**	**5,895**
Non-executive directors					
Dr. Miu Yin Shun Andrew	**120**	**–**	**–**	**–**	**120**
Mr. Chiu Man Wai	**120**	**–**	**–**	**–**	**120**
Independent non-executive directors					
Mr. Ng Leung Sing *SBS, JP*	**120**	**–**	**–**	**–**	**120**
Mr. Chow Ming Po Aaron	**120**	**–**	**–**	**–**	**120**
Mr. Chiu Fan Wa *(note (i))*	**100**	**–**	**–**	**–**	**100**
	580	**4,194**	**1,674**	**27**	**6,475**
Year ended 31 March 2025					
Executive director					
Ms. Wong	–	3,931	1,597	23	5,551
Non-executive directors					
Dr. Miu Yin Shun Andrew	120	–	–	–	120
Mr. Chiu Man Wai	120	–	–	–	120
Independent non-executive directors					
Mr. Ng Leung Sing *SBS, JP*	120	–	–	–	120
Mr. Chow Ming Po Aaron	120	–	–	–	120
Mr. Mui Wai Sum *(note (ii))*	115	–	–	–	115
	595	3,931	1,597	23	6,146

Notes:

(i) Mr. Chiu Fan Wa was appointed as an independent non-executive director on 1 June 2025.

(ii) Mr. Mui Wai Sum resigned as an independent non-executive director on 14 March 2025.

12. DIRECTORS' EMOLUMENTS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2026 included 1 director (2025: 1 director) of the Company whose emoluments are reflected in the analysis presented in note (a) above. The emoluments payable to the remaining 4 (2025: 4) highest paid individuals for the year ended 31 March 2026 are as follows:

	2026 HK$'000	2025 HK$'000
Salaries, allowances and other benefits	**3,071**	3,109
Discretionary bonuses	**508**	564
Contributions to defined contribution retirement plan	**66**	72
	3,645	3,745

The emoluments of the above non-director highest paid individuals were within the following bands:

	2026 Number of individuals	2025 Number of individuals
Nil to HK$1,000,000	**3**	2
HK$1,000,001 to HK$1,500,000	**1**	2

During the year, no emoluments were paid by the Group to the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2025: nil). In addition, none of the directors of the highest paid individuals waived or agreed to waive any emoluments during the year (2025: nil).

The discretionary bonus is determined with reference to the performance of director and individuals of the Group.

(c) Senior management's emoluments

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

	2026 Number of individuals	2025 Number of individuals
Nil to HK$1,000,000	**3**	3
HK$1,000,001 to HK$1,500,000	**1**	2

13. DIVIDENDS

	2026 HK$'000	2025 HK$'000
Interim dividend declared and paid during the financial year — HK0.25 cent (2025: HK0.25 cent) per ordinary share	**2,000**	2,000

Subsequent to the end of the reporting period, an interim dividend of HK0.25 cent (2025: HK0.25 cent) per ordinary share, totally amounting to HK$2,000,000 (2025: HK$2,000,000) was declared by the directors in respect of the reporting period. The interim dividend declared after the end of the reporting period was not recognised as a liability at the end of the reporting period.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	2026 HK$'000	2025 HK$'000
Earnings		
Profit for the year attributable to owners of the Company	**8,413**	9,460

	'000	'000
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted earnings per share	**800,000**	800,000

For the purpose of calculating diluted earnings per share for the years ended 31 March 2026 and 2025, no adjustment has been made as the exercise of the outstanding share options has an anti-dilutive effect of the basic earnings per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures, moulds and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost				
At 1 April 2024	2,981	1,358	2,041	6,380
Additions	180	–	–	180
Disposal	(4)	–	–	(4)
At 31 March 2025 and 1 April 2025	**3,157**	**1,358**	**2,041**	**6,556**
Additions	**39**	**–**	**–**	**39**
Disposal	**(21)**	**–**	**–**	**(21)**
At 31 March 2026	**3,175**	**1,358**	**2,041**	**6,574**
Accumulated depreciation				
At 1 April 2024	2,225	1,316	921	4,462
Charge for the year	303	33	410	746
Eliminated on disposal	(4)	–	–	(4)
At 31 March 2025 and 1 April 2025	**2,524**	**1,349**	**1,331**	**5,204**
Charge for the year	**263**	**6**	**410**	**679**
Eliminated on disposal	**(21)**	**–**	**–**	**(21)**
At 31 March 2026	**2,766**	**1,355**	**1,741**	**5,862**
Net carrying amount				
At 31 March 2026	**409**	**3**	**300**	**712**
At 31 March 2025	633	9	710	1,352

16. INTEREST IN AN ASSOCIATE

	2026 HK$'000	2025 HK$'000
Cost of investments in associates	**1,093**	1,581
Share of post-acquisition loss and other comprehensive income	**(367)**	(441)
Derecognition of interest in an associate *(note (a))*	**–**	(488)
	726	652

Details of the Group's associate as at 31 March 2026 and 2025 are as follows:

Name of Company	Date of incorporation/ place of incorporation and operation	Particulars of issued shares	Percentage of equity interests	Principal activities
Ark Space Limited ("Ark Space") *(note (b))*	1 August 2016/ Hong Kong	HK$981,028	16.1%	Supply chain solution

The above associate is accounted for using equity method in the consolidated financial statements.

Notes:

(a) During the year ended 31 March 2025, the Company acquired additional 40% equity interest in Sonne Techmetics Limited ("Sonne Techmetics"), which was previously owned as to 20% by the Company. 40% of the remaining equity interest is owned by Ms. Wong, an executive director and the controlling shareholder of the Company. Sonne Techmetics is a limited liability company incorporated in Hong Kong and is principally engaged in provision of autonomous mobile robots solutions for healthcare industries; sourcing of original equipment manufacturer; and research and development. Upon completion of the acquisition, the Company obtained control over Sonne Techmetics which has become an indirect non-wholly-owned subsidiary of the Company. Further details about the acquisition are set out in note 33.

(b) On 1 October 2022, Sonne International Company Limited ("Sonne International"), a subsidiary of the Company entered into a shareholder agreement (the "Shareholder Agreement") with the shareholders of Ark Space, pursuant to which Sonne International subscribed 75 shares, representing 7.5% equity interest of Ark Space, and was granted a call option (the "Call Option") by Ark Space to subscribe for 322 shares of Ark Space to be allotted at the predetermined exercise price. The Call Option is exercisable within a period of about four years since the date of the Shareholder Agreement. In addition, Sonne International was granted a put option by a shareholder of Ark Space (the "Put Option"), whereby Sonne International has the right to require the shareholder to purchase 75 shares of Ark Space at HK$500,000. The Put Option is exercisable for a period of 30 calendar days from the last day of the call option period. On 31 January 2023, Sonne International exercised the Call Option to subscribe for 103 shares, representing 8.6% equity interest of Ark Space at that date, at a consideration of HK$480,000. The Group held less than 20% equity interests of Ark Space. In the opinion of the directors, the Group is in a position to exercise significant influence over Ark Space through its representation in the board of directors and the potential voting right which is currently exercisable in Ark Space. The Call Option and the Put Option are accounted for as financial assets at fair value through profit or loss and their fair values as at 31 March 2026 were nil (2025: nil) and HK$250,000 (2025: HK$250,000) respectively (note 18).

16. INTEREST IN AN ASSOCIATE *(Continued)*

Summarised financial information of associates

Sonne Techmetics

The following illustrates the summarised financial result of Sonne Techmetics up to the date of derecognition of investment extracted from its management accounts which have been adjusted to ensure consistency in accounting policies adopted by the Group.

	2025 HK$'000
As at 31 March	
Current assets	N/A
Net assets	N/A
Share of net assets by the Group	N/A
Include in the above assets	
Cash and cash equivalents	N/A
Year ended 31 March	
Loss for the period/year	(350)
Total comprehensive income for the period/year	(350)
Share of loss and total comprehensive income by the Group	(70)

Ark Space

The financial year end date of Ark Space is 31 December. For the purpose of applying the equity method of accounting, the audited consolidated financial statements of the associate for the year ended 31 December 2025 have been used as the Group considers that it is impracticable for the associate to prepare a separate set of audited financial statements as of 31 March 2026.

16. INTEREST IN AN ASSOCIATE *(Continued)*

Summarised financial information of associates *(Continued)*

Ark Space *(Continued)*

The following illustrates the summarised financial information in relation to Ark Space for the year ended 31 December 2025 extracted from its audited financial statements which have been adjusted to ensure consistency in accounting policies adopted by the Group.

	2026 **HK$'000**	2025 HK$'000
As at 31 December		
Current assets	**862**	617
Non-current assets	**133**	103
Current liabilities	**1,735**	1,916
Net liabilities	**(739)**	(1,196)
Share of net liabilities by the Group	**(119)**	(193)
Year ended 31 December		
Revenue	**3,927**	3,376
Profit for the year	**457**	872
Total comprehensive income for the year	**457**	872
Share of profit and total comprehensive income by the Group	**74**	141
Amortisation of intangible assets arising from acquisition of Ark space	**–**	(53)

17. OTHER ASSET

Other asset represents club membership held by the Group for long-term investment purposes. Club membership is tested for impairment annually by comparing its carrying amount with its recoverable amount. For the purpose of impairment testing, the carrying amount of other asset is allocated to the CGU which is the Group as a whole engaging in supplying medical devices and providing medical device solutions.

Recoverable amount of the CGU is determined based on value-in-use calculation. The calculation uses the cash flow projections based on the financial budgets approved by management covering a two-year period with 1% (2025: 1%) growth rate. The growth rate is determined based on management's expectations for the market development and is not expected to exceed the average long-term growth rate for the relevant industry. Discount rate used of 22% (2025: 22%) is pre-tax and reflect specific risks relating to the relevant business. Apart from the considerations described in determining value-in-use of the CGU above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates. Based on the impairment assessment, the recoverable amount of the club membership was estimated to be HK$2,680,000, which was lower than its carrying amount by HK$10,000. Accordingly, impairment loss of HK$10,000 was recognised for the year ended 31 March 2026.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 **HK$'000**	2025 HK$'000
Unlisted investments:		
— Put Option of Ark Space *(note 16(b))*	**250**	250
— Club debenture	**800**	850
	1,050	1,100
Listed equity securities held for trading	**816**	724
	1,866	1,824
Analysed as:		
Non-current	**800**	1,100
Current	**1,066**	724
	1,866	1,824

The fair values of the Put Option of Ark Space and the club debenture as at 31 March 2026 and 2025 were determined by Asset Appraisal Limited ("Asset Appraisal"), an independent professional valuer.

Details of the fair value measurement for the financial assets at fair value through profit or loss are set out in note 36(b).

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases a number of office premise and warehouses in Hong Kong. The leases of buildings comprise only fixed payments over the lease terms. Leases of these properties were negotiated/re-negotiated for non-cancellable periods ranging from 2 years to 3 years (2025: 2 years to 3 years). Some of the leases contain early termination option, which is not reflected in the measurement of lease liabilities.

At 31 March 2026, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising early termination option because it was considered reasonably certain that the Group would not exercise its right to terminate the lease. Total lease payments of HK$153,000 (2025: HK$561,000) are potentially avoidable if the Group were to exercise the options at the earliest opportunity.

Right-of-use assets

	Buildings HK$'000
Cost	
At 1 April 2024	16,479
Lease modification	5,141
At 31 March 2025, 1 April 2025 and 31 March 2026	**21,620**
Accumulated depreciation	
At 1 April 2024	14,701
Charge for the year	2,889
At 31 March 2025 and 1 April 2025	**17,590**
Charge for the year	**1,905**
At 31 March 2026	**19,495**
Net carrying amount	
At 31 March 2026	**2,125**
At 31 March 2025	4,030

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

Lease liabilities

	31 March 2026 Present value of future lease payment HK$'000	31 March 2026 Total future lease payment HK$'000	31 March 2025 Present value of future lease payment HK$'000	31 March 2025 Total future lease payment HK$'000
Maturity analysis:				
Within 1 year	**1,624**	**1,713**	1,852	2,066
After 1 year but within 2 years	**429**	**435**	1,624	1,713
After 2 years but within 5 years	**–**	**–**	430	435
	2,053	**2,148**	3,906	4,214
Less: total future interest expenses		**(95)**		(308)
		2,053		3,906
Analysed as:				
Non-current		**429**		2,054
Current		**1,624**		1,852
		2,053		3,906

The maturity analysis of lease liabilities is disclosed in note 37(d).

The analysis of expense items in relation to leases recognised in profit or loss is as follow:

	2026 HK$'000	2025 HK$'000
Depreciation expense of right-of-use assets	**1,905**	2,889
Interest on lease liabilities *(note 10)*	**214**	208
Expenses relating to short-term leases	**3,541**	3,020

20. DEFERRED TAX ASSETS

Details of the deferred tax assets recognised and movements during the year are as follows:

	Depreciation in excess of related depreciation allowance HK$'000
At 1 April 2024	–
Credited to profit or loss for the year *(note 11)*	50
At 31 March 2025 and 1 April 2025	**50**
Credited to profit or loss for the year *(note 11)*	**67**
At 31 March 2026	**117**

As at 31 March 2026, the Group had unused tax losses of HK$17,608,000 (2025: HK$12,113,000) available for offset against future profits. The tax losses are subject to the final assessment of Hong Kong Inland Revenue Department. No deferred tax assets have been recognised in respect of these tax losses due to the unpredictability of future profit streams. These tax losses have no expiry date.

21. INVENTORIES

	2026 HK$'000	2025 HK$'000
Medical consumables	**17,238**	21,975
Medical equipment and instruments	**8,735**	5,824
	25,973	27,799

22. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026 HK$'000	2025 HK$'000
Trade receivables	**44,285**	26,778
Less: Allowance for impairment	**(1,733)**	(1,461)
Trade receivables, net	**42,552**	25,317
Other receivables	**1,029**	986
Deposits and prepayments	**3,792**	5,990
	47,373	32,293
Less: non-current portion deposits	**(576)**	(678)
	46,797	31,615

The credit period granted to customers ranged from 0 to 30 days.

As at 31 March 2026 and 2025, the allowance for impairment on trade receivables has been recognised in accordance with the simplified approach, i.e. lifetime ECLs set out in HKFRS 9. Details of the ECLs assessment and movement in loss allowance on trade receivables are set out in note 37(a).

The ageing analysis of the trade receivables (net), based on invoice date, as of the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
0–30 days	**9,837**	21,088
31–60 days	**2,069**	3,324
61–90 days	**1,113**	312
Over 90 days	**29,533**	593
	42,552	25,317

23. CASH AND CASH EQUIVALENTS

	2026 **HK$'000**	2025 HK$'000
Cash at banks and on hand	**53,123**	60,235

Cash at banks earns interest at floating rate based on daily bank deposit rates. Short-term time deposits are made for periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

As at 31 March 2026, the Group had time deposits of HK$31,540,000 (2025: HK$33,756,000) placed with banks with original maturity of three months or less and earn interest income at interest rates ranged from 1.20% to 3.37% per annum (2025: 3.00% to 4.12% per annum).

24. TRADE AND OTHER PAYABLES

	2026 **HK$'000**	2025 HK$'000
Trade payables	**6,291**	7,925
Accrual for staff costs	**3,139**	2,936
Other payables and accruals	**3,004**	3,068
	12,434	13,929

The credit period granted by suppliers ranged from 0 to 90 days.

The ageing analysis of the trade payables, based on invoice date, as of the end of the reporting period is as follows:

	2026 **HK$'000**	2025 HK$'000
0–30 days	**4,204**	6,375
31–60 days	**521**	224
61–90 days	**–**	1
Over 90 days	**1,566**	1,325
	6,291	7,925

25. CONTRACT LIABILITIES

The movement in contract liabilities during the year is as follows:

	2026 HK$'000	2025 HK$'000
Balance as at 1 April 2025/2024	**2,250**	375
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(2,250)**	(375)
Increase in contract liabilities as a result of receipt in advance from sales of medical devices and products and rendering of maintenance services	**2,235**	2,250
Balance as at 31 March 2026/2025	**2,235**	2,250

The contract liabilities mainly relate to the advance consideration received from customers for (i) sales of medical devices and products and (ii) rendering of maintenance services. The Group will recognise the expected revenue in future when such performance obligation is satisfied, which is expected to occur in the next 12 months.

The Group has applied the practical expedient to its sales contracts for medical devices and products and rendering of maintenance services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of medical devices and products; and for rendering of maintenance services that had an original expected duration of one year or less.

26. SHARE CAPITAL

Ordinary shares	**Number of shares**	**Amount** HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	8,000,000,000	80,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	800,000,000	8,000

27. RESERVES

The Group

Details of the movements of the Group's reserves for the years ended 31 March 2026 and 2025 are presented in the consolidated statement of changes in equity. The nature of the reserves within equity is as follows:

Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares issued, less expenses incurred in connection with the issue of the shares.

Merger reserve

Merger reserve arose from combining the financial statements of the companies now comprising the Group under the reorganisation for the listing purpose.

Retained earnings

Retained earnings is the cumulated net profits and losses recognised in profit or loss.

The Company

The movements of the Company's reserves during the years ended 31 March 2026 and 2025 are as follows:

	Share premium HK$'000	Share option reserve HK$'000	Retained earnings/ (Accumulated losses) HK$'000	Total HK$'000
As at 1 April 2024	70,308	992	2,298	73,598
Loss and total comprehensive income for the year	–	–	(1,606)	(1,606)
Lapse of share options	–	(992)	992	–
Dividend declared *(note 13)*	–	–	(2,000)	(2,000)
As at 31 March 2025 and 1 April 2025	**70,308**	**–**	**(316)**	**69,992**
Profit and total comprehensive income for the year	**–**	**–**	**3,264**	**3,264**
Dividend declared *(note 13)*	**–**	**–**	**(2,000)**	**(2,000)**
As at 31 March 2026	**70,308**	**–**	**948**	**71,256**

28. SHARE-BASED PAYMENTS

The Company has adopted a share option scheme (the "Share Option Scheme") on 1 March 2018. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 80,000,000 shares, being 10% of the total number of the Company's shares in issue at the time dealings in the shares first commenced on the Stock Exchange. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.0% of the Company's shares in issue as at the date of grant. In addition, the Company may not grant any option if the number of shares which may be issued upon exercise of the all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Group exceeds 30% of the Company's shares in issue from time to time.

The Share Option Scheme is valid and effective for a period of 10 years commencing on 1 March 2018. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The directors consider that the Share Option Scheme will enable the Group to reward the employees, directors and other selected participants for their contributions to the Group. The board of directors may, at its discretion, grant an option to the eligible participants to subscribe for shares at an exercise price and subject to the other terms of the Share Option Scheme.

A nominal consideration of HK$1.0 is payable on acceptance of the grant of an option.

On 18 April 2019, the Group granted 39,500,000 share options to certain eligible participants under the Share Option Scheme to subscribe at an exercise price of HK$0.12 per share for a total of 39,500,000 ordinary shares of the Company. A total of 39,000,000 were accepted by the grantees.

The share options granted on 18 April 2019 have a validity period of 5 years from 18 April 2019 to 17 April 2024, both dates inclusive, subject to the vesting conditions as stated in the offer letters to the grantees. No share options can be exercised until the relevant share options have been unconditionally vested.

There were no share options outstanding, granted, exercised, forfeited, cancelled or lapsed during the year ended 31 March 2026 (2025: 20,960,000 share options were lapsed).

Movements of the share options granted under the Share Option Scheme are as follows:

	Number of share option		**Weighted average exercise price**	
	2026	2025	**2026 HK$**	2025 HK$
Outstanding at 1 April	**–**	20,960,000	**N/A**	0.12
Lapsed	**–**	(20,960,000)	**N/A**	0.12
Outstanding at 31 March	**–**	–	**N/A**	–
Exercisable at 31 March	**–**	–	**N/A**	–

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK$'000	2025 HK$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investment in a subsidiary	*32*	**17,809**	17,809
Current assets			
Prepayments		**156**	117
Amounts due from subsidiaries		**61,544**	60,192
Cash and bank balances		**605**	706
		62,305	61,015
Current liabilities			
Other payables		**858**	832
Net current assets		**61,447**	60,183
Net assets		**79,256**	77,992
CAPITAL AND RESERVES			
Share capital	*26*	**8,000**	8,000
Reserves	*27*	**71,256**	69,992
Total equity		**79,256**	77,992

On behalf of the directors

Wong Bik Kwan Bikie
Chairman and Executive Director

Miu Yin Shun Andrew
Director

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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 liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Dividend payable *(note 13)*		**Lease liabilities** *(note 19)*	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
At 1 April	**–**	–	**3,906**	1,429
Changes from financing cash flows:				
Capital element of lease payments	**–**	–	**(1,853)**	(2,664)
Interest element of lease payments	**–**	–	**(214)**	(208)
Dividend paid	**(2,000)**	(2,000)	**–**	–
	(2,000)	(2,000)	**(2,067)**	(2,872)
Other changes:				
Lease modification	**–**	–	**–**	5,141
Interest incurred for the year	**–**	–	**214**	208
Dividend declared	**(2,000)**	2,000	**–**	–
	(2,000)	(2,000)	**214**	5,349
As at 31 March	**–**	–	**2,053**	3,906

31. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2026 HK$'000	2025 HK$'000
Rental paid to a related company *(note (i))*	**1,122**	1,120
Compensation of key management personnel *(note (ii))*		
— Fees	**580**	595
— Salaries, allowances and other benefits	**8,819**	9,612
— Contributions to defined contribution retirement plan	**75**	107
	9,474	10,314

Notes:

(i) The Group entered into a lease agreement of warehouse with Solaire International Limited ("Solaire"). Solaire is held by Ms. Wong, Chairman, Chief Executive Officer and Executive Director of the Company. The transaction was conducted in accordance with terms mutually agreed between the Group and Solaire.

(ii) The compensation represents the remuneration paid and payable to the directors and other members of key management during the reporting period.

32. SUBSIDIARIES

Details of the Company's subsidiaries are disclosed as follows:

Name of Company	Place and date of incorporation and type of legal entity	Place of operations	Issued and paid up capital	Equity interest held by the Company		Principal activities
				Directly	Indirectly	
A&A Brilliance Limited	The BVI/ 4 July 2017/ Limited liability company	Hong Kong	100 shares of United States dollars ("US$")1 each	100%	–	Investment holding
Solar-Med Limited	Hong Kong/ 15 October 1997/ Limited liability company	Hong Kong	1,500,000 ordinary shares of HK$1,500,000	–	100%	Sourcing of medical devices and provision of after-sale services
Sonne International Company Limited	Hong Kong/ 11 March 2009/ Limited liability company	Hong Kong	1 ordinary share of HK$1	–	100%	Sourcing of medical devices and development of healthcare products
Sonne Technology International Limited	Hong Kong/ 4 July 2016/ Limited liability company	Hong Kong	1 ordinary share of HK$1	–	100%	Sourcing of medical devices and provision of after-sale services
Sonne (UK) Limited	United Kingdom/ 26 August 2016/ Limited liability company	Hong Kong	1 ordinary share of 1 Great British Pound	–	100%	Trademark holding
Solar Service Engineering Holdings Limited	The BVI/ 12 March 2019/ Limited liability company	Hong Kong	100 shares of US$1 each	–	100%	Investment holding
Solar Service Engineering Limited	Hong Kong/ 10 May 2019/ Limited liability company	Hong Kong	1 ordinary share of HK$1	–	100%	Provision of maintenance services
Sonne Technology Limited	Macau/ 9 August 2023/ Limited liability company	Macau	500 ordinary shares of MOP50,000	–	70%	Sourcing of medical devices and provision of after-sale services
Sonne Techmetics Limited *(note 33)*	Hong Kong/ 19 August 2021/ Limited liability company	Hong Kong	1,000 ordinary shares comprising US$500,000 and HK$1	–	60%	Provision of autonomous mobile robots solutions for healthcare industries; sourcing of original equipment manufacturer; and research and development
Avant-garde Technology Limited	Hong Kong/ 4 November 2024/ Limited liability company	Hong Kong	100 ordinary shares of HK$100 each	–	51%	Medical device sales, marketing and development sourcing of original equipment manufacturer and research and development.

33. STEP ACQUISITION

On 6 February 2025, the Group acquired a further 40% equity interest in Sonne Techmetics, a former associate of the Group (note 16), from an investment partner of Sonne Techmetics, which the Group has 1% equity interest (note 9) (the "Acquisition"). Upon the completion of the Acquisition, the Group's equity interest in Sonne Techmetics increased from 20% to 60% and Sonne Techmetics has become an indirect non-wholly-owned subsidiary of the Company. The principal reason for the Acquisition was for enhancement of the presentence in autonomous mobile robot solutions in the healthcare industries and developed the Group's branded autonomous mobile robot solution. Sonne Techmetics is a limited liability company incorporated in Hong Kong and is principally engaged in provision of autonomous mobile robots solutions for healthcare industries, sourcing of original equipment manufacturer and research and development. The consideration for the Acquisition is US$100 (equivalent to HK$1,000) and in the form of cash.

The fair values of the identifiable assets and liabilities of Sonne Techmetics as at the date of the Acquisition and the gain on bargain purchase arising from the Acquisition were as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed:

	HK$'000
Cash and bank balances	2,455
Account payables and accruals *(note)*	(15)
Total identifiable net assets acquired at fair value	2,440

Note: The fair value of account payables and accruals amounted to HK$15,000 represented their gross contractual amounts.

Accounting for step acquisition:

	HK$'000
Consideration for 40% interest acquired	1
Non-controlling interests	976
Acquisition-date fair value of previously held 20% interest	488
	1,465
Acquisition-date fair value of identifiable net assets acquired	2,440
Gain on bargain purchase arising from the Acquisition	(975)

Analysis of the cash flows in respect of the Acquisition:

	HK$'000
Cash consideration paid	(1)
Cash and bank balances acquired	2,455
Net inflow of cash and cash equivalents included in cash flows from investing activities	2,454

33. STEP ACQUISITION *(Continued)*

In the opinion of the directors, the gain on bargain purchase is mainly attributable to the immediate cash realisation need of the investment partner and the Group's capability in negotiating the terms of the Acquisition in favour of the Group with the investment partner.

Since the Acquisition, Sonne Techmetics did not contribute any revenue to the Group and contribute loss of HK$158,000 for the year ended 31 March 2025. Had the combination been taken place at the beginning of the financial year, the revenue and profit of the Group would have been HK$94,448,000 and HK$8,849,000, respectively.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Sonne Techmetics, the Group elected to recognise the non-controlling interests at their proportionate share of the acquired net identifiable assets.

34. NON-CONTROLLING INTERESTS

The following table lists out the information relating to Sonne Techmetics which the Group obtained control in February 2025 through step acquisition (note 33) and has material non-controlling interests. The summarised financial information presented below represents the amounts before any inter-company elimination.

	2026 HK$'000	2025 HK$'000
Non-controlling interests percentage	**40%**	40%
Current assets	**1,788**	2,307
Non-current assets	**–**	–
Current liabilities	**(59)**	(21)
Non-current liabilities	**–**	–
Net assets	**1,729**	2,286
Carrying amount of non-controlling interests	**692**	914
Revenue	**–**	–
Loss and total comprehensive income for the year/since the date of obtaining control	**(557)**	(55)
Loss allocated to non-controlling interests	**(223)**	(62)
Dividend paid to NCI	**–**	–
Cash flows used in operating activities	**521**	487

35. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

Management regards total equity in the consolidated statement of financial position as capital for capital management purpose. The directors of the Company actively and regularly review and manage the Group's capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholders' returns. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, raise new debts or sells assets to reduce debt.

The total equity to total assets ratio at the end of the reporting period is as follows:

	2026 **HK$'000**	2025 HK$'000
Total equity	**117,551**	111,443
Total assets	**134,702**	132,192
Total equity to total assets ratio	**0.87:1**	0.84:1

36. SUMMARY OF FINANCIAL INSTRUMENTS BY CATEGORY

The following table shows the carrying amounts of each of the categories of financial instruments:

	2026 **HK$'000**	2025 HK$'000
Financial assets		
Financial assets at fair value through profit or loss	**1,866**	1,824
Financial assets at amortised cost		
— Trade and other receivables and deposits	**44,954**	27,626
— Cash and cash equivalents	**53,123**	60,235
	98,077	87,861
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	**11,712**	13,204
Other financial instruments		
— Lease liabilities	**2,053**	3,906

36. SUMMARY OF FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

(a) Financial assets/liabilities not measured at fair value

Financial assets/liabilities not measured at fair value include trade and other receivables and deposits, cash and bank balances and trade and other payables. Due to their short term nature, the carrying values of the above financial instruments approximate their fair values.

(b) Financial assets measured at fair value

The Group's listed equity securities, unlisted equity securities, unlisted Call Option and Put Option of Ark Space and club debenture disclosed in note 18 are measured at fair value at the end of the reporting period.

The following table provides an analysis of financial instruments carried at fair value by level of the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
At 31 March 2026				
Financial assets at fair value through profit or loss:				
— Listed equity securities	**816**	**–**	**–**	**816**
— Unlisted Put Option of Ark Space *(note (i))*	**–**	**–**	**250**	**250**
— Club debenture *(note (ii))*	**–**	**800**	**–**	**800**
	816	**800**	**250**	**1,866**
At 31 March 2025				
Financial assets at fair value through profit or loss:				
— Listed equity securities	724	–	–	724
— Unlisted Put Option of Ark Space *(note (ii))*	–	–	250	250
— Club debenture *(note (ii))*	–	850	–	850
	724	850	250	1,824

There were no transfers between levels of the fair value hierarchy during the reporting periods.

36. SUMMARY OF FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

(b) Financial assets measured at fair value *(Continued)*

Notes:

(i) The fair values of the unlisted Put Option of Ark Space as at 31 March 2026 and 2025 were determined by Asset Appraisal, using Black-Scholes Options Pricing Model. The Black-Scholes Options Pricing Model is based on main inputs, such as risk-free rate of 1.9% (2025: 3.0%), expected volatility of 55.0% (2025: 53.3%) and dividend yield of 0% (2025: 0%).

(ii) The fair values of the club debenture as at 31 March 2026 and 2025 were estimated with reference to the valuations carried out by Asset Appraisal, using sales comparison approach. Under the sales comparison approach, value is estimated for the assets appraised through analysis of market price information of comparable club debenture with reference to the prices quoted in the second hand market.

37. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks which comprise credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the board of directors. The Group does not have written risk management policies. However, the directors of the Company identify and evaluate risks regularly and formulate strategies to manage financial risks.

Generally, the Group employs a conservative strategy regarding its financial risk management. As the directors consider that the Group's exposure to financial risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The most significant risks to which the Group is exposed to are described below:

(a) Credit risk

Credit risk of the Group mainly arises from bank balances and trade and other receivables and deposits. The carrying amounts of these balances on the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis.

In respect of trade and other receivables and deposits, it is the Group's policy to deal only with creditworthy counterparties. In order to minimise credit risk, management has formulated a credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Normally, the Group does not obtain collateral from the counterparties. Also, management reviews regularly the recoverable amount of trade and other receivables and deposits to ensure that adequate impairment provision is made for irrecoverable amount.

37. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated collectively using a provision matrix by reference to historical default experience of the debtor and current market condition in relation to each debtor's exposure and time value of money where appropriate. The ECLs also incorporate forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle the trade receivables. ECL is assessed individually for customers with credit-impaired balances. The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 March 2026 and 2025:

	Expected loss rate (%)	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**
Trade receivables subject to collective assessment			
Not yet past due	**0.07%**	**9,623**	**7**
Past due for less than 30 days	**0.09%**	**2,290**	**2**
Past due for 30 days or more but less than 60 days	**0.09%**	**1,121**	**1**
Past due for 60 days or more but less than 90 days	**0.09%**	**420**	**–**
Past due for 90 days or more but less than 365 days	**1.01%–2.90%**	**29,413**	**305**
Trade receivables subject to individual assessment	**100%**	**1,418**	**1,418**
At 31 March 2026		**44,285**	**1,733**

	Expected loss rate (%)	Gross carrying amount HK$'000	Loss allowance HK$'000
Trade receivables subject to collective assessment			
Not yet past due	0.07%	21,111	25
Past due for less than 30 days	0.07%	3,325	4
Past due for 30 days or more but less than 60 days	0.07%	319	–
Past due for 60 days or more but less than 90 days	0.07%	58	–
Past due for 90 days or more but less than 365 days	1.05%–3.02%	547	14
Trade receivables subject to individual assessment	100%	1,418	1,418
At 31 March 2025		26,778	1,461

37. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Credit risk *(Continued)*

Receivables that were not yet past due related to a range of customers for whom there was no recent history of default. Receivables that were past due related to customers with long business relationship and have good settlement record with the Group. Based on past experience, management believes that there has not been a significant change in their credit quality since inception.

The movements in loss allowance of trade receivables during the years ended 31 March 2026 and 2025 are as follows:

	2026 **HK$'000**	2025 HK$'000
As at 1 April 2025/2024	**1,461**	1,471
Provision/(Reversal) of allowance for impairment	**272**	(10)
As at 31 March 2026/2025	**1,733**	1,461

In respect of other receivables and deposits, the balances are considered to have low credit risk as the counterparties have a low risk of default and have no past due records and there have been no significant change in credit risk. Loss allowance for these balances is measured at an amount equal to 12-month ECLs. No loss allowance was recognised as the amount of ECLs for these balances is insignificant.

In respect of bank balances, the credit risk is limited because deposits are placed with reputable banks with high quality external credit ratings. There was no recent history of default of cash and cash equivalents from such financial institutions.

The credit policies have been consistently applied and are considered to be effective in limiting the Group's exposure to credit risk to a desirable level.

The Group has concentration of credit risk as the trade receivables due from the Group's two largest debtors accounted for 70% (2025: 68%) of the Group's total trade receivables at the end of the reporting period. The directors of the Company considered that do not impose a significant credit risk to the Group having regard to the background of these customers and the past collection experience and no actual loss incurred against trade receivables due from these customers.

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk mainly arises from bank deposits.

The Group's bank balances expose it to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider that the Group's exposure to interest rate risk in respect of bank balances is not significant due to low level of deposit interest rate.

In addition, lease liabilities which are fixed rate instruments are insensitive to changes in interest rates and a change in interest rate at the end of the reporting period would not affect the Group's profit or loss.

37. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Foreign currency risk

Foreign currency risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency.

The functional currencies of the Company and its subsidiaries are mainly HK$. The Group operates in Hong Kong with certain of its business transactions being settled in HK$, US$ and EURO ("EUR"). The Group is thus exposed to currency risk arising from fluctuation in exchange rates of foreign currencies, primarily US$ and EUR against the functional currencies of the relevant group entities.

Management monitors foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating result.

The net carrying amounts of the Group's major financial assets and financial liabilities denominated in a currency other than the functional currencies of the group entities in net position as at 31 March 2026 and 2025 are as follows:

	2026 HK$'000	2025 HK$'000
Net monetary assets		
EUR	**5,733**	7,242
US$	**16,139**	15,498

Sensitivity analysis

As HK$ is pegged to US$, exposure in respect of US$ is considered insignificant. The following table illustrates the approximate change in the Group's profit for the year and retained earnings in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure, i.e. EUR at the end of the reporting period.

	Increase in profit for the year and retained earnings	
	Year ended 31 March	
	2026 HK$'000	2025 HK$'000
EUR appreciated by 5%	**239**	302

The changes in exchange rates do not affect the Group's other component of equity. The same percentage depreciation in the foreign currencies against the functional currency of the respective group entities would have the same magnitude on profit for the year and retained earnings but of opposite effect.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting periods and had been applied to each of the group entities; exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because exposure at the end of the reporting period does not reflect the exposure during the respective periods.

37. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, lease liabilities and its financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The liquidity policy has been followed by the Group since prior years and is considered to have been effective in managing liquidity risks.

The following tables summarise the remaining contractual maturities of the Group's financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or if floating, based on rates ruling at the end of the reporting period) and the earliest date the Group can be required to pay.

	Carrying amount HK$'000	**Total contractual undiscounted cash flow** HK$'000	**Within 1 year or on demand** HK$'000	**After 1 year but within 2 years** HK$'000	**After 2 years but within 5 years** HK$'000
At 31 March 2026					
Trade and other payables	**11,712**	**11,712**	**11,712**	**–**	**–**
Lease liabilities	**2,053**	**2,148**	**1,713**	**435**	**–**
	13,765	**13,860**	**13,425**	**435**	**–**
At 31 March 2025					
Trade and other payables	13,204	13,204	13,204	–	–
Lease liabilities	3,906	4,214	2,066	1,713	435
	17,110	17,418	15,270	1,713	435

38. GUARANTEES

The Group has provided guarantees in respect of the surety bonds issued by a bank in favour of certain tender contracts of some customers. Details of these guarantees at the end of the reporting period are as follows:

	2026 **HK$'000**	2025 HK$'000
Aggregate value of the surety bonds issued in favour of customers	**1,154**	1,365

The surety bonds are required for the entire period of the relevant tender contracts. As at 31 March 2026, majority of the tender contracts are expected to be completed by year 2027 (2025: year 2027).

As assessed by the directors, it is highly not probable that the bank would claim the Group for losses in respect of the guarantee contracts as it is highly unlikely that the Group is unable to fulfill the performance requirements of the relevant contracts. Accordingly, the management did not expect these guarantees to have significant impact on the financial statements.

FINANCIAL SUMMARY

The consolidated results, assets and liabilities of the Group for last five financial years as extracted from the financial statements of the Groups are summarised below:

RESULTS

	Year ended 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**100,713**	94,448	81,903	76,701	71,978
Profit before income tax	**9,045**	10,108	8,210	9,377	5,478
Income tax expense	**(937)**	(917)	(420)	(1,815)	(1,430)
Profit and total comprehensive income for the year	**8,108**	9,191	7,790	7,562	4,048
Profit and total comprehensive income for the year attributable to:					
Owners of the Company	**8,413**	9,460	7,855	7,562	4,048
Non-controlling interests	**(305)**	(269)	(65)	–	–
Profit and total comprehensive income for the year	**8,108**	9,191	7,790	7,562	4,048

ASSETS AND LIABILITIES

	As at 31 March				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**134,702**	132,192	114,495	115,248	110,324
Total liabilities	**17,151**	20,749	11,219	16,577	16,815
Net assets	**117,551**	111,443	103,276	98,671	93,509
Attributable to:					
Owners of the Company	**117,199**	110,786	103,326	98,671	93,509
Non-controlling interest	**352**	657	(50)	–	–
Total equity	**117,551**	111,443	103,276	98,671	93,509