

LAI GROUP HOLDING COMPANY LIMITED

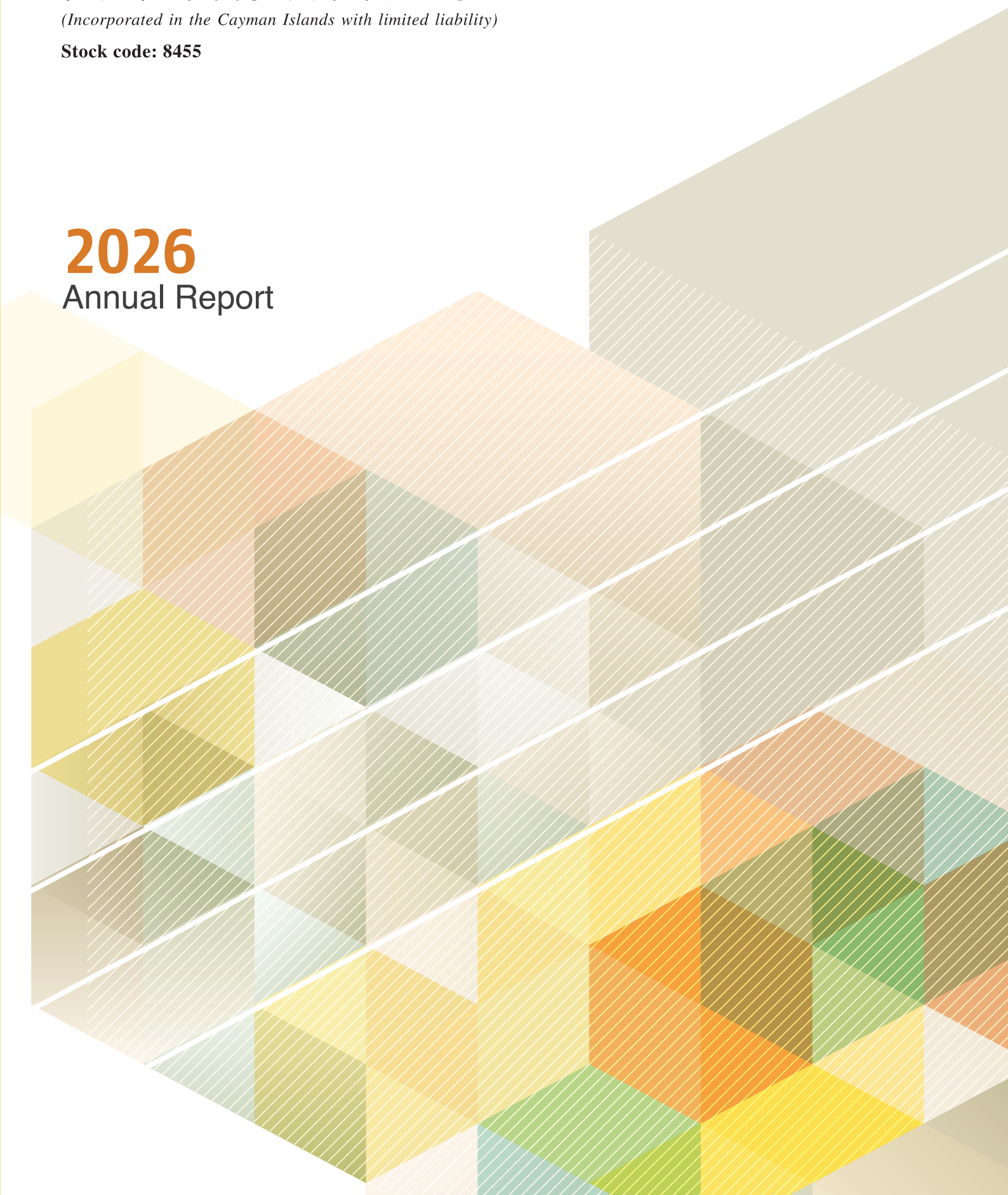
禮建德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8455

2026

Annual Report



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Guoping (*Chairman*)
Dr. Chan Lai Sin (*Vice Chairman*)

Non-executive Director

Ms. Liu Lihui

Independent non-executive Directors

Dr. Chung Siu Kuen
Ms. Ma Yufei
Ms. Sun Wai Ling (Appointed on 29 August 2025)
Ms. Lui Lai Chun (Resigned on 29 August 2025)

BOARD COMMITTEES

Audit Committee

Ms. Sun Wai Ling (*Chairman*) (Appointed on 29 August 2025)
Dr. Chung Siu Kuen
Ms. Ma Yufei
Ms. Lui Lai Chun (Resigned on 29 August 2025)

Remuneration Committee

Ms. Sun Wai Ling (*Chairman*) (Appointed on 29 August 2025)
Dr. Chan Lai Sin
Dr. Chung Siu Kuen
Ms. Ma Yufei
Ms. Lui Lai Chun (Resigned on 29 August 2025)

Nomination Committee

Ms. Ma Yufei (*Chairman*)
Dr. Chan Lai Sin
Dr. Chung Siu Kuen
Ms. Sun Wai Ling (Appointed on 29 August 2025)
Ms. Lui Lai Chun (Resigned on 29 August 2025)

COMPANY SECRETARY

Ms. Ng Hoi Ying

AUTHORISED REPRESENTATIVES

Dr. Chan Lai Sin
Ms. Ng Hoi Ying

AUDITORS

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

CFN Lawyers LLP
Units 4101-4104, 41/F
Sun Hung Kai Centre
30 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office H, 19/F, Phase 01
Kings Wing Plaza
3 On Kwan Street
Shek Mun
Sha Tin
New Territories
Hong Kong

PRINCIPAL BANKS

Bank of China
Hang Seng Bank
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

8455

COMPANY'S WEBSITE

www.dic.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”), I would like to present our annual report for the year ended 31 March 2026.

REVIEW

The Group's revenue increased by approximately 9.0% from approximately HK\$93.7 million for the year ended 31 March 2025 to approximately HK\$102.1 million for the year ended 31 March 2026.

The Group's gross profit increased by approximately HK\$7.1 million, or by approximately 47.4%, from approximately HK\$14.9 million for the year ended 31 March 2025 to approximately HK\$22.0 million for the year ended 31 March 2026. Gross profit margin increased from approximately 15.9% for the year ended 31 March 2025 to approximately 21.6% for the year ended 31 March 2026.

During the year ended 31 March 2026, the Group recorded a loss attributable to owners of the Company of approximately HK\$9.5 million, representing a decrease in loss as compared with approximately HK\$13.0 million for the year ended 31 March 2025. The decrease in loss was mainly due to (i) the increase in revenue from approximately HK\$93.7 million for the year ended 31 March 2025 to approximately HK\$102.1 million for the year ended 31 March 2026 resulting from an increase in revenue generated from commercial interior design and fit out services as a result of increase in corporate office relocations; and (ii) the increase in gross profit margin from approximately 15.9% for the year ended 31 March 2025 to approximately 21.6% for the year ended 31 March 2026.

PROSPECT

Looking ahead to the second half of 2026, the macroeconomic environment is expected to remain volatile and continues to impact the economy of Hong Kong. The Company is of the view that the property market in Hong Kong will remain uncertain in the near future.

Although the Group is encountering market uncertainties arising from the downward trend of the financial market and property price and the overall economic downturn in Hong Kong, it has strengthened its position in the interior design and fit-out services by reinforcing brand promotion through mainstream and digital media, which is expected to attract new customers.

Despite the challenges in the future, the Group is optimistic about the prospects of the local interior design and fit-out industry. It is committed to enhance customer experience and satisfaction through the recruitment of talents, the provision of training and the improvement of management capabilities. These strategic initiatives will drive sustainable business growth in the long run and create greater value for the shareholders.

CHAIRMAN'S STATEMENT

In order to seize the opportunities arising from the ageing population and to actively respond to the national policy guidelines set out in the “Healthy China 2030” Planning Outline, the Group established an indirect wholly-owned subsidiary, Hainan Gong Le Xiang Management Co., Ltd.* (海南共樂享管理有限公司) (“**Hainan Gong Le Xiang**”), on 11 December 2025. Through Hainan Gong Le Xiang, the Group has joined hands with an independent third party in the People’s Republic of China to form a joint venture company named Sanya Le Xiang Gong Da Supply Chain Co., Ltd.* (三亞樂享共達供應鏈有限公司), with a view to formally develop the health industry supply chain business (the “**New Business**”). The New Business will be committed to building a full industry chain operation system covering product sales, business consulting and supervision, talent training and education, and other related areas. In the future, the Group plans to integrate an “online + offline” hybrid business model to deploy its health industry supply chain business, thereby entering the promising market of the big health industry. The New Business will focus on serving the silver-haired population (senior citizens), providing them with one-stop health concepts and services with the “Le Xiang Gong Da” (shared joy and mutual achievement) brand’s features. The New Business has commenced generating revenue for the Group for the year ended 31 March 2026. The Board expects that the development of this New Business will create a new revenue source for the Group and have a positive impact on its long-term development.

Wang Guoping

Chairman and Executive Director

Hong Kong

24 June 2026

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of interior design and fit-out services in Hong Kong. The Group offers a full suite of services including interior design provided by the Group's in-house design team, providing the Group's customers with creative and innovative designs that synergise with the latest market and design trends. In order to complete the projects, the Group relies on its subcontractors to implement the designs with high quality fittings and furnishings.

The Group's business can be classified into (i) residential interior design and fit-out services; and (ii) commercial interior design and fit-out services in Hong Kong and health industry supply chain business in PRC. The Group generated revenue of approximately HK\$102.1 million and approximately HK\$93.7 million, of which approximately HK\$92.0 million and approximately HK\$90.9 million, representing 90.1% and 97.0% of the Group's total revenue, were generated from residential interior design and fit-out services for the years ended 31 March 2026 and 2025, respectively. Approximately HK\$10.0 million and approximately HK\$2.8 million, representing approximately 9.8% and approximately 3.0% of the Group's total revenue, were generated from commercial interior design and fit-out services for the years ended 31 March 2026 and 2025, respectively.

In 2026, the Group has commenced the health industry supply chain business (the **"New Business"**). The New Business will be committed to building a full industry chain operation system covering product sales, business consulting and supervision, talent training and education, and other related areas. In the future, the Group plans to integrate an "online + offline" hybrid business model to deploy its health industry supply chain business, thereby entering the promising market of the big health industry. The New Business will focus on serving the silver-haired population (senior citizens), providing them with one-stop health concepts and services with the "Le Xiang Gong Da" (shared joy and mutual achievement) brand's features. For the year ended 31 March 2026, the Group generated revenue of approximately HK\$0.1 million (2025: Nil), representing approximately 0.1% of the Group's total revenue, from the New Business.

For the year ended 31 March 2026, the Group recorded a net loss of approximately HK\$9.5 million as compared with approximately HK\$13.0 million for the same period in 2025. The Directors are of the view that the decrease in net loss was primarily attributable to (i) the increase in revenue from approximately HK\$93.7 million for the year ended 31 March 2025 to approximately HK\$102.1 million for the year ended 31 March 2026; and (ii) the increase in gross profit margin from approximately 15.9% for the year ended 31 March 2025 to approximately 21.6% for the year ended 31 March 2026.

OUTLOOK

The Company anticipates continued uncertainty in the Hong Kong property market in the near term, driven by broader economic volatility. Concurrently, property developers are persisting with the construction of smaller residential units to enhance affordability for the general public. Amid this backdrop, the current financial year presents significant challenges, as the unstable property sector has already exerted, and is expected to maintain, adverse impacts on Hong Kong's overall economy. In such a competitive landscape, the Group foresees rivals intensifying aggressive pricing strategies while contending with elevated operating costs. Accordingly, the Board will exercise prudence in business expansion, prioritizing stringent cost management and vigilant monitoring of market dynamics to mitigate potential downturns or shifts in the property sector. Additionally, the Board will assess potential business opportunities that are beneficial to the Group and enhance shareholder value for the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, the Company observes positive indicators, including a rebound in overall property transaction volumes and an increase in first-hand private residential registrations. Furthermore, an increase in corporate office relocations presents potential opportunities for the Group to expand its commercial interior design and fit-out services. As housing affordability improves, the Board anticipates sustained long-term growth in demand for the Group's offerings. To capitalize on this, the Company will continue its marketing and promotional initiatives to bolster brand recognition within the renovation and interior fit-out market. Committed to leveraging the prospective enlargement of its market presence in Hong Kong, the Group will strategically extend its operational footprint to engage a broader customer base. Overall, the Company maintains a cautiously optimistic outlook for Hong Kong business.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from the provision of interior design and fit-out services in Hong Kong which includes two main categories, namely (i) residential interior design and fit-out services; and (ii) commercial interior design and fit-out services; and health industry supply chain business in PRC. For the year ended 31 March 2026, the Group's revenue increased by approximately 9.0% to approximately HK\$102.1 million (2025: approximately HK\$93.7 million). Such increase was mainly due to an increase in revenue generated from commercial interior design and fit out services as a result of increase in corporate office relocations.

Revenue by business segment	For the year ended 31 March			
	2026		2025	
	HK\$'000	%	HK\$'000	%
Residential interior design and fit-out services	91,994	90.1	90,880	97.0
Commercial interior design and fit-out services	10,020	9.8	2,809	3.0
	102,014	99.9	93,689	100.0
Health industry supply chain business				
Health product sale	113	0.1	–	0.0
	102,127	100.0	93,689	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Direct costs

The Group's direct costs consist primarily of (i) materials and inventories; (ii) subcontracting charges; (iii) staff costs; and (iv) reversal of provision for warranties. The table below sets forth a breakdown of components of direct costs for the years ended 31 March 2026 and 2025:

Components of direct costs	For the year ended 31 March			
	2026		2025	
	HK\$'000	%	HK\$'000	%
Materials and inventories	14,628	18.3	14,994	19.0
Subcontracting charges	60,681	75.7	58,933	74.8
Staff costs	5,013	6.3	4,871	6.2
Reversal of provision for warranties	(206)	(0.3)	(39)	0.0
Total	80,116	100.0	78,759	100.0

The Group's direct costs increased by approximately 1.6% from approximately HK\$78.8 million for the year ended 31 March 2025 to approximately HK\$80.1 million for the year ended 31 March 2026. Such increase was mainly driven by the increase in staff costs and the subcontracting charges for the year ended 31 March 2026.

Gross profit and gross profit margin

Gross profit represents revenue less direct costs. The Group's gross profit increased by approximately HK\$7.1 million, or approximately 47.4%, from approximately HK\$14.9 million for the year ended 31 March 2025 to approximately HK\$22.0 million for the year ended 31 March 2026. The Group's gross profit margin was approximately 21.6% for the year ended 31 March 2026, representing an increase of approximately 5.7 percentage points as compared to approximately 15.9% for the year ended 31 March 2025. The increase in gross profit margin was mainly due to the relatively higher profit margin for commercial projects and delivery of high margin projects during the year.

Other income, other gains and losses, net

Other income, other gains and losses, remained relatively stable at approximately HK\$1.3 million for the years ended 31 March 2025 and 2026.

Administrative and other operating expenses

The Group's administrative and other operating expenses increased by approximately 13.5% from approximately HK\$28.2 million for the year ended 31 March 2025 to approximately HK\$32.0 million for the year ended 31 March 2026. Such increase was mainly driven by the increase in staff costs, increase in transportation and travelling costs and other general expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Impairment loss recognised, net

In view of the loss of the Group resulted from the challenging business environment in Hong Kong throughout the year ended 31 March 2026 and 2025, the Group, with the assistance of an independent professional valuer, assessed if any impairment loss should be recognised for the non-current assets of the Group including property, plant and equipment and right-to-use assets.

Impairment loss of approximately HK\$0.1 million (2025: HK\$0.4 million) and HK\$0.3 million (2025: HK\$0.4 million) were recognised for property, plant and equipment and right-of-use assets, respectively, for the year ended 31 March 2026.

Finance costs

Finance costs of the Group decreased by approximately 5.1% from approximately HK\$253,000 for the year ended 31 March 2025 to approximately HK\$240,000 for the year ended 31 March 2026. The decrease in finance costs was mainly attributable to a decrease in interest on bank borrowing for the year ended 31 March 2026.

Income tax (expense) credit

The Group's income tax expense for the year ended 31 March 2026 was approximately HK\$2,000, as compared to an income tax credit of approximately HK\$26,000 for the year ended 31 March 2025.

Loss attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$9.5 million and approximately HK\$13.0 million for the years ended 31 March 2026 and 2025, respectively.

USE OF NET PROCEEDS FROM THE PLACING

On 26 May 2025, the Company announced its proposal to raise approximately HK\$7.2 million (before deducting expenses of approximately HK\$0.2 million) through placement by issuing 160,000,000 placing shares (the "**Placing**") (which, when fully paid, shall rank pari passu with the ordinary shares) to not less than six placees at a price of HK\$0.045 per placing share (the "**Placing Share(s)**"). The net price per Placing Share was approximately HK\$0.044. The Placing was completed on 19 June 2025. A total of 160,000,000 Placing Shares were issued, accounting for approximately 16.67% of the Company's issued share capital (as enlarged by the allotment and issue of the Placing Shares). After the completion of the Placing, the number of the Company's issued share capital increased to 960,000,000 shares. The total par value of the Placing Shares was HK\$1,600,000. The subscription price of the Placing Shares represented a discount of approximately 19.64% to the closing price of HK\$0.056 per Share as quoted on the Stock Exchange on the date of the Placing Agreement and a discount of approximately 12.79% to the average closing price of HK\$0.0516 per Share as reported on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the placing agreement, being 26 May 2025. The reason for the Placing was to raise funds for general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

As disclosed in the placing announcements dated 26 May 2025 and 19 June 2025 (the “**Placing Announcements**”), the total proceeds from the Placing were approximately HK\$7.2 million, and the net proceeds (after deducting relevant expenses) were approximately HK\$7.0 million. The Company intends to use (i) approximately HK\$4.0 million for settling the administrative and other operating expenses, including but not limited to rental, administrative expenses, management’s salaries, professional fees and other routine operating expenditures; and (ii) approximately HK\$3.0 million for sales and marketing expenses of the business operation.

From the completion of the Placing to 31 March 2026, the net proceeds from the Placing of the Company had been applied as follows:

	Intended use of net proceeds HK\$'million	Actual use of net proceeds for the period ended and up to 31 March 2026 HK\$'million	Actual use of net proceeds up to 31 March 2026 HK\$'million	Remaining balancing of net proceeds up to 31 March 2026 HK\$'million	Expected time for fully utilisation of the net proceeds
Administrative and other operating expenses	4.0	3.8	3.8	0.2	Second half of 2026
Sales and marketing expenses	3.0	–	–	3.0	Second half of 2026
	7.0	3.8	3.8	3.2	

Up to 31 March 2026, the net proceeds from the Placing have been utilised in the manner disclosed in the Placing Announcements.

At at 31 March 2026, the unutilised net proceeds of approximately HK\$3.2 million have been placed as deposits into licensed banks in Hong Kong and are expected to be used according to the intention previously disclosed. Such amounts are expected to be fully utilised by the second half of 2026.

CAPITAL STRUCTURE

The share capital of the Group consists only of ordinary shares.

On 19 June 2025, the number of issued share capital of the Company increased from 800,000,000 shares to 960,000,000 shares as a result of the completion of the Placing. For details of the Placing, please refer to the Placing Announcements.

As at 31 March 2026, the issued share capital of the Company was HK\$9.6 million, and the number of its issued ordinary shares was 960,000,000, with a par value of HK\$0.01 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations, loans and the net proceeds from the Placing.

As at 31 March 2026, the Group had total debts, comprising bank borrowing, loan from a director and lease liabilities, of approximately HK\$6.6 million which was denominated in Hong Kong Dollars (2025: approximately HK\$7.8 million).

As at 31 March 2026, the Group had approximately HK\$9.4 million in cash and bank balance and time deposits (2025: approximately HK\$12.1 million).

GEARING RATIO

As at 31 March 2026, the gearing ratio of the Group was approximately -96.9% (2025: approximately -176.5%). Gearing ratio is calculated as total debts divided by total deficits. The negative gearing ratio reflects the deficit in equity of the Group. The apparent improvement in the gearing ratio (from -176.5% to -96.9%) is primarily due to the increase in the deficits, during the year rather than a reduction in the Group's debt level.

As at 31 March 2026, the debt-to-assets ratio of the Group was approximately 32.4% (2025: approximately 33.3%). The debt-to-assets ratio is calculated as total debts divided by total assets. This ratio measures the proportion of the Group's total assets that are financed by debt and provides an indication of the Group's leverage position.

CHARGE ON GROUP ASSETS

As at 31 March 2026, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (2025: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there were no significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures by the Company during the year ended 31 March 2026. The Group did not have any other plan for material investments or capital assets as at 31 March 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2026, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities including the sale of treasury shares (as defined under the GEM Listing Rules). As at 31 March 2026, there were no treasury shares held by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

TREASURY POLICIES

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

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2026 (2025: Nil).

CAPITAL COMMITMENTS

As at 31 March 2026, the Group had approximately HK\$1,205,000 of capital commitment in relation to the unpaid registered capital of subsidiaries (2025: approximately HK\$10,000).

SEGMENT INFORMATION

The Group principally operates in the provision of interior design and fit-out services in Hong Kong and health industry supply chain business in PRC.

FINAL DIVIDENDS

The Directors do not recommend the payment of final dividend for the year ended 31 March 2026 (2025: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2026, the Group had 23 employees working in Hong Kong (2025: 22). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Share options may also be granted to eligible employees and persons of the Group. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the year ended 31 March 2026 amounted to approximately HK\$16.0 million (2025: approximately HK\$13.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

Interest rate risk

The interest rate risk of the Group relates primarily to the bank balance, time deposit and bank borrowings. The Group currently has not entered into interest rate swaps to hedge against the exposure to the changes in fair values of the borrowings. It is the policy of the Group to maintain an appropriate level between the deposits and borrowings so as to balance the fair value and cash flow interest rate risk. In addition, to the extent that the Group may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debts. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of the debt obligations. The Group currently does not use any derivative instruments to manage the interest rate risk. To the extent the Group decide to do so in the future, there can be no assurance that any future hedging activities will protect the Group from fluctuations in interest rates.

Credit risk

The credit risk of the Group mainly arises from contract assets, trade and other receivables and bank balances. The carrying amounts, where applicable, of each class of these assets represent the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates. The Group's credit risk of bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies. In respect of trade and other receivables and contract assets, individual and/or collective credit evaluations are performed on the Group's customers and counterparties. Monitoring procedures have been implemented to ensure that follow-up action will be taken to recover overdue debts. The Group performs impairment assessment under the expected credit loss model under HKFRS 9 on its financial assets and contract assets. In this regard, management considers that the Group's credit risk is significantly reduced.

Liquidity risk

The Group has maintained a policy to monitor current and expected liquidity requirements regularly to ensure that the Group can maintain sufficient reserve of cash to meet liquidity requirements in both long and short terms as well as maintaining sufficient financial resources to fund operations.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has implemented environmental protection measures, including procedures and programmes related to wastewater discharge management, noise control, resources and energy use control, environmental protection enhancement and sustainable development, internal environmental examination and evaluation, environmental emergency response and impact control. The Group also commits to the principle and practice of recycling and reducing. To protect the environment, the Group implements green office practices such as re-deployment of office furniture as far as possible, to encourage use of recycled paper for printing and copying, double-sided printing and copying, to reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances. The Group's operations were in compliance in all material respects with current applicable environmental protection laws and regulations in the Hong Kong during the year ended 31 March 2026.

For details of environmental, social and governance performance of the Group, please refer to the Environmental, Social and Governance report.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 March 2026, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the year ended 31 March 2026, there was no significant dispute between the Group and its suppliers, customers and/or stakeholders.

EVENTS AFTER THE REPORTING PERIOD

Disposal of a subsidiary

On 5 June 2026 (after trading hours), Kingsky Group Limited (a direct wholly-owned subsidiary of the Company) (the “**Vendor**”), Dr. Chan Lai Sin (“**Dr. Chan**” or the “**Purchaser**”) and Fame Protector Limited (a direct wholly-owned subsidiary of the Vendor) (the “**Target Company**”) entered into the share purchase agreement (the “**S&P Agreement**”), pursuant to which, (1) the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company for the consideration of HK\$1; and (2) the Purchaser has conditionally agreed that the loan, being the outstanding loan due from the Target Company amounted to HK\$7,600,000 shall be paid to Smart Will Engineering Limited (an indirect wholly-owned subsidiary of the Company) (the “**Disposal**”) upon completion of the Disposal pursuant to the S&P Agreement (the “**Completion**”), subject to the terms and conditions of the S&P Agreement. As at 5 June 2026, the Target Company was an indirect wholly-owned subsidiary of the Company and the major asset held is the property, which comprises one office unit with a total saleable area of approximately 82.037 square metres (883 square feet), located at Office H, 19/F Kings Wing Plaza 1, No. 3 On Kwan Street, Shek Mun, Sha Tin, New Territories, Hong Kong. Upon Completion in June 2026, the Target Company has ceased to be a subsidiary of the Company.

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at 5 June 2026, Dr. Chan, the Purchaser, is an executive Director and a substantial shareholder of the Company, and is therefore a connected person of the Company. As such, the Disposal constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, and the Consideration is less than HK\$10,000,000, the Disposal is subject to the reporting and announcement requirements but is exempt from independent shareholders’ approval requirement pursuant to Chapter 20 of the GEM Listing Rules.

For further details, please refer to the announcement of the Company dated 5 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Entered into an offer letter in relation to a tenancy agreement

On 22 June 2026, Enjoy Together Share Limited, an indirect wholly-owned subsidiary of the Company, as tenant (the **“Tenant”**), signed a binding letter of offer and acceptance (the **“Letter of Offer and Acceptance”**) with Mulia Property Development Sdn Bhd, as the landlord (the **“Landlord”**), an independent third party, in relation to the lease of Suite 70.03, Level 70, Menara Exchange 106, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur, Malaysia (the **“Premises”**) at a monthly rent of RM89,712 (approximately HK\$173,144) for a term of three (3) years commencing on 1 November 2026 and expiring on 31 October 2029, both days inclusive. A formal tenancy agreement (the **“Tenancy Agreement”**) will be entered into between the parties before 1 November 2026.

Acceptance of the offers contained in the Letter of Offer and Acceptance to enter into the Tenancy Agreement shall constitute valid and binding agreements between the Tenant and the Landlord for the Tenancy Agreement of the Premises, and therefore constitutes a discloseable transaction of the Company under the GEM Listing Rules.

In accordance with HKFRS16 “Leases”, the entering into of the Letter of Offer and Acceptance will require the Group to recognise the lease of Premises as the right-of-use asset on its consolidated statement of financial position, thus the entering into of the Letter of Offer and Acceptance and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

Based on preliminary estimation of the Company, the unaudited value of the right-of-use asset to be recognised by the Group under the Tenancy Agreement shall amount to approximately HK\$4.61 million, which is the present value of the aggregate lease payments payable under the term of the Tenancy Agreement in accordance with HKFRS 16. Discount rate of 9.22% is applied to compute the present value of aggregate lease payments under the Tenancy Agreement. The payments to be made by the Company under the Letter of Offer and Acceptance and Tenancy Agreement will be settled by the internal resources of the Group.

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use asset recognized by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Letter of Offer and Acceptance and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but exempt from shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

For further details, please refer to the announcement of the Company dated 22 June 2026.

Save as disclosed in this report, there is no other important event affecting the Group since 31 March 2026 and up to the date of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Lai Group Holding Company Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is principally engaged in the provision of interior design and fit-out services in Hong Kong. The Group offers a full suite of services including interior design provided by the Group’s in-house design team, providing the Group’s customers with creative and innovative designs that synergise with the latest market and design trends. In order to complete the projects, the Group relies on its subcontractors to implement the designs with high-quality fittings and furnishings. This Environmental, Social and Governance Report (the “**ESG Report**”) discloses the Group’s measures and performance on sustainable development topics in a transparent and open manner in order to enhance stakeholders’ confidence and understanding of the Group.

REPORTING YEAR

The ESG Report describes the Group’s environmental, social and governance (“**ESG**”) measures and performance during the year ended 31 March 2026 (the “**Reporting Period**” or “**2026**”) as well as the comparative data for the year ended 31 March 2025 (“**2025**”).

REPORTING SCOPE

The senior management of the Group has discussed and identified the reporting scope of the ESG Report based on the materiality principle and considering the Group’s core business and main revenue source. The ESG Report covers the ESG performance of the Group’s key business and operational activities of residential interior design and fit-out services, as well as commercial interior design and fit-out services, which generate all of the Group’s revenue. The ESG Report covers the Group’s operating locations, including headquarters, branch offices and project sites in Hong Kong. The ESG key performance indicator (“**KPI**”) data are gathered only from the operations under the Group’s direct operational control.

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 (the “**Stock Exchange**”). The ESG Report provides an overview of the ESG performance of the Group. The information in the ESG Report is derived from the Group’s official documents and statistics, as well as the integration and summary of monitoring, management and operational information provided by the Group.

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the preparation of the ESG Report, the Group has applied the reporting principles of materiality, quantitative and consistency set out in the ESG Reporting Code:

Materiality: A materiality assessment was conducted to identify material issues, which were then confirmed and adopted as the focus for the preparation of this ESG Report. The materiality of issues was reviewed and confirmed by the Board of Directors (the “**Board**”) and the designated personnel from various businesses and functional departments (“**Designated Personnel**”). Please refer to the sections headed “STAKEHOLDER ENGAGEMENT” and “MATERIALITY ASSESSMENT” for further details.

Quantitative: The standards and methodologies used in the calculation of relevant data in the ESG Report, as well as the applicable assumptions, were disclosed and supplemented by explanatory notes where appropriate.

Consistency: The statistical methodologies applied to this ESG Report were substantially consistent with those of 2025. Explanations will be provided to the data if there are any changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports.

BOARD STATEMENT

The Board is pleased to present the ESG Report of the Group, which provides a summary of the Group’s ESG-related measures and performance with respect to environmental protection, labour practices, business operations, supply chain management and other relevant issues. As a responsible corporation, the Group views ESG commitments as part of its responsibilities and is committed to incorporating ESG considerations into its decision-making process.

ESG Governance Structure

The Group uses a top-down management approach to manage its ESG issues. The Board supports the Group’s commitments to fulfilling its ESG responsibilities and has overall responsibility for the Group’s ESG strategy and reporting, as well as overseeing and managing its ESG issues. The Board must hold at least one meeting each year to establish the overall ESG approach, oversee and assess the potential impacts and risks of the ESG issues related to the Group’s operation, review the Group’s performance against ESG-related targets and the materiality of ESG issues, ensure the effectiveness of the Group’s risk management and internal control systems and approve disclosures in ESG reports. The Board possesses the necessary skills, experience and knowledge relevant to ESG management. Where appropriate, the Group engages external advisors to provide expertise and professional advice related to ESG.

The Group has assigned the Designated Personnel to systematically manage ESG issues and facilitate the Board’s oversight of these issues. Equipped with the necessary ESG management skills and experience, the Designated Personnel are responsible for overseeing and reviewing the Group’s ESG policies and performance; monitoring and managing ESG risks and opportunities and the effectiveness of the ESG management systems; identifying and prioritising the Group’s ESG issues; and collecting relevant information on ESG aspects for the preparation of the ESG reports. Besides, they propose and recommend the Group’s ESG strategies, priorities, and targets to the Board. They report to the Board at least once a year, assist in identifying and assessing the Group’s ESG risks and opportunities and evaluate the implementation and effectiveness of the internal control mechanism. They also examine and evaluate the Group’s performance in different aspects such as the environment, labour practices and other ESG issues. During the Reporting Period, the targets were reviewed, and the Group’s progress has been confirmed by the Designated Personnel. Relevant data and year-on-year comparisons are listed in subsequent sections of the ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. Stakeholders of the Group refer to groups and individuals materially influencing or affected by the Group's business. They include shareholders and investors, clients, employees, subcontractors, the government and suppliers. To understand and address the key concerns of different stakeholders, the Group maintains close communication with them. Stakeholders' expectations have been taken into consideration by utilising diversified engagement channels, as shown below:

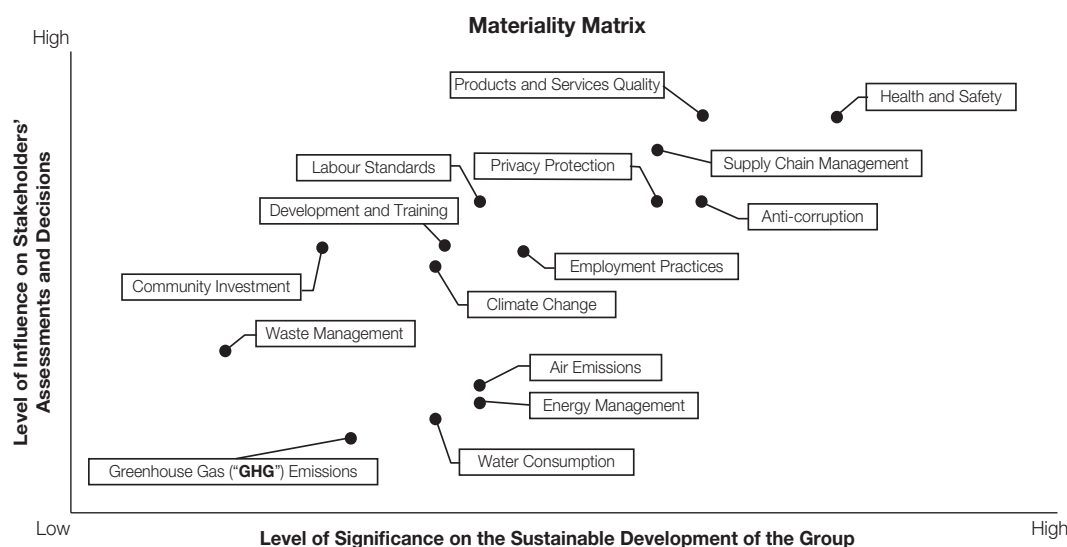
Stakeholders	Interests and concerns	Engagement channels
Shareholders and investors	• Return on investment • Financial performance • The Group's strategy and governance • Risk mitigation and management • Regulatory compliance	• Annual general meeting • Financial reports • The Group's websites • Announcements, meeting notices, circulars
Clients	• Robust project management • Full compliance with regulations • High-quality products and services • Consumer rights • Sustainability performance of operations	• Hotline for after-sale services • The Group's websites • Regular meetings and communication • Customer satisfaction surveys • Financial reports
Employees	• Compensation and benefits • Occupational health and safety • Career development opportunities • Corporate culture and well-being • Employees' compensation and benefits	• Leisure activities • In-house training programmes • Performance reviews and appraisals • Means for employees to express opinions (e.g. opinion form and suggestion box) • Regular meetings and management communication (e.g. email and telephone)
Subcontractors	• Effective project management • Occupational health and safety • Ethical business practices • Fair and open tendering • Assessment criteria for subcontractors • Payment schedule	• Annual health, safety and environment seminars • Regular progress meetings • Audits and assessments • Training sessions
Government	• Laws and regulatory compliance • Proper tax payment	• On-site inspections • Work report preparation and submission for approval • Financial reports
Suppliers	• Long-term partnership • Sustainable supply chain • Fair and open tendering • Ethical business practices • Supplier assessment criteria	• Procurement processes • Audits and assessments • Supplier management meetings and events

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced through proper communication channels. In the long run, the stakeholders' contribution will aid the Group in improving the performance of potentially overlooked ESG topics and ensure the continued success of the Group's business in a competitive market.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Stakeholder engagement and communication are crucial in understanding the expectations and priorities of the Group's stakeholders. The Group's management and employees have assisted in identifying the material ESG issues of the Group based on the Group's business, the ESG Reporting Code and the industry standards. Apart from regular communication channels, the Group has also designed a materiality assessment survey to collect opinions from internal and external stakeholders so that the Group can better assess the materiality of various ESG issues. The results of the materiality assessment are confirmed by the Board and the Designated Personnel, and then plotted on the materiality matrix as shown below.



During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for its ESG issues and that the disclosed contents are in compliance with the requirements of the ESG Reporting Code.

ENVIRONMENTAL PROTECTION

Environmental protection and sustainable development rely on concerted efforts from all industries and society. The Group strives to integrate environmental sustainability into its business operations and is committed to managing its emissions and seeking practical means to reduce its impact on the environment. To support decarbonisation and address stakeholders' concerns as reflected by the identified material ESG issues, the Group has set environmental targets related to GHG emissions, waste management, energy use and water consumption. The targets were approved by the Board, and the progress is regularly reviewed by the Designated Personnel. The Group continues to work on environmental protection and minimises its carbon footprint by reviewing the effectiveness of its environmental protection measures regularly in order to achieve long-term sustainability for the environment and community where it operates.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Apart from implementing an environmental management system in accordance with ISO 14001:2015 requirements, the Group has also formulated environmental policies such as the Emission Policy and the Use of Resources Policy to promote sustainability within its business. The Group implements measures that promote emission reduction, resource efficiency, waste reduction, and other green initiatives. The Group is also committed to educating its employees and raising their awareness of environmental protection in order to comply with relevant environmental laws and regulations. Within the Group's policy framework, the Group continually looks for opportunities to pursue environmentally friendly initiatives and enhance the Group's 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 environment-related laws and regulations, including but not limited to the Air Pollution Control Ordinance, the Noise Control Ordinance, and the Waste Disposal Ordinance of Hong Kong, that would have a significant impact on the Group.

EMISSIONS

Air Emissions

During the Group's operations, the fuel consumed by company vehicles generates emissions of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM").

Summary of the Group's air emissions¹ performance:

Types of air emissions	Unit	2026	2025
NO _x	kg	8.22	11.75
SO _x	kg	0.17	0.10
PM	kg	0.61	0.87

Note(s):

1. Vehicles used in each reporting year may vary depending on the project nature. The calculation method is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

Although the Group does not generate a significant amount of air emissions directly during its operations, it has still established measures relating to the reduction of air emissions, which include but are not limited to:

- Avoid peak-hour traffic;
- Encourage the use of public transport;
- Utilise the vehicles effectively by carpooling with different staff; and
- Monitor the monthly usage of all vehicles through the establishment of a comprehensive data collection system to maintain a prominent level of usage efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG Emissions

The Group's GHG emissions comprise direct emissions (scope 1), energy indirect emissions (scope 2) and other indirect emissions (scope 3). The Group emphasises reducing GHG emissions, which contributes to achieving carbon neutrality and combating climate change. Therefore, the Group has set a target in the year ended 31 March 2022 ("**2022**") to reduce its total GHG emission intensity (kilograms of carbon dioxide equivalent ("**kgCO₂e**")/square foot) by 5% by 2026, compared with the baseline year of 2022, which was approximately 19.33 kgCO₂e/square foot. The Group has implemented a series of measures in order to reach the target set. The relevant measures are mentioned in this section as follows.

Scope 1 – Direct emissions

Direct GHG emissions of the Group were principally generated from fuel consumed by company vehicles. The Group has actively adopted measures described in the section headed "Air Emissions".

Scope 2 – Energy indirect emissions

Energy indirect GHG emissions of the Group were principally generated from electricity consumed at the rented headquarters and branch offices.

The Group has adopted several electricity conservation measures to control and reduce electricity consumption. The Group not only encourages the use of appliances with energy-efficient labels but also encourages its employees to switch off all idling appliances and unnecessary lighting upon leaving the offices. The Group has also posted reminders near switches and electrical appliances to encourage employees to reduce electricity consumption. Other electricity conservation measures are described in the section headed "Energy Management".

Scope 3 – Other indirect emissions

Other indirect GHG emissions of the Group were principally generated from the electricity used for fresh water processing and wastewater processing by the Water Services Department and the Drainage Services Department, as well as business air travel. The Group has actively adopted various water conservation measures, which are described in the section headed "Water Consumption".

The total GHG emissions intensity (kgCO₂e/square foot) in 2026 has increased by approximately 19.98% compared to 2025 due to improved data collection and increased business activity. The aforementioned target was not achieved despite the Group's ongoing commitment to GHG emissions reduction initiatives.

Building on this progress, the Group has set a new target in 2026 to reduce its total GHG emission intensity (kgCO₂e/square foot) by 5% by the year ending 31 March 2030 ("**2030**"), compared with the baseline year of 2026, which was approximately 30.62 kgCO₂e/square foot.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of the Group's GHG emissions² performance:

Types of GHG emissions	Unit	2026	2025
Scope 1 – Direct GHG emissions	tonnes of carbon dioxide equivalent	30.42	25.55
• Fuel consumed by company vehicles	("tCO ₂ e")		
Total direct GHG emissions	tCO₂e	30.42	25.55
Scope 2 – Energy indirect GHG emissions	tCO ₂ e	34.91	40.77
• Purchased electricity			
Scope 3 – Other indirect GHG emissions	tCO ₂ e	14.28	0.02
• Fresh water and wastewater processing			
• Business air travel			
Total indirect GHG emissions	tCO₂e	49.19	40.79
Total GHG emissions	tCO₂e	79.61	66.34
Intensity of total GHG emissions	tCO₂e/million revenue (HK\$)³	0.78	0.71
	tCO₂e/project⁴	0.25	0.26
	tCO₂e/square foot	0.03 (30.62)	0.03 (25.52)
	(kgCO₂e/square foot)⁵		

Note(s):

- The disclosed GHG emissions include Scope 1, location-based Scope 2 emissions and categories 1, 5 and 6 of Scope 3, covering the Group's operations under operational control in Hong Kong. The Group adopts internationally acknowledged and widely used GHG accounting frameworks as the basis for calculating emissions to ensure the consistency and comparability of emission data and to meet the disclosure requirements of the GEM Listing Rules. With regard to the calculation of Scope 2 emissions, the Group has not made any contractual arrangements that have a significant impact on such emissions. GHG emissions data are presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources 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, "Annual Report 2024/25" issued by the Water Supplies Department, "ESG Report 2024-25" issued by the Drainage Services Department, the global warming potential values from the "IPCC Sixth Assessment Report", the "Sustainability Report 2025" published by HK Electric Investments Limited, the ESG Data Hub created by CLP Holdings Limited, and the ICAO carbon emissions calculator. The Group's GHG measurement methods, input data, and assumptions applied remain unchanged from those used in 2025.
- As at 31 March 2026, the Group recorded a revenue of approximately HK\$102.1 million (as at 31 March 2025: approximately HK\$93.7 million). This data is used for calculating other intensity data.
- As at 31 March 2026, the Group recorded the total number of projects of approximately 320 (as at 31 March 2025: approximately 260). This data is used for calculating other intensity data.
- As at 31 March 2026, the Group recorded a total floor area of approximately 2,600.00 square feet (as at 31 March 2025: approximately 2,600.00 square feet). This data is used for calculating other intensity data.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Waste Management

Hazardous waste

Due to the Group's business nature, it does not generate a material amount of hazardous waste during its operations. Although the Group did not generate hazardous waste during the Reporting Period, it has established guidelines to govern the management and disposal of hazardous waste. In the event that hazardous waste is produced, the Group must engage a qualified chemical waste collector to handle such waste to comply with the relevant environmental rules and regulations.

Non-hazardous waste

The Group's non-hazardous waste mainly comprises the mixed construction and demolition ("**C&D**") waste produced during the operation of the Group's fit-out services, the general waste and the paper used in the office. To facilitate the waste reduction from sources, the Group has set a target in 2022 to reduce the total non-hazardous waste disposal intensity (kg/square foot) by 5% by 2026, compared with the baseline year of 2022, which was approximately 31.58 kg/square foot.

To properly dispose of the waste produced, the mixed C&D materials are sent to three strategic landfills by trucks from the government-authorised logistic service provider. In its offices, the Group promotes the reduction of paper and stationery usage by adopting the following initiatives and assumes responsibility for the overall waste management:

- Encourage double-sided printing;
- Extend the life cycle of stationery by reusing envelopes and refilling pens;
- Utilise electronic communication where applicable; and
- Use reusable products instead of single-use office supplies whenever possible.

The total non-hazardous waste disposal intensity (kg/square foot) in 2026 has increased by approximately 7.69% compared to 2025 due to increased business activity. The aforementioned target was not achieved despite the Group's ongoing commitment on waste reduction measures. Approximately 0.18 tonnes (2025: approximately 0.18 tonnes) of general waste and approximately 0.25 tonnes (2025: approximately 0.27 tonnes) of paper waste were recycled in 2026.

Building on this progress, the Group has set a target in 2026 to reduce the total non-hazardous waste disposal intensity (kg/square foot) by 5% by 2030 compared with the baseline year of 2026, which was approximately 33.76 kg/square foot.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of the Group's non-hazardous waste disposal performance:

Types of non-hazardous waste	Unit	2026	2025
Mixed C&D waste	tonnes	86.50	80.00
General waste	tonnes	0.75	0.75
Paper	tonnes	0.52	0.76
Total non-hazardous waste disposal	tonnes	87.77	81.51
Intensity of total non-hazardous waste disposal	tonnes/million revenue (HK\$)	0.86	0.87
	tonnes/project	0.27	0.31
	tonnes/square foot	0.03 (33.76)	0.03 (31.35)
	(kg/square foot)		

Wastewater discharge

Wastewater can be generated and discharged at the Group's headquarters, branch offices and project sites. Since the Group did not have direct operational control over the fit-out works at project sites, wastewater discharge data was therefore not available. The wastewater discharged by the offices of the Group was released into the public sewerage system. Therefore, the amount of water consumed by the Group is considered the amount of sewage discharged. The corresponding water conservation measures are described in the section headed "Water Consumption".

USE OF RESOURCES

As the Group focuses on the provision of interior design and fit-out services in Hong Kong, it does not consume a significant amount of water and energy at its headquarters, branch offices and project sites. Nevertheless, the Group encourages its employees to use their best endeavours to reduce the use of resources, with a view to contributing to the community and the environment. The Group will keep monitoring the potential environmental impacts of its business operations. The Group has also established the Use of Resources Policy to actively promote resource efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Energy Management

The Group aims to minimise the environmental impacts of its operations by setting energy reduction targets and adopting appropriate measures. The Group has set a target in 2022 to reduce the total energy consumption intensity (kWh/square foot) by 5% by 2026, compared with the baseline year of 2022, which was approximately 48.23 kWh/square foot. The Group has adopted the following energy-saving measures:

- Purchase equipment and machinery with high energy efficiency when replacing old equipment;
- Encourage the use of products with energy-efficient labels;
- Replace traditional fluorescent tubes with energy-efficient LED light strips;
- Switch off all idling appliances and unnecessary lighting upon leaving the office;
- Conduct regular maintenance on air-cooling technologies; and
- Actively adopt vehicle emission reduction measures, which are described in the section headed “Air Emissions”.

The major type of energy used in the Group’s operations is electricity. In order to monitor the electricity consumption and identify energy-saving opportunities, the Group measures and records the electricity consumption level from time to time.

The total energy consumption intensity (kWh/square foot) in 2026 has increased by approximately 4.77% compared to 2025 due to increased business activity. The aforementioned target was not achieved despite the Group’s ongoing commitment to energy conservation measures.

Building on this progress, the Group has set a target in 2026 to reduce the total energy consumption intensity (kWh/square foot) by 5% by 2030, compared with the baseline year of 2026, which was approximately 74.21 kWh/square foot.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of the Group's energy consumption⁶ performance:

Types of energy	Unit ⁷	2026	2025
Direct energy consumption	MWh	114.76	95.80
• Fuel consumed by company vehicles			
Indirect energy consumption	MWh	78.18	88.37
• Purchased electricity			
Total energy consumption	MWh	192.94	184.17
Intensity of total energy consumption	MWh/million revenue (HK\$)	1.89	1.97
	MWh/project	0.60	0.71
	MWh/square foot	0.07 (74.21)	0.07 (70.83)
	(kWh/square foot)		

Note(s):

- The electricity consumption data only includes the Group's headquarters and branch offices, excluding offices where electricity costs are covered by management fees. Since the Group was not responsible for the electricity bill of the fitting-out works at project sites, electricity consumption data for those sites was therefore not available.
- The unit conversion method for energy consumption data is formulated based on the "Energy Statistics Manual" issued by the International Energy Agency.

Water Consumption

Water was used at the Group's headquarters, branch offices and project sites. Although the Group does not consume a significant amount of water during its operations, it has set a target in 2022 to reduce the total water consumption intensity (cubic metres/square foot) by 5% by 2026, compared with the baseline year of 2022, which was approximately 0.08 cubic metres/square foot. To facilitate its water-saving initiative, the Group encourages all employees to develop the habit of conscious water conservation. The Group has been enhancing its water conservation promotion, such as posting water-saving reminders and guiding employees to utilise water reasonably. The employees' awareness of water conservation has increased due to the aforementioned water-saving measures.

Due to the geographical location of the Group's operations and the Group's business nature, the Group did not encounter any problems sourcing water that was fit for purpose.

The total water consumption intensity (cubic metres/square foot) in 2026 remained similar to 2025. The Group has achieved the aforementioned target and will continue to promote water conservation measures in the future. The Group will also continue to monitor the figures closely and prevent any unnecessary water usage.

Building on this progress, the Group has set a target in 2026 to reduce the total water consumption intensity (cubic metres/square foot) by 5% by 2030, compared with the baseline year of 2026, which was approximately 0.01 cubic metres/square foot.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of the Group's water consumption⁸ performance:

Indicators	Unit	2026	2025
Total water consumption	cubic metres	15.00	25.00
Intensity of total water consumption	cubic metres/million revenue (HK\$)	0.15	0.27
	cubic metres/project	0.05	0.10
	cubic metres/square foot	0.01	0.01

Note(s):

8. The water consumption data only includes the Group's headquarters, excluding branch offices where water costs are covered by public utilities. Since the Group was not responsible for the water bill of the fit-out works at project sites, water consumption data for those sites was therefore not available.

Use of Packaging Material

Due to the Group's business nature, the use of packaging material is not considered a material ESG issue for the Group.

THE ENVIRONMENT AND NATURAL RESOURCES

The Group has set up an environmental system management task force as part of its efforts to develop an environmental management system that supports sustainable development. The Design Information Centre of Smart Will Engineering Limited, one of the Group's subsidiaries, has obtained ISO 14001:2015 certification for its environmental management system.

Through the implementation of an ISO 14001-certified environmental management system and the establishment of the Environment and Natural Resources Policy, the Group has given careful consideration to minimising all significant impacts on the environmental resources.

Noise Pollution

The Group's fitting-out works may cause noise disturbances in the surrounding neighbourhoods. In order to ensure that noise levels at the project sites are in line with the statutory requirements prescribed in relevant regulations, the Group performs works during non-restricted hours to minimise the effects of any emanated noise or vibration from its works on the surrounding areas.

CLIMATE CHANGE

The Group recognises the importance of identifying significant climate-related issues and mitigation of the related risks and is therefore committed to managing the potential climate-related risks that may impact the Group's business activities. The Group has established the Environment and Natural Resources Policy for identifying and mitigating climate-related risks. During the Reporting Period, the Group conducted a climate change assessment to identify and assess the impact of the potential risks that may arise from its business operations. These risks mainly stem from the following dimensions:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Physical Risks

The increase in frequency and severity of extreme weather, such as typhoons, storms and heavy rains, can disrupt the Group's operations by damaging the power grid and communication infrastructures, and hindering and injuring its employees when they are at work or on their commute. These could result in a temporary, permanent or partial halt of the Group's business operations, which exposes the Group to risks associated with non-performance and delayed performance. Extreme weather may also interrupt the supply chain of materials for fit-out works due to delays in material transportation or disturbance of material manufacturing.

To better manage the aforementioned physical risks, the Group has evaluated the possible extreme weather events that could influence the Group's business operations and has developed extreme weather contingency plans, including personnel allocation, emergency response arrangements and a business restoration sequence and schedule. The Group's Employee Handbook clearly outlines the response plan for employees to follow in the event of a typhoon or heavy rain. When extreme weather events occur or may occur, senior management will react according to the plan and timely communicate with employees about the work arrangement to ensure staff safety and operational continuity. The Group will also periodically review its response plan, to ensure the outlined solutions remain appropriate for employees to follow if any essential work arrangements become unavailable due to extreme weather events.

Transition Risks

Policy and legal risks

There will be more stringent climate legislation and regulations to support the global vision for decarbonisation. For example, the Stock Exchange has required the listed companies to enhance the climate-related disclosures in their ESG reports. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet the compliance requirements for climate change. The Group's related capital investment and compliance costs may thus increase.

In response to policy, legal and reputational risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate change, and ensures that senior management is aware of the changes in policies or legislation, so as to avoid unnecessary costs or non-compliance fines incurred and to reduce reputational risks resulting from delayed responses.

Market risks and opportunities

With the global vision of decarbonisation, as well as the advocacy of "Net Zero", there is an increasing number of investors and customers who are aware of climate-related issues. If the Group fails to implement effective measures to manage climate risks, its attractiveness to investors and customers may be reduced. Conversely, the Group tends to attract more investors and customers if it provides more environmentally friendly fit-out services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To cope with the potential risk of disinvestment and shifts in consumption, the Group intends to maintain high levels of transparency in its ESG reporting and related activities. This establishes trust and confidence in its relationships with investors and customers. The Group also sets targets across different environmental aspects, including GHG emissions, waste management, energy consumption and water use. The aim is to reduce the environmental impact and mitigate climate change by minimising the footprint of the Group's business operations. The Group regularly reviews progress towards these targets and the effectiveness of its environmental policies and measures to ensure the Group's development aligns with global trends in climate change mitigation and adaptation. Meanwhile, the Group will explore more possibilities for providing greener fit-out services, in terms of material use and design. The Group also aims to conduct more environmentally friendly procurement and engage suppliers with a lower carbon footprint. Further details on these efforts will be mentioned in the "Supply Chain Management" section under the "SOCIAL" aspect.

SOCIAL

EMPLOYMENT PRACTICES

The Group recognises that employees are the most valuable assets and the cornerstone for sustaining corporate development. Therefore, the Group adheres to a people-oriented principle and respects and protects the legitimate rights and interests of every employee. Relevant employment policies of the Group have been formally documented in the Employee Handbook, covering compensation and dismissal, recruitment and promotion, working hours, appraisal, training, benefits, etc. The policies and employment process are reviewed on a regular basis to ensure the continuous improvement of the Group's employment standards.

As at 31 March 2026, the Group had a total of 23 (as at 31 March 2025: 22) employees, all of whom were in Hong Kong. The breakdown of employees by gender, age group, employment type and employee category was as follows:

Number of employees	Unit	As at 31 March 2026	As at 31 March 2025
By gender			
Male	people	14	14
Female	people	9	8
By age group			
Below 30	people	8	8
30-50	people	12	11
Over 50	people	3	3
By employment type			
Full-time	people	22	21
Contract/Short-term	people	1	1
By employee category			
Senior management level	people	3	3
Management level	people	4	4
General staff	people	16	15

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance and the Minimum Wage Ordinance of Hong Kong that would have a significant impact on the Group.

Remuneration and Benefits

The Group has established a fair, reasonable and competitive remuneration system to attract and retain quality talent. The Group's basis for determining one's remuneration includes job-related skills, qualifications, experience, capability, work performance and the prevailing market remuneration rate. Staff performance reviews are conducted regularly to assess the performance of each employee so as to decide on salary adjustments. Employees' remuneration packages are composed of a basic salary, incentive bonuses, a mandatory provident fund and other fringe benefits. Remuneration packages are reviewed periodically.

The Group protects the rights of its staff by providing statutory holidays and paid annual leave according to relevant labour laws and regulations. The Group also arranges the employees' working hours based on statutory working hour standards, while employees are also entitled to paid leaves, sick leaves, maternity leaves and paternity leaves in accordance with relevant laws and regulations.

Moreover, the Group strives to establish harmonious labour relationships and create a relaxing working environment. The Group promotes a positive and healthy lifestyle and strives to lift the spirit of the workforce through various activities, including birthday parties, sports games, barbecues and other outing events. These recreational activities are dedicated to promoting harmony and unity among employees by enhancing their mutual understanding and trust.

Supported by the above benefits and welfare, the Group achieved a zero employee turnover rate⁹ in 2026 (2025: approximately 20.83%). The employee turnover rate by gender and age group¹⁰ was as follows:

Employee turnover rate	Unit	2026	2025
By gender			
Male	%	–	–
Female	%	–	50.00
By age group			
Below 30	%	–	–
30-50	%	–	37.04
Over 50	%	–	–
By geographical region			
Hong Kong, China	%	–	20.83

Note(s):

9. The total employee turnover rate = total number of employees leaving employment during the reporting year ÷ average total number of employees at the beginning and end of the reporting year × 100%.
10. The turnover rate by category = number of employees in the specified category leaving employment during the reporting year ÷ average number of employees in the specified category at the beginning and end of the reporting year × 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Recruitment, Promotion, and Dismissal

The Group adheres to the principles of openness and fairness and has adopted a robust recruitment process based on merit selection against the job criteria applied. Job applicants are assessed based on their suitability for the positions and potential to fulfil the Group's current and future needs, regardless of their race, gender, religion, physical disability, marital status, sexual orientation, etc.

The Group offers promotion and development opportunities for outperforming employees through an open and fair assessment system to explore employees' capabilities. Performance reviews are conducted regularly, and employees are provided with the opportunity to openly discuss their performance and career development with their supervisors. The results of performance reviews are reflected in the employees' salary reviews and promotion considerations.

Besides, the Group does not tolerate the dismissal of employees on any unreasonable basis. All terminations of the employment contract would be based on reasonable and lawful grounds supported by the internal policies of the Group.

Equal Opportunities, Diversity and Anti-discrimination

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. Furthermore, the Group is dedicated to providing equal opportunities in all aspects of employment and protecting its employees from discrimination, physical or verbal harassment, based on their gender, age, religion, disability, ethnicity, political stance, marital status, etc. As the Group is principally engaged in fitting-out works in Hong Kong, manual work is generally required in most positions. Hence, the ratio of male to female employees was approximately 1.56:1 in 2026 (2025: approximately 1.75:1). However, the Group treats all employees equally.

HEALTH AND SAFETY

The Group recognises safety and health at work as integral parts of its business performance. The Group is committed to establishing a healthy, safe and stable working environment and has established the Occupational Health and Safety ("OHS") Manual, which is prepared in accordance with ISO 45001:2018, in order to manage the health and safety risks of its operations.

The Group strictly requires employees to comply with the Safety Policy and guidelines outlined in the OHS Management System for both on-site construction teams and employees working in offices. These guidelines clearly specify work flows, all kinds of safety measures and the employees' responsibilities for their health and safety at the Group's workplace.

Every employee will receive "site-specific induction training" when they commence work in the workplace. Thereafter, they are given refresher talks at intervals of six months, depending on the extent of changes to the site conditions. The Group also provides toolbox talks, aiming to heighten employees' awareness of workplace hazards and the Occupational Safety and Health Ordinance.

Daily operations are inspected by the relevant department assigned by the Group, against the established risk assessment programme. The programme consists of a number of sequential steps including risk identification, analysis, evaluation, treatment, monitoring and reviewing based on the existing controls and recommendations, in order to monitor the effectiveness of the existing measures and reduce those risks that are not deemed to be within acceptable limits. Any non-compliance will also be identified and rectified promptly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety related laws and regulations related to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the Occupational Safety and Health Ordinance of Hong Kong, that would have a significant impact on the Group.

Every case of injury or death must be reported to the Group. In the past three years (including the Reporting Period), there were no deaths or permanent disability cases noted. During the Reporting Period, the Group had zero (2025: Nil) reported accidents due to work-related injuries, as detailed in the table below:

Indicators	Unit	2026	2025	2024
Number of work-related fatalities	people	–	–	–
Work-related fatality rate	%	–	–	–
Number of work-related injuries	people	–	–	–
Number of lost days due to work injury	days	–	–	–

DEVELOPMENT AND TRAINING

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Therefore, the Group encourages them to participate in job-related training and courses. The Group's Employee Handbook details the relevant policies to standardise employee training.

For new employees, a formal induction and a tour of the workplace are provided on their first day of employment. The aim is to welcome the new employees and familiarise them with the Group's culture. An introduction to the Employee Handbook is also provided to ensure that new employees are aware of relevant policies and the Code of Conduct. Moreover, experienced employees act as mentors to guide new employees. The Group believes such arrangements are best practices to facilitate communication, create team spirit, improve technical skills and managerial capabilities of employees, and encourage learning and further development of employees at all levels.

The Group will continue to intensify its efforts to promote staff training programmes since it believes that by offering comprehensive training opportunities, it could help provide the necessary protection for talent reserves for corporate development. The Group annually evaluates the training needs of its employees to ensure that employees are offered suitable and appropriate training according to their job nature and position.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, approximately 100.00%¹¹ (2025: approximately 81.48%) of the Group's employees received training. The average training hours were approximately 39.13 hours¹² (2025: approximately 32.59 hours) per employee. The breakdown of employees trained, percentage of employees trained and average training hours by gender and employee category were as follows:

Category	Breakdown of employees trained (%) ¹³		Percentage of employees trained (%) ¹⁴		Average training hours per employee (hours) ¹⁵	
	2026	2025	2026	2025	2026	2025
By gender						
Male	60.87	63.64	100.00	100.00	42.86	42.86
Female	39.13	36.36	100.00	61.54	33.33	21.54
By employee category						
Senior management level	13.04	13.64	100.00	100.00	40.00	40.00
Management level	17.39	18.18	100.00	100.00	50.00	50.00
General staff	69.57	68.18	100.00	75.00	36.25	28.00

Note(s):

11. The percentage of employees trained = total number of employees trained during the reporting year ÷ total number of employees, including resigned employees, during the reporting year × 100%.
12. The average training hours per employee = total number of training hours for employees during the reporting year ÷ total number of employees, including resigned employees, during the reporting year.
13. The breakdown of employees trained by category = number of employees trained in the specified category during the reporting year ÷ total number of employees trained during the reporting year × 100%.
14. The percentage of employees trained by category = number of employees trained in the specified category during the reporting year ÷ number of employees in the specified category, including resigned employees, during the reporting year × 100%.
15. The average training hours per employee by category = number of training hours for employees in the specified category during the reporting year ÷ number of employees in the specified category, including resigned employees, during the reporting year.

LABOUR STANDARDS

The Group always respects and strictly complies with all applicable laws and local regulations in the places where it operates. Child and forced labour are strictly prohibited during recruitment. To avoid the illegal employment of child labour and underage workers, the Group has also developed rigorous and systematic measures for approval and selection. Personal data is collected during the recruitment process to assist in the selection of suitable candidates and to verify candidates' identities. The Human Resources Department also ensures that identity documents are carefully verified. To prevent forced labour, working hours are specified in the Employee Handbook. If violations are involved, the Group will take necessary actions, including termination of contracts and reporting to authorities, to ensure compliance with labour laws and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to the prevention of child labour and forced labour, including but not limited to the Employment Ordinance of Hong Kong, that would have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUPPLY CHAIN MANAGEMENT

The Group highly values its relationships with its suppliers and subcontractors and regards them as important business partners. The Group has formulated the Procurement of Goods and Services Policy to standardise the procurement process and govern the engagement of suppliers and subcontractors, with the procurement team responsible for its implementation. Selected suppliers and subcontractors are subject to screening and evaluation procedures based on criteria including but not limited to overall capabilities, quality and price, asset position, nature of business, reputation in the industry, quality of products, goods delivery, environmental and social performance, and compliance with laws and regulations. The Group also conducts regular assessments of approved suppliers and subcontractors based on the aforementioned criteria at least once per year or after the completion of their contracts. In the event of major non-performance, the Group will review its suitability to remain on the approved list. The Group maintains a long-term strategic relationship with its suppliers and subcontractors based on the results of the assessment.

During the Reporting Period, the Group had 166 (2025: 157) suppliers, 110 (2025: 100) of whom were evaluated and engaged according to the Group's procurement practices as mentioned above. The number of suppliers by geographical region is as follows:

Number of suppliers by geographical region	2026	2025
Hong Kong, China	120	115
Mainland China	46	42

As customers are becoming more concerned about environmental issues and stressing the importance of using environmentally friendly materials, the Group monitors the suppliers' and subcontractors' business procedures through field visits and investigations (if appropriate) to reduce its social and environmental risks along the supply chain. The investigation reviews the suppliers' production capacity, technology level, quality assurance capabilities, supply capacity, safety and environmental management qualifications, if needed. Only suppliers that have fully complied with regulatory requirements are eligible for the Group's supplier selection. Meanwhile, all suppliers and subcontractors must sign the Supplier Code of Conduct to ensure compliance with relevant laws and regulations, as well as to meet the Group's standards for environmental and social performance. Any non-compliance with the relevant environmental and social rules and regulations discovered will be promptly reported to the Group's management. A corrective action plan will be carried out by management to remediate the identified risks in a timely manner.

To promote environmentally preferable products and services, the Group frequently communicates with suppliers and subcontractors about the availability of environmentally preferable products or services and those that meet certain green standards and specifications. The Group provides initiative to suppliers and subcontractors by prioritising suppliers and subcontractors who can provide environmentally friendly products and services during the tendering process. The selection of suppliers and subcontractors is determined regarding the criteria mentioned, the assessment and evaluation of the suppliers' performance and their green practices. The Group will continue to act as a responsible corporate citizen by communicating and stressing those environmental and social issues to its suppliers and subcontractors. The Group will also review the above procedures regularly to monitor their effectiveness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT RESPONSIBILITY

The Group is committed to providing high-quality services and guarantees that the quality of the Group's projects is in line with quality standards and sustainability requirements. The Group has always focused on quality control and customer satisfaction in project construction since its incorporation. The Group also pursues higher standards at all times.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong, that would have a significant impact on the Group. Moreover, the disclosures on the number of products sold or shipped subject to recalls for safety and health reasons and the recall procedures were not applicable due to the Group's business nature.

Products and Services Quality

The Group recognises the importance of achieving and maintaining high service and product quality standards for its sustainable growth.

To maintain high product quality, the Group attaches great importance to quality management. The Group has obtained the certificate of ISO 9001:2015 Quality Management System for its interior design and fit-out services. The Group conducts on-site quality checks and inspections at various stages of the fit-out services. Besides, to ensure the quality of the supplied materials and products, the Group requires suppliers and subcontractors to provide a product quality certification regularly.

The Group treasures the customer's perception of the Group's services and considers it an important essence of the Group's performance. The Group employs different methods to explore the customers' expectations and obtain their feedback.

The Group's designers collect all information about customers' requirements and expectations at the preliminary meeting for interior design development and associated works. The project designer closely communicates with the customers at the project design and site work stages and effectively responds to the customers' subsequent instructions in order to meet their requirements.

The Group has also established a customer service ("CS") section with assigned staff to take care of potential, existing and former customers. The independent CS section is headed by the Group's Director, who has sufficient authority to make decisions for problem-solving. The duties of the CS section encompass enquiries from potential customers, complaints from third parties such as neighbours of project sites and customer surveys for existing and completed projects.

In addition, the Group has set up a communication networking platform to build connections with customers and the public and gather all enquiries and customer views. Useful information can also be broadcast to any interested parties in relation to the interior design and contracting work updates.

Furthermore, the Group has established a hotline and email enquiry facilities on its website, which are manned by trained CS staff. Apart from taking care of the existing customers, the CS staff also handles enquiries or calls from interested parties. In addition, the CS staff carry out surveys with customers to collect their opinions about the Group's services and the extent of their satisfaction with its performance. The collected information is recorded and analysed to seek improvement opportunities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Whenever there is any complaint from customers, the Group takes it as a learning lesson and an opportunity to demonstrate its responsibility and commitment to quality service. Moreover, the Group takes a fair attitude towards both the complaining party and internal staff. An investigation is initiated by senior management to determine the cause of the complaint. The administrative manager shall then determine the legitimacy of the complaint and proceed with the appropriate follow-up action. The Group aims at rectifying all shortfalls and turning the customer's disappointment into satisfaction by handling the customer's complaint properly. During the Reporting Period, the Group received no product and service-related complaints (2025: Nil).

Privacy Protection

The Group recognises that the protection of confidential information is key to its success. Therefore, protecting confidential data and customers' privacy always remains a top priority for the Group. All employees must follow the obligations as stated in the Company Information Disclosure Policy as well as the Information Security, Trade Secrets and Confidential Information Policy and must not disclose any information, documents or materials comprising any data or information relating to corporate business activities that may come into their knowledge or possession during the term, in the course of their employment or after employment ends without the Group's consent. All confidential data relating to the Group's business and customer information is securely protected and used only for internal purposes. The Group regularly reviews the above policies and closely monitors relevant data protection laws and regulations to ensure these agreements adequately safeguard customer privacy.

Intellectual Property Protection

The Group protects intellectual property rights and regards it as an area of substantial importance. The Group would take active steps to protect its trademarks and other intellectual property rights by completing the necessary filing and registration. For any new trademark to be licensed, the Group shall take all appropriate actions to register and protect trademarks in the jurisdictions where its operations are carried out.

ANTI-CORRUPTION

The Group is committed to maintaining the integrity of its corporate culture. The Group's Anti-Corruption Policy, Employee Conflict of Interest Management Policy and Code of Conduct stipulated in the Employee Handbook have outlined the standards of behaviour on anti-corruption, handling of conflicts of interest and data privacy and confidentiality that employees shall abide by in its business dealings. The relevant policies and Code of Conduct provide a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interest. Directors and employees are required to make a declaration to management through the reporting channels when an actual or potential conflict of interest arises. Employees cannot receive any gifts from any external parties (e.g. customers, suppliers, contractors, etc.) unless approval is obtained from management.

The Group has established the Policy on Whistle Blowing to encourage employees to raise concerns about possible improprieties in financial reporting, compliance, and other malpractices at the earliest opportunity. If any employee reasonably believes in good faith that malpractice exists in the workplace, they should report immediately to their Department Manager. The Department Manager should raise any matter of concern with the Financial Controller. However, if the concern involves the Department Manager, or the employee would prefer the Department Manager not to be informed for any reason, the employee may raise the matter directly with the Financial Controller. In the case of a concern about senior management, the employee can raise the matter with the Director(s) or the Audit Committee. All reports should be treated confidentially, and every effort is made not to reveal the employee's identity. The Group is entitled to terminate the employment contract of any employee who accepts bribes in the form of money, gifts, commissions, etc., and reserves the right to take further legal action against such an individual. The Group will also regularly review the relevant policies and procedures to ensure their effectiveness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure that all employees can perform their duties with high ethical standards and professionalism, the Group regularly arranges internal and external anti-corruption and corporate governance training and encourages employees to actively learn about the latest developments and future trends in global anti-money laundering and the impact of corruption. During the Reporting Period, the Group provided anti-corruption training to both Directors and staff to enhance their understanding of business ethics (2025: provided anti-corruption training to both Directors and staff).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, that would have a significant impact on the Group. Moreover, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees (2025: Nil).

COMMUNITY INVESTMENT

The Group devotes itself to the community in order to show love and care for those in need and encourages its employees to participate in in-house or external community activities. The Group has formulated the Community Investment Policy and is committed to being an active member of the community by supporting and participating in various charitable community activities, including serving the disadvantaged and protecting the environment.

The Group has established a voluntary team to offer free maintenance and repair services for households and people in need, particularly the elderly, children and the handicapped. The team consists of interior designers and skilled workers from different fields, such as carpentry, wood working, painting, plastering, etc.

In addition, the Group always encourages the employees to participate in blood and organ donations and regularly organises company-wide campaigns for such activities, including joining the Organ Donation Promotion Charter by the Department of Health and becoming a partner and signatory of the charter.

Moreover, the Group gathers all used furniture from customers prior to the commencement of fitting-out work, most of which is still in good condition. A designated team notes the basic information about this furniture and posts it to the Group's Facebook page. Whenever someone is in need, the Group will distribute them for free.

The Group is committed to caring for the underprivileged in society and contributing to cultural development in local communities. During the Reporting Period, the Group donated approximately HK\$260,000 to various non-profit organisations (2025: approximately HK\$383,000). Going forward, the Group will expand its efforts in charity work to cater to the needs of its community as well as create a more favourable environment for its community and business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

TABLE OF ENVIRONMENTAL KPIS

Aspect A1: Emissions and Part D: Climate-related Disclosures

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Air emissions				
NO _x	kg	8.22	11.75	KPI A1.1
SO _x	kg	0.17	0.10	KPI A1.1
PM	kg	0.61	0.87	KPI A1.1
GHG emissions				
Total GHG emissions	tCO ₂ e	79.61	66.34	29(b)
Intensity of total GHG emissions	tCO ₂ e/million revenue (HK\$)	0.78	0.71	29(b)
	tCO ₂ e/project	0.25	0.26	29(b)
	tCO ₂ e/square foot	0.03	0.03	29(b)
	tCO ₂ e	30.42	25.55	28(a)
Scope 1 – Direct GHG emissions	tCO ₂ e			
• Fuel consumed by company vehicles				
Scope 2 – Energy indirect GHG emissions	tCO ₂ e	34.91	40.77	28(b)
• Purchased electricity				
Scope 3 – Other indirect GHG emissions	tCO ₂ e	14.28	0.02	28(c)
• Freshwater and wastewater processing				
• Business air travel				
Non-hazardous waste disposal				
Total non-hazardous waste disposal	tonnes	87.77	81.51	KPI A1.4
Intensity of total non-hazardous waste disposal	tonnes/million revenue (HK\$)	0.86	0.87	KPI A1.4
	tonnes/project	0.27	0.31	KPI A1.4
	tonnes/square foot	0.03	0.03	KPI A1.4
	tonnes	86.50	80.00	KPI A1.4
Mixed C&D waste	tonnes	86.50	80.00	KPI A1.4
General waste	tonnes	0.75	0.75	KPI A1.4
Paper	tonnes	0.52	0.76	KPI A1.4

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect A2: Use of resources

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Energy consumption				
Total energy consumption	MWh	192.94	184.17	KPI A2.1
Intensity of total energy consumption	MWh/million revenue (HK\$)	1.89	1.97	KPI A2.1
	MWh/project	0.60	0.71	KPI A2.1
	MWh/square foot	0.07	0.07	KPI A2.1
Direct energy consumption	MWh	114.76	95.80	KPI A2.1
• Fuel consumed by company vehicles				
Indirect energy consumption	MWh	78.18	88.37	KPI A2.1
• Purchased electricity				
Water consumption				
Total water consumption	cubic metres	15.00	25.00	KPI A2.2
Intensity of total water consumption	cubic metres/million revenue (HK\$)	0.15	0.27	KPI A2.2
	cubic metres/project	0.05	0.10	KPI A2.2
	cubic metres/square foot	0.01	0.01	KPI A2.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

TABLE OF SOCIAL KPIS

Aspect B1: Employment

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Number of employees				
Total number of employees	people	23	22	KPI B1.1
By gender				
Male	people	14	14	KPI B1.1
Female	people	9	8	KPI B1.1
By age group				
Below 30	people	8	8	KPI B1.1
30-50	people	12	11	KPI B1.1
Over 50	people	3	3	KPI B1.1
By employment type				
Full-time	people	22	21	KPI B1.1
Contract/Short-term	people	1	1	KPI B1.1
By employee category				
Senior management level	people	3	3	KPI B1.1
Management level	people	4	4	KPI B1.1
General staff	people	16	15	KPI B1.1
By geographical region				
Hong Kong, China	people	23	22	KPI B1.1
Employee turnover rate				
Total turnover rate	%	–	20.83	KPI B1.2
By gender				
Male	%	–	–	KPI B1.2
Female	%	–	50.00	KPI B1.2
By age group				
Below 30	%	–	–	KPI B1.2
30-50	%	–	37.04	KPI B1.2
Over 50	%	–	–	KPI B1.2
By geographical region				
Hong Kong, China	%	–	20.83	KPI B1.2

Aspect B2: Health and Safety

KPIs	Unit	2026	2025	2024	HKEX ESG Reporting Code KPI
Number of work-related fatalities	people	–	–	–	KPI B2.1
Work-related fatality rate	%	–	–	–	KPI B2.1
Number of work-related injuries	people	–	–	–	KPI B2.2
Number of lost days due to work injury	days	–	–	–	KPI B2.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect B3: Development and Training

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Breakdown of employees trained				
By gender				
Male	%	60.87	63.64	KPI B3.1
Female	%	39.13	36.36	KPI B3.1
By employee category				
Senior management level	%	13.04	13.64	KPI B3.1
Management level	%	17.39	18.18	KPI B3.1
General staff	%	69.57	68.18	KPI B3.1
Percentage of employees trained				
Total percentage of employees trained	%	100.00	81.48	KPI B3.1
By gender				
Male	%	100.00	100.00	KPI B3.1
Female	%	100.00	61.54	KPI B3.1
By employee category				
Senior management level	%	100.00	100.00	KPI B3.1
Management level	%	100.00	100.00	KPI B3.1
General staff	%	100.00	75.00	KPI B3.1
Average training hours per employee				
Average training hours per employee	hours	39.13	32.59	KPI B3.1
By gender				
Male	hours	42.86	42.86	KPI B3.2
Female	hours	33.33	21.54	KPI B3.2
By employee category				
Senior management level	hours	40.00	40.00	KPI B3.2
Management level	hours	50.00	50.00	KPI B3.2
General staff	hours	36.25	28.00	KPI B3.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect B5: Supply Chain Management

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Number of suppliers				
Total number of suppliers	number	166	157	KPI B5.1
By geographical region				
Hong Kong, China	number	120	115	KPI B5.1
Mainland China	number	46	42	KPI B5.1

Aspect B6: Product Responsibility

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Number of product recalls	number	N/A	N/A	KPI B6.1
Number of products and service-related complaints	number	–	–	KPI B6.2

Aspect B7: Anti-corruption

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Number of concluded legal cases	case	–	–	KPI B7.1
Provision of anti-corruption training				
Directors	session	Yes	Yes	KPI B7.3
Staff	session	Yes	Yes	KPI B7.3

Aspect B8: Community Investment

KPIs	Unit	2026	2025	HKEX ESG Reporting Code KPI
Resources contributed	HK\$	260,000	383,000	KPI B8.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE (I)

Part B: Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	BOARD STATEMENT – ESG Governance Structure
Reporting Principles	REPORTING FRAMEWORK
Reporting Boundary	REPORTING SCOPE

CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE (II)

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
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.	ENVIRONMENTAL PROTECTION
KPI A1.1	The types of emissions and respective emissions data.	ENVIRONMENTAL PROTECTION – EMISSIONS – Air Emissions; TABLE OF ENVIRONMENTAL KPIS
KPI A1.2	Repealed 1 January 2025	–
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – EMISSIONS – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – EMISSIONS – Waste Management; TABLE OF ENVIRONMENTAL KPIS
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – EMISSIONS – Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – EMISSIONS – Waste Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ENVIRONMENTAL PROTECTION – 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).	ENVIRONMENTAL PROTECTION – USE OF RESOURCES – Energy Management; TABLE OF ENVIRONMENTAL KPIS
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – USE OF RESOURCES – Water Consumption; TABLE OF ENVIRONMENTAL KPIS
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – 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.	ENVIRONMENTAL PROTECTION – 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.	ENVIRONMENTAL PROTECTION – USE OF RESOURCES – Use of Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	ENVIRONMENTAL PROTECTION – 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.	ENVIRONMENTAL PROTECTION – THE ENVIRONMENT AND NATURAL RESOURCES – Noise Pollution
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.	ENVIRONMENTAL PROTECTION – 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.	ENVIRONMENTAL PROTECTION – CLIMATE CHANGE – Physical Risks, Transition Risks

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
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.	SOCIAL – EMPLOYMENT PRACTICES
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	SOCIAL – EMPLOYMENT PRACTICES; TABLE OF SOCIAL KPIS
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	SOCIAL– EMPLOYMENT PRACTICES – Remuneration and Benefits; TABLE OF SOCIAL KPIS
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.	SOCIAL – 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.	SOCIAL – HEALTH AND SAFETY; TABLE OF SOCIAL KPIS
KPI B2.2	Lost days due to work injury.	SOCIAL – HEALTH AND SAFETY; TABLE OF SOCIAL KPIS
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	SOCIAL – HEALTH AND SAFETY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work.	SOCIAL – DEVELOPMENT AND TRAINING
	Description of training activities.	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	SOCIAL – DEVELOPMENT AND TRAINING; TABLE OF SOCIAL KPIS
KPI B3.2	The average training hours completed per employee by gender and employee category.	SOCIAL – DEVELOPMENT AND TRAINING; TABLE OF SOCIAL KPIS
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.	SOCIAL – LABOUR STANDARDS
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	SOCIAL – LABOUR STANDARDS
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	SOCIAL – LABOUR STANDARDS
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SOCIAL – SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	SOCIAL – SUPPLY CHAIN MANAGEMENT; TABLE OF SOCIAL KPIS
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.	SOCIAL – SUPPLY CHAIN MANAGEMENT
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SOCIAL – SUPPLY CHAIN MANAGEMENT
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SOCIAL – SUPPLY CHAIN MANAGEMENT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
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.	SOCIAL – PRODUCT RESPONSIBILITY
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SOCIAL – PRODUCT RESPONSIBILITY; TABLE OF SOCIAL KPIS
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	SOCIAL – PRODUCT RESPONSIBILITY – Products and Services Quality; TABLE OF SOCIAL KPIS
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	SOCIAL – PRODUCT RESPONSIBILITY – Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	SOCIAL – PRODUCT RESPONSIBILITY – Products and Services Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	SOCIAL – PRODUCT RESPONSIBILITY – Privacy Protection

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part C: “Comply or explain”

Provisions	Description	Section/Declaration
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.	SOCIAL – 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.	SOCIAL – ANTI-CORRUPTION; TABLE OF SOCIAL KPIS
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	SOCIAL – ANTI-CORRUPTION
KPI B7.3	Description of anti-corruption training provided to directors and staff.	SOCIAL – ANTI-CORRUPTION; TABLE OF SOCIAL KPIS
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.	SOCIAL – COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SOCIAL – COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	SOCIAL – COMMUNITY INVESTMENT; TABLE OF SOCIAL KPIS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENT INDEX OF THE ESG REPORTING CODE OF THE STOCK EXCHANGE (III)

Under the ESG Reporting Code stipulated in Appendix C2 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange, issuers are required to provide climate-related disclosures on a voluntary basis, subject to the mandatory provisions stated in paragraphs 28(a), 28(b) and 29. The climate-related disclosures mandated of GEM issuers are as follows:

Part D: Climate-related

Disclosures	Description	Sections/Remarks
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:	ENVIRONMENTAL PROTECTION – EMISSIONS – GHG Emissions; TABLE OF ENVIRONMENTAL KPIS
(a)	Scope 1 GHG emissions; and	
(b)	Scope 2 GHG emissions.	
29	An issuer shall:	ENVIRONMENTAL PROTECTION – 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;	
(b)	disclose the approach it uses to measure its GHG emissions including:	
	(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;	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related

Disclosures	Description	Sections/Remarks
(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	
(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).	

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

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

EXECUTIVE DIRECTORS

Mr. Wang Guoping (汪國平) (“Mr. Wang”), aged 52, was appointed as the executive Director and the Chairman of the Company on 27 February 2025.

Mr. Wang obtained a diploma in financial accounting from the department of finance, SouthCentral Minzu University (中南民族學院)* in 1996 and graduated from The Open University of China (國家開放大學)* with a bachelor’s degree in public service administration (school management) in 2023. Mr. Wang has extensive experience in education management, teaching, and accounting. Mr. Wang served as the director of academic affairs and accounting teacher at Guangzhou Far East Foreign Languages Foreign Trade College (廣州遠東外語外貿專修學院)* from August 2003 to November 2009, and he obtained the Certificate of Accounting Profession in People’s Republic of China in 2006. He held the same position at Guangdong New Mileage Tourism Technical School (廣東新里程旅遊技工學校)* from December 2009 to September 2017 and returned to Guangzhou Far East Foreign Languages Foreign Trade College (廣州遠東外語外貿專修學院)* from October 2017 to December 2018. Since January 2019, he has been serving as the supervisor at Guangzhou Huadu Yangguang School (廣州市花都區陽光學校)*, overseeing school operations and management.

Dr. Chan Lai Sin (陳禮善) (“Dr. Chan”), aged 61, is the founder of the Group. He is responsible for the overall strategic management and development of the Group’s business operations. Dr. Chan was appointed to the Board and designated as an executive Director and the Chairman of the Company on 6 May 2016. Dr. Chan was re-designated as the Vice Chairman of the Company on 27 February 2025.

Dr. Chan has over 28 years of experience in the interior design and furnishing industry. Prior to founding the Group, Dr. Chan began working as a clerk in MTR Corporation Limited from August 1981 to October 1982 and later joined the Hong Kong Police Force (formerly the Royal Hong Kong Police Force) as a policeman from June 1983 to November 1987. Dr. Chan joined Bellok Company Limited (also known as Chung Ngai Furniture Factory (中藝傢俬廠)) as a sales representative in May 1988 and left in July 1996 with his last position held as sales manager. He later founded the Group in August 1996.

Further, Dr. Chan obtained Registered Six Sigma Champion from Six Sigma Institute on October 2017. Dr. Chan was awarded as one of “2012-2013 Top 10 Most Influential Interior Designers (Residential)(2012-2013年度十大最具影響力設計師(住宅空間類))” at “The 8th China International Architectural Decoration and Design Art Fair (第八屆中國國際建築裝飾及設計博覽會)” in China.

Dr. Chan was a member of the 12th Hebei Provincial Committee of the Chinese People’s Political Consultative Conference since June 2018.

Dr. Chan obtained a doctor degree of management from The Hong Kong Polytechnic University in September 2018, and a bachelor degree of general studies and a master degree of business administration from The Open University of Hong Kong in June 2011 and November 2015 respectively.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Ms. Liu Lihui (劉利輝) (“Ms. Liu”), aged 55, was appointed as the non-executive Director on 10 February 2025.

Ms. Liu obtained the Certificate of Accounting Professional in PRC in 2004. Ms. Liu has been working at Guangdong Huayang Alliance Health Products Co., Ltd. (廣東華洋聯盟健康產品有限公司)* as financial manager since 2018. She has over 20 years of experience in accounting management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Sun Wai Ling (孫偉玲) (“Ms. Sun”), aged 53, was appointed as the independent non-executive Director on 29 August 2025. She is the chairman of the audit committee of the Company (the “**Audit Committee**”) and the remuneration committee of the Company (the “**Remuneration Committee**”) and a member of the nomination committee of the Company (the “**Nomination Committee**”). Ms. Sun provides independent judgment and advice on the Group’s strategy, performance, resources, and standards of conduct, and regularly reviews the Group’s financial information.

Ms. Sun has over 21 years of experience in the field of accounting and finance. From July 2000 to March 2010, Ms. Sun joined Tims Fashion International Company Limited as an accountant and was promoted to accounting and administrative manager in 2007. From March 2010 to February 2012, she was a senior accountant at Win Success Hong Kong Development Limited and from March 2012 to November 2012, she was a senior accountant at Jet Bright International Holdings Limited, both of which were subsidiaries of Real Nutraceutical Group Limited (previous HKEx stock code: 2010 and was delisted on 25 January 2021). From November 2012 to May 2013, she was a senior accountant at Nonox Asia Limited. From June 2013 to March 2014, she was a finance and administration manager at Bluetech Holdings Limited. From January 2015 to June 2016, Ms. Sun rejoined Jet Bright International Holdings Limited as a senior accountant. From July 2016 to February 2018, Ms. Sun joined Tung Chun Management Services Company Limited as an assistant finance manager. From March 2018 until June 2022, she was an accounting manager at is BIM Limited, a previous subsidiary of C Cheng Holdings Limited (HKEx stock code: 1486). Since July 2022, Ms. Sun has been a finance, system and administrative manager at Plicosa International (HK) Limited.

Ms. Sun graduated from Oxford Brookes University with a Bachelor of Science degree in applied accounting in September 2012. She has also been accredited as an Hong Kong Accounting Technician in June 2002 and was admitted as a member of the Association of Chartered Certified Accountants in June 2007. Ms. Sun has also been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since May 2011.

Dr. Chung Siu Kuen (鍾少權) (“Dr. Chung”), aged 62, was appointed as an independent non-executive Director on 6 August 2021. He is a member of the Audit Committee, the Remuneration Committee, and the Nomination Committee. Dr. Chung provides independent judgment and advice on the Group’s strategy, performance, resources, and standards of conduct, and regularly reviews the Group’s financial information.

Dr. Chung brings over 37 years of management experience in the banking industry, with a focus on retail banking, overseeing sales and distribution channels, cross-border business development and collaboration, customer segments, and retail banking and wealth management products.

Dr. Chung has been appointed as executive director of Horsemart Service Limited from July 2024 to December 2025, where he oversees the development of integrated security and cash solutions for servicing leading banks, financial institutions, and government agencies in Hong Kong. From January to June 2026, he was appointed as a consultant.

Dr. Chung has been a Professor in the School of Accounting and Finance at The Hong Kong Polytechnic University since June 2021.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Since March 2021, Dr. Chung has been the founder and director of DR WMS Limited, a company specializing in management consultancy services. His previous banking roles include Executive Vice President and Head of the Personal Banking Division at Chong Hing Bank Limited from August 2018 to June 2020, Assistant General Manager at Wing Lung Bank Limited from April 2013 to August 2018 and Managing Director and Treasurer and Distribution Head at DBS Bank (Hong Kong) Limited from October 2008 to March 2013. Prior to 2008, Dr. Chung held various positions in the banking industry.

Dr. Chung earned a Doctor of Business Administration from The Hong Kong Polytechnic University in 2018, a Master of Business Administration from the University of Birmingham in 2009, a Bachelor of Laws from the University of Wolverhampton in 2005, a Bachelor of Business Administration (Honours) from the University of Lincolnshire and Humberside in 2000, a Diploma in Legal Studies from The University of Hong Kong in 1998, and a Diploma in Business Administration from Hong Kong Shue Yan College in 1991.

Ms. Ma Yufei (馬鈺菲) (“Ms. Ma”), aged 31, was appointed as the independent non-executive Director on 10 February 2025. She is the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Ms. Ma provides independent judgment and advice on the Group’s strategy, performance, resources, and standards of conduct, and regularly reviews the Group’s financial information.

Ms. Ma obtained a Bachelor of Commerce (Honours) in Accounting from Beijing Normal University-Hong Kong Baptist University United International College in June 2017. Ms. Ma was awarded a Bachelor of Business Administration (Honours) in Accounting (First Class) from Hong Kong Baptist University in November 2017. Ms. Ma worked as an auditor in the audit department of PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch from October 2017 to January 2020. She has been worked as general manager of financial advisory management department of Shenyang Chenrui Health Management Consulting Co., Ltd. (沈陽辰銳健康管理諮詢有限公司)* since December 2023. Ms. Ma established her own self-media company in November 2022.

SENIOR MANAGEMENT

Mr. Siu Ka Sing (蕭嘉星) (“Mr. Siu”), aged 45, was appointed as chief executive officer of the Company in 24 March 2017. Mr. Siu initially joined the Group as an account officer in May 2004 and was promoted to administrative manager in January 2009. Mr. Siu is responsible for overseeing general operations and devising business strategies.

Mr. Siu has over 21 years of experience in administrative related matters. Before joining the Group, Mr. Siu had worked in Great Expect Development Limited as an accounting clerk from April 2002 to May 2004.

Mr. Siu obtained his business studies diploma from Hong Kong Young Women’s Christian Association (Professional and Career Youth Department) in July 1999 and a diploma in accounting studies from Hong Kong School of Commerce in June 2001. Mr. Siu has been a Hong Kong accounting technician of The Hong Kong Institute of Accredited Accounting Technicians (formerly known as The Hong Kong Association of Accounting Technicians) since December 2002.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. Ng Hoi Ying (吳愷盈) (“Ms. Ng”), aged 39, was appointed as the company secretary of the Company on 1 March 2019. She obtained a degree of Bachelor of Business Administration in Accountancy from The Hong Kong Polytechnic University in 2008. She is currently a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ng has over 17 years of experience in auditing, accounting and financial reporting. She worked as a senior auditor of Deloitte Touche Tohmatsu. Subsequently Ms. Ng worked as senior accountant in Asia Maritime Pacific (Hong Kong) Limited, a private company engaged in fleet operation of both owned and chartered-in Handy-size and mini-MPP vessels, which operate internationally in China, West Africa, Australia, South America and intra-Asia. She was the finance manager of Ngai Shun Construction & Drilling Company Limited, which is a piling contractor for both private and public works in Hong Kong. Its holding company (Boill Healthcare Holdings Limited, formerly known as Ngai Shun Holdings Limited) has been listed on the Main Board of the Stock Exchange (stock code: 1246) in October 2013. Ms. Ng is currently a company secretarial manager at Blooming (HK) Business Limited, a company primarily engaged in corporate advisory and company secretarial services.

* For identification purpose only

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 Company is an investment holding company, and its subsidiaries are principally engaged in the provision of interior design and fit-out services in Hong Kong and health industry supply chain business in PRC. The Group offers a full suite of services including interior design provided by the Group's in-house design team, whom provides the Group's customers with creative and innovative designs that synergise with the latest market and design trends, to high quality fittings and furnishings and the implementation of the Group's designs performed by the subcontractors that the Group relies on to complete the projects. Details of the principal activities of the principal subsidiaries of the Company are set out in Note 35 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the past five financial years is set out on page 86 of the annual report.

DIVIDEND POLICY

The Board adopted a dividend policy (the "**Dividend Policy**") on 28 December 2018. According to the Dividend Policy, in deciding whether to propose any dividend payout, the Board shall also take into account, inter alia: –

- the Group's actual and expected financial performance;
- shareholders' interests;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group's creditworthiness;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

DIRECTORS' REPORT

Pursuant to the Dividend Policy, the declaration and payment of dividends shall remain to be determined at the discretion of the Board and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the memorandum and articles of association of the Company. Except for interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at the general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the profits of the Company available for distribution.

The Board confirms that all dividend decisions made during the reporting period were in accordance with the Company's dividend policy.

No dividend has been recommended or declared for the year. In reaching this decision, the Board has carefully considered the Group's results of operations, financial position, cash flow, working capital and capital expenditure requirements, as well as the need to preserve financial flexibility for future business development and potential investment opportunities.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and this Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

RESULTS AND DIVIDENDS

Results of the Group for the year ended 31 March 2026 are set out in the consolidated financial statements from pages 93 to 164 of this report. The Board does not recommend the payment of final dividend for the year ended 31 March 2026.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Friday, 28 August 2026 (the "AGM"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 August 2026 to Friday, 28 August 2026, both days inclusive, during which no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24 August 2026. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM is therefore Friday, 28 August 2026.

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 March 2026 and a discussion of the Group's future business development and a description of principal risks and uncertainties facing the Company are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the year ended 31 March 2026 using financial key performance indicators is set out in the Group's five-year Financial Summary on page 86 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2026 are set out in Note 14 to the consolidated financial statements.

DIRECTORS' REPORT

DONATION

Charitable donations made by the Group during the year ended 31 March 2026 amounted to approximately HK\$260,000 (2025: approximately HK\$383,000).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 March 2026 are set out in Note 27 to the consolidated financial statements.

SHARE OPTION SCHEME

The share option scheme (the “**Share Option Scheme**”) was conditionally adopted pursuant to the written resolution of the then sole shareholder of the Company passed on 24 March 2017.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

The Eligible Participants of the Share Option Scheme

The Board may, at its discretion and on such terms as it may think fit, grant any employee, Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group, options to subscribe for such number of shares it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.

Exercise Price of a Share Option

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

Total Number of Shares Available for Issue Under the Share Option Scheme

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date (excluding, for this purpose, the shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the shares in issue as at the Listing Date. Therefore, it is expected that the Company may grant options in respect of up to 80,000,000 shares (or such numbers of shares as shall result from a sub-division or a consolidation of such 80,000,000 shares from time to time) to the participants under the Share Option Scheme.

DIRECTORS' REPORT

The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the shareholders in a general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.

The Company may seek separate approval of the shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, such other information required under the GEM Listing Rules.

The aggregate number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.

The total number of share options available for grant under the Share Option Scheme as at 31 March 2026 was 80,000,000 (31 March 2025: 80,000,000) and the total number of shares available for issue under the Share Option Scheme was 80,000,000 (31 March 2025: 80,000,000), which represents approximately 8.33% (31 March 2025: approximately 10%) of the total issued shares of the Company as at 31 March 2026 and as at the date of this annual report.

The Maximum Entitlement of Each Participant under the Share Option Scheme

The total number of shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share schemes of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue. Any further grant of options in excess of such limit must be separately approved by shareholders in a general meeting with such grantee and his associates abstaining from voting.

Time of Exercise of Share Option under the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer for the grant of an option is HK\$1.

The vesting period and vesting conditions (if any) of each grant shall be determined by the Board in its absolute discretion.

DIRECTORS' REPORT

The Share Option Scheme is valid and effective for a period of ten years from 24 March 2017, after which no further options will be granted or offered. The remaining life of the Share Option Scheme is approximately eight months.

For the year ended 31 March 2026, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

PRE-EMPTIVE RIGHTS

There is no provision of pre-emptive rights under the Company's memorandum and articles of association or the laws of the Cayman Islands which obliges the Company to offer new shares on a pro rata basis to existing shareholders.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares (as defined under the GEM Listing Rules)) during the year ended 31 March 2026. As at 31 March 2026, there were no treasury shares held by the Company.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 March 2026.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, throughout the year ended 31 March 2026 and as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float of 25% in the issued share capital of the Company pursuant to the GEM Listing Rules.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2026 are set out in Note 34 to the consolidated financial statements and in the consolidated statement of changes in equity on page 96.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2026, the Company's reserves available for distribution to shareholders comprising share premium, other reserve and accumulated losses, amounted to approximately HK\$14.2 million.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2026, revenue generated from the Group's five largest customers accounted for approximately 13.2% of the total revenue for the year and revenue generated from the largest customer included therein amounted to approximately 5.3%. Subcontracting charges and materials costs incurred from the Group's five largest subcontractors and suppliers accounted for approximately 57.6% of the total sub-contracting charges and material costs for the year and the subcontracting charges and materials costs incurred from the largest subcontractor included therein amounted to approximately 21.5%.

DIRECTORS' REPORT

None of the Directors of the Company, or any of their close associates 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, subcontractors or suppliers.

DIRECTORS

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

Executive Directors

Mr. Wang Guoping (*Chairman*)

Dr. Chan Lai Sin (*Vice Chairman*)

Non-executive Directors

Ms. Liu Lihui

Independent Non-Executive Directors

Dr. Chung Siu Kuen

Ms. Ma Yufei

Ms. Sun Wai Ling (Appointed on 29 August 2025)

In accordance with the Company's memorandum and articles of association, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of Shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Accordingly, Ms. Liu, a non-executive Director; and Ms. Ma and Ms. Sun, the independent non-executive Directors, shall retire at the forthcoming annual general meeting and, all being eligible, will offer themselves for re-election at the said meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Ms. Sun, who was appointed to the Board on 29 August 2025 had obtained legal advice as required under Rule 5.02D of the GEM Listing Rules on 27 August 2025 and she has confirmed that her understanding of the obligations as a director of a listed issuer.

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 51 to 54 of this annual report.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries, during the year ended 31 March 2026.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" below, at no time during the year ended 31 March 2026 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

Long positions in the ordinary shares and underlying shares of the Company

Name of Director/Chief Executive	Capacity/Nature of interest	Number of underlying shares	Approximate percentage of shareholding
Dr. Chan (Note 1)	Interest of a controlled corporation	184,370,000	19.21%

Note:

1. Dr. Chan legally and beneficially owns the entire issued share capital of Chun Wah Limited ("Chun Wah"). Therefore, Dr. Chan is deemed, or taken to be, interested in all the shares held by Chun Wah for the purpose of the SFO. Dr. Chan is the sole director of Chun Wah.

DIRECTORS' REPORT

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 debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors or chief executive of the Company, as at 31 March 2026, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary shares and underlying share of the Company

Name	Capacity/Nature of interest	Number of underlying shares	Approximate percentage of shareholding
HK H&Y Group Chain management Limited ("HK H&Y")	Beneficial owner	217,450,000	22.65%
Mr. Liu Jiasheng (Note 1)	Interest of a controlled corporation	217,450,000	22.65%
Chun Wah	Beneficial owner	184,370,000	19.21%
Ms. Wong Ting Nuen (Note 2)	Interest of spouse	184,370,000	19.21%
Ms. Cai Hui Ting	Beneficial owner	84,230,000	8.77%

Notes:

1. Mr. Liu Jiasheng ("**Mr. Liu**") legally and beneficially owns the entire issued share capital of HK H&Y. Therefore, Mr. Liu is deemed, or taken to be, interested in all the shares held by HK H&Y for the purpose of the SFO.
2. Ms. Wong Ting Nuen ("**Ms. Wong**") is the spouse of Dr. Chan. Ms. Wong is deemed, or taken to be, interested in the same number of shares in which Dr. Chan is interested for the purpose of the SFO.

DIRECTORS' REPORT

Save as disclosed above, as at 31 March 2026, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had any interest or a short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to rate in all circumstances at a general meeting of the Company or any other member of the Group.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules), engaged in any businesses that compete or may compete with the business of the Group or has any other conflicts of interests with the Group for the year ended 31 March 2026.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors of the Company and the five highest paid individuals of the Group are set out in Notes 10 and 11 to the consolidated financial statements.

The remuneration of the senior management of the Group for the year ended 31 March 2026 falls within the following band:

Remuneration Band	Number of Senior Management
Up to HK\$1,000,000	1

DIRECTORS' REPORT

EMOLUMENT POLICY

The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload, performance and the time devoted to the Group. The Company has not factored climate-related considerations into its remuneration policy. The Board has absolute discretion in determining executive and senior management compensation, which is primarily linked to financial performance, operational targets, strategic objectives, and other key performance indicators relevant to the Company's business.

The Remuneration Committee will meet at least once each year to discuss remuneration related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. The principal duties of the Remuneration Committee are, amongst other things, to make recommendations to the Board on the remuneration package of the Directors and Senior Management, including benefits in kind, pension rights and compensation payments and on the Group's policy and structure for all Directors' and senior management's remuneration.

RETIREMENT BENEFITS PLANS

Particulars of retirement benefits plans of the Group as at 31 March 2026 are set out in Note 32 to the consolidated financial statements.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in Notes 23 and 33 to the consolidated financial statements, no Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 March 2026.

MANAGEMENT CONTRACTS

Save for the service agreements the Company entered into with each of the Directors, 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.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions of the Group as set out in Note 33 to the consolidated financial statements constituted fully exempted connected transactions under Chapter 20 of the GEM Listing Rules. Save as disclosed in this annual report, there was no other transactions which would need to be disclosed as connected transactions in compliance with the disclosure requirements in Chapter 20 of the GEM Listing Rules.

DIRECTORS' REPORT

DISCLOSEABLE TRANSACTIONS

Entering into Tenancy Agreement

On 16 March 2023, Smart Will Engineering Limited ("**Smart Will**"), an indirect wholly-owned subsidiary of the Company, as tenant, entered into a tenancy agreement with the landlord, an independent third party, in relation to the lease of a premise in Tsuen Wan (the "**Premise**") for a term of three years commencing on 27 March 2023 (the "**Tenancy Agreement**").

The monthly rental of the Premise shall be approximately HK\$54,810 (inclusive of rates, government rent and management fee, but exclusive of other outgoings, which are payable by Smart Will).

The Premise is intended for the replacement of the outlet in Yuen Long, which the tenancy agreement was expired in April 2023. The Directors believe that the Premise is located at a high pedestrian flow area and could capture business opportunities around the Tsuen Wan areas. The Directors considered that the terms of the tenancy agreement are entered into on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interest of the Group and the shareholders as a whole.

For details of the Tenancy Agreement, please refer to the announcement of the Company dated 4 May 2023.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board considers good corporate governance as a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code. Details of the Group's corporate governance practices adopted by the Board are set out in the Corporate Governance Report on pages 67 to 85 of this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' REPORT

INDEPENDENT AUDITORS

The consolidated financial statements of the Company for the year ended 31 March 2026 were audited by Asian Alliance (HK) CPA Limited. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Asian Alliance (HK) CPA Limited as the auditors of the Company. The Company has not changed its external auditors in any of the preceding three years.

On behalf of the Board

Wang Guoping

Chairman and Executive Director

Hong Kong

24 June 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

We are committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are the key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of its shareholders of the Company.

Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

The Company has applied the principles and code provisions (“**Code Provisions**”) in the CG Code set out in Appendix C1 to the GEM Listing Rules. To the best knowledge of the Board, the Company has fully complied with the CG Code during the year ended 31 March 2026 and up to the date of this annual report.

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 people 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 business development and management is to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

CORPORATE GOVERNANCE REPORT

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the **"Code of Conduct"**). Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance throughout the year.

DIRECTORS' RESPONSIBILITIES

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies and business performance of the Company, monitoring the financial performance and internal control as well as overseeing the risk management system of the Company and monitoring the performance of senior executives. The Board is also responsible for performing the corporate governance duties which include (i) developing, reviewing and approving the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and (v) reviewing the Company's compliance with the CG code and disclosure in the corporate governance report.

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The statement of the external auditors of the Company, Asian Alliance (HK) CPA Limited, with regard to their reporting responsibilities on the Company's financial statements is set out in the section headed "Independent Auditors' Report" in this annual report. The Directors confirm that, to the best of their knowledge, information and belief, having made all appropriate enquiries, they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Liability insurance for Directors and senior management of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

CORPORATE GOVERNANCE REPORT

DELEGATION BY THE BOARD

Daily operation and managing of the business of the Group, inter alia, the implementation of strategies are delegated to the executive Directors along with other senior management. They report periodically to the Board their work and business decisions.

Board Composition

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

Executive Directors

Mr. Wang Guoping (*Chairman*)

Dr. Chan Lai Sin (*Vice Chairman*)

Non-executive Directors

Ms. Liu Lihui

Independent non-executive Directors

Dr. Chung Siu Kuen

Ms. Ma Yufei

Ms. Sun Wai Ling (Appointed on 29 August 2025)

Biographical details of the Directors are set out in “Biographical Details of the Directors and Senior Management” on pages 51 to 54 of this annual report. Save as disclosed therein, none of the members of the Board has any financial, business, family or other material/relevant relationships with each other.

The proportion of which is higher than what is required by Rule 5.05A, 5.05 (1) and (2) of the GEM Listing Rules whereby independent non-executive Directors of a listed issuer represent at least one-third of the board. The three independent non-executive Directors represent more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. With the various experience of both the executive Directors and the independent non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

On 29 August 2025, Ms. Sun was appointed as an independent non-executive Director. After obtaining the legal advice referred to Rule 5.02D of the GEM Listing Rules on 27 August 2025, Ms. Sun confirmed she understood her obligations as a Director.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Company's strategies, performance and control, as well as ensure that the interests of all shareholders are taken into account. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company. The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such Directors to be independent in accordance with the criteria set out in rule 5.09 of the GEM Listing Rules.

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

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

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

As at 31 March 2026, no independent non-executive Director had served more than nine years on the Board.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Dr. Chan, the executive Director, has entered into a service contract with the Company on 6 May 2016 and the service contract has been renewed on 11 April 2026. Mr. Wang, the executive Director, has entered into a service contract with the Company on 27 February 2025. The Company has signed a letter of appointment with Ms. Liu, the non-executive Director, on 10 February 2025. The Company has signed a letter of appointment with Dr. Chung, the independent non-executive Director, on 6 August 2021 and the letter of appointment has been renewed on 5 August 2024. The Company has signed letters of appointment with Ms. Ma and Ms. Sun, the independent non-executive Directors, on 10 February 2025 and 29 August 2025, respectively.

The service contracts with each of the executive Directors and the letters of appointment with each of the non-executive Director and the independent non-executive Directors are for an initial fixed term of three years. The service contracts and letters of appointment are subject to termination in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with the memorandum and articles of association of the Company and the applicable GEM Listing Rules.

According to the article 108 of the Company's memorandum and articles of association, one-third of the Directors for the time being shall retire from office by rotation at every annual general meeting of the Company, provided that every Director shall retire from office by rotation and are subject to re-election at annual general meeting at least once every three years. Articles 111 and 112 of the Company's memorandum and articles of association provides that any Directors who are appointed to fill casual vacancies shall hold office only until the first general meeting after their appointment, and are subject to re-election by shareholders of the Company.

Accordingly, Ms. Liu, the non-executive Director; and Ms. Ma and Ms. Sun, the independent non-executive Directors, shall retire at the forthcoming annual general meeting to be held on Friday, 28 August 2026.

At the forthcoming annual general meeting of the Company, ordinary resolution will be put forward to the shareholders of the Company in relation to the proposed re-election of Ms. Liu as the non-executive Director; and Ms. Ma and Ms. Sun as the independent non-executive Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of chairman and chief executive officer are separate and not performed by the same individual to avoid power being concentrated in any one individual. Mr. Wang was the chairman of the Board. Mr. Siu is the chief executive officer of the Company.

CORPORATE GOVERNANCE REPORT

TERM OF OFFICE OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors has entered into a service contract with the Company for a term of three years, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the memorandum and the articles of association of the Company.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Group acknowledges the importance of adequate and ample continuing professional development for the Directors for a sound and effective internal control system and corporate governance. In this regard, the Group has always encouraged the Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance.

Every Director must receive continuous professional development in each financial year of the Company, which must at least cover: (i) the roles, functions and responsibilities of the Board, its committees and its Directors, and board effectiveness ("**Topic 1**"); (ii) the Company's obligations and Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties ("**Topic 2**"); (iii) corporate governance and environmental, social and governance ("**ESG**") matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business ("**Topic 3**"); (iv) risk management and internal controls ("**Topic 4**"); and (v) updates on industry-specific developments, business trends and strategies relevant to the Company ("**Topic 5**") (altogether, the "**Topics**").

During the year ended 31 March 2026, training activities including in-house briefings, seminars/webinars held by professional organisations and relevant reading materials including legal and regulatory updates and seminars' handouts covering the Topics have been provided to the Directors for their reference and studying.

The continuous professional development of the Directors for the year ended 31 March 2026 are summarised as follows:

Name of Directors	Topic 1	Topic 2	Topic 3	Topic 4	Topic 5	Total no. of hours
Mr. Wang Guoping	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	7.5 hours
Dr. Chan Lai Sin	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	7.5 hours
Ms. Liu Lihui	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1 hour (Note 1)	1.5 hours (Note 1)	7 hours
Dr. Chung Siu Kuen	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	7.5 hours
Ms. Ma Yufei	1.5 hours (Note 1)	1.5 hours (Note 1)	2.5 hour (Note 1)	2 hours (Note 1)	1.5 hours (Note 1)	9 hours
Ms. Sun Wai Ling (Appointed on 29 August 2025)	1.5 hours (Note 1)	1.5 hours (Note 1)	3 hours (Note 1)	1.5 hours (Note 1)	1.5 hours (Note 1)	9 hours
Ms. Lui Lai Chun (Resigned on 29 August 2025)	—	—	—	—	—	—

Note:

1. Seminars/webinars held by The Hong Kong Chartered Governance Institute

CORPORATE GOVERNANCE REPORT

Every Director newly appointed at the beginning has received a comprehensive, formal and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. In future, any newly appointed Directors who (i) have no prior experience as a director of an issuer listed on the Main Board and GEM of the Stock Exchange; or (ii) have not served as directors of issuers listed on the Main Board or GEM of the Stock Exchange within three years prior to their appointment (the **"First-time Directors"**), must complete no less than 24 hours of continuous professional development within 18 months of the date of their appointment. First-time Directors who have served as directors of issuers listed on an exchange other than the Main Board or GEM of the Stock Exchange within three years prior to their appointment must complete no less than 12 hours of the continuous professional development within 18 months of the date of their appointment.

Ms. Sun, being a First-time Director, must complete no less than 24 hours of continuous professional development within 18 months of the date of her appointment. Ms. Sun had completed 9 hours of continuous professional development as at 31 March 2026 and she must complete the remaining 15 hours of continuous professional development before 28 February 2027.

BOARD COMMITTEES

The Board has established three Board committees, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.dic.hk. All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees follow in line with, so far as practicable, those of the Board meetings set out above.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

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

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was established on 24 March 2017. The chairman of the Remuneration Committee is Ms. Sun, an independent non-executive Director, and other members includes Dr. Chan, the vice chairman and an executive Director, Dr. Chung and Ms. Ma, the independent non-executive Directors. The written terms of reference of the Remuneration Committee have been revised on 3 January 2023 and are posted on the Stock Exchange's website and the Company's website.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriated policy and structures for all aspects of Directors' and senior management's remuneration. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Company has not factored climate-related considerations into its remuneration policy. The Board has absolute discretion in determining executive and senior management compensation, which is primarily linked to financial performance, operational targets, strategic objectives, and other key performance indicators relevant to the Company's business. The Remuneration committee also reviews and/or approves matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

The Remuneration Committee held two meetings to review the remuneration packages and emoluments of the Directors and senior management and considered that they are fair and reasonable during the year ended 31 March 2026; and to recommend the remuneration packages and emoluments of the appointment of Ms. Sun as an independent non-executive Director. No Director or any of his or her associates is involved in deciding his or her own remuneration.

NOMINATION COMMITTEE

The Nomination Committee was established on 24 March 2017. The chairman of the Nomination Committee is Ms. Ma, an independent non-executive Director, and other members included Dr. Chan, the vice chairman and an executive Director, Dr. Chung and Ms. Sun, the independent non-executive Directors. The written terms of reference of the Nomination Committee have been revised on 24 June 2025 and are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors and makes recommendations to the Board on appointment of new Directors of the Company. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board.

In designing the Board's composition, Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

During the year ended 31 March 2026, the Nomination Committee held two meetings to review and recommend the re-election of the Directors; and to make recommendations to the Board on the appointment of Ms. Sun as an independent non-executive Director.

CORPORATE GOVERNANCE REPORT

NOMINATION POLICY

The Board adopted a nomination policy (the “**Nomination Policy**”) on 28 December 2018. A summary of the Nomination Policy, together with the measurable objectives set for implementing the Nomination Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Nomination Policy

The Nomination Policy aims to set out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors of the Company. This also ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company’s business.

Measurable Objectives

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria including but not limited to (collectively, the “**Criteria**”):

- (a) Diversity in aspects including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how;
- (b) Sufficient time to effectively carry out their duties; their services on other listed and non-listed companies should be limited to reasonable numbers;
- (c) Qualifications, including accomplishment and experience in the relevant industries the Company’s business is involved in;
- (d) Independence;
- (e) Reputation for integrity;
- (f) Potential contributions that the individual(s) can bring to the Board; and
- (g) Commitment to enhance and maximize shareholders’ value.

Re-election of Director at General Meeting

The Nomination Committee will evaluate and recommend retiring Director(s) to the Board for re-appointment by giving due consideration to the Criteria including but not limited to:

- (a) the overall contribution and service to the Company of the retiring Director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board; and
- (b) whether the retiring Director(s) continue(s) to satisfy the Criteria.

The Nomination Committee and/or the Board shall then make recommendation to shareholders in respect of the proposed re-election of Director at the general meeting.

CORPORATE GOVERNANCE REPORT

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) The Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from shareholders of the Company with due consideration given to the Criteria;
- (c) The Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (d) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (f) The Board will have the final authority on determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong.

Monitoring and Reporting

The Nomination Committee will assess and report annually, in the corporate governance report, on the composition of the Board, and launch a formal process to monitor the implementation of the Nomination Policy as appropriate.

Review of Nomination Policy

The Nomination Committee will launch a formal process to review this Nomination Policy periodically to ensure that it is transparent and fair, remains relevant to the Company's needs and reflects the current regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

Disclosure of Nomination Policy

A summary of the Nomination Policy including the nomination procedures and the process and Criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year will be disclosed in the annual corporate governance report. In the circular to shareholders for proposing a candidate as an independent non-executive Director, it should also set out:

- the process used for identifying the candidate and why the Board believes the candidate should be elected and the reason why it considers the candidate to be independent;
- the perspectives, skills and experience that the candidate can bring to the Board; and
- how the candidate can contribute to the diversity of the Board.

AUDIT COMMITTEE

The Audit Committee was established on 24 March 2017. The chairlady of the Audit Committee is Ms. Sun, an independent non-executive Director, and other members included Dr. Chung and Ms. Ma, the independent non-executive Directors. The written terms of reference of the Audit Committee have been revised on 28 December 2018 and are posted on the Stock Exchange's website and on the Company's website.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information, oversee the financial controls, internal control procedures and risk management systems and relationship with the external auditors and review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 March 2026, the Audit Committee held two meetings to review and comment on the Company's 2025 annual results and 2025 interim results as well as the Company's internal control procedures and risk management systems.

The Group's consolidated financial statements for the year ended 31 March 2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2026 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORDS OF MEETINGS

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved. During the year, the Chairman held a meeting with the independent non-executive Directors without the presence of other executive Directors.

Details of all Directors' attendance at the Board meeting, Board committees' meeting held during the year are as follows:

		2025				
		Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Extraordinary General Meeting
Number of Meetings Attended/Held						
Executive Directors						
Mr. Wang Guoping	6/6				1/1	1/1
Dr. Chan Lai Sin	6/6		2/2	2/2	1/1	1/1
Non-executive Directors						
Ms. Liu Lihui	2/2				1/1	1/1
Independent non-executive Directors						
Dr. Chung Siu Kuen	6/6	2/2	2/2	2/2	1/1	1/1
Ms. Ma Yufei	6/6	2/2	2/2	2/2	1/1	1/1
Ms. Sun Wai Ling (Appointed on 29 August 2025)	2/2	1/1	N/A	N/A	N/A	1/1
Ms. Lui Lai Chun (Resigned on 29 August 2025))	4/4	1/1	2/2	2/2	1/1	N/A

COMPANY SECRETARY

The company secretary of the Company (the "**Company Secretary**") assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising that Board on corporate governance matters.

The Company engages an external service provider, which assigned Ms. Ng as the Company Secretary. Ms. Ng possesses the necessary qualification and experience, and is capable of performing the functions of the company secretary. Mr. Wang, an executive Director, is the primary contact person who Ms. Ng contacts.

During the year ended 31 March 2026, Ms. Ng confirmed that she had taken no less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules. The biographies of Ms. Ng is set out in the section headed "Biographical Details of the Directors and Senior Management" of this report.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy (the “**Board Diversity Policy**”) on 28 December 2018. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

Measurable Objectives

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how. The Nomination Committee will adhere to the Board Diversity Policy to ensure that there is at least one female Director in the Board such that a robust pipeline of female successors to the Board can be established in the near future.

Monitoring and Reporting

The Nomination Committee will disclose the composition of the Board annually in the corporate governance report and monitor the implementation of the Board Diversity Policy. The Board currently has three female Directors, and as such, the Company has achieved gender diversity on the Board level. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this report, the Board comprises six Directors. The following tables illustrate the diversity of the Board members as of the date of this annual report:

Name of Directors	Age Group			
	30-39	40-49	50-59	60-69
Mr. Wang Guoping			✓	
Dr. Chan Lai Sin				✓
Ms. Liu Lihui			✓	
Dr. Chung Siu Kuen				✓
Ms. Ma Yufei	✓			
Ms. Sun Wai Ling			✓	

CORPORATE GOVERNANCE REPORT

Name of Directors	Education	Professional Experience		
		Interior Design	Accounting and Finance	Banking
Mr. Wang Guoping	✓			
Dr. Chan Lai Sin		✓		
Ms. Liu Lihui			✓	
Dr. Chung Siu Kuen				✓
Ms. Ma Yufei			✓	
Ms. Sun Wai Ling			✓	

The Board currently has three female Directors, i.e. Ms. Liu, Ms. Ma and Ms. Sun, in which case the Board considered gender diversity on its Board level to be satisfactory, having regard to the Group's business needs.

WORKFORCE DIVERSITY POLICY

The Board adopted the workforce diversity policy (the “**Workforce Diversity Policy**”) on 24 June 2025. The Company respects the diversity of employees and are committed to building a diverse and inclusive work ecosystem. This policy covers all entities within the Group's system, providing institutional guidance for creating a fair and open professional environment for employees.

A summary of the Workforce Diversity Policy are disclosed as below.

Principle of Diversity

The company adheres to the principle of “Appointing people based solely on their talent” and fully considers the following diversity dimensions in recruitment, promotion, and training, including but not limited to gender, age, cultural background, education, professional experience and skills.

Implementation and Measures

Recruitment and Selection: The recruitment process is open and transparent; job requirements are based solely on ability and job needs, eliminating irrelevant restrictions. Priority will be given to candidates who can bring diverse perspectives to the team (e.g., ethnic minorities, people with disabilities, etc.).

Career Development and Promotion: Establish a fair performance evaluation mechanism and regularly review the fairness of promotion opportunities. Provide leadership training and career planning support for women and minority groups.

Disclosure and Monitoring: Disclose the gender ratio of senior management and total workforce in the corporate governance report annually. Set gender diversity goals and report progress regularly.

Cultural Development: Conduct diversity training to enhance employee inclusivity awareness. Establish an anonymous reporting channel and seriously handle incidents of discrimination or harassment.

CORPORATE GOVERNANCE REPORT

Supervision and Management

Employees are responsible for reporting any form of discrimination or harassment to their department head and the human resources department if they encounter or witness it. The human resources department shall supervise the implementation of this policy, review its implementation at least annually to ensure its continued appropriateness and effectiveness, and report progress to the Board regularly. Policy revisions require Board's approval, and significant adjustments shall be disclosed to shareholders immediately.

GENDER RATIO IN WORKFORCE

The Group is dedicated to achieving a balance between growth and diversity in its business and governance practices. The Group is committed to ensuring that recruitment at all levels, including the Board, adheres to stringent diversity criteria in order to consider an expensive pool of talented individuals. The Group firmly believes that diversity is an asset to the Group.

The Group will continue to take gender diversity into consideration during recruitment. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified.

As at 31 March 2026, the Group had a total workforce of 23 employees (including senior management), of which 60.9% (14) are male, and 39.1% (9) are female. The Board considers the gender diversity in the Company's workforce to be satisfactory with reference to the nature of the Group's business, and will continue to pursue gender diversity among all levels of our staff. Also, the Board is not aware of any factors or circumstances which make achieving gender diversity across the workforce (including senior management) of the Group more challenging or less relevant.

INDEPENDENT AUDITORS' REMUNERATION

The Company has engaged Asian Alliance (HK) CPA Limited as its external auditors for the year ended 31 March 2026 until the conclusion of the forthcoming annual general meeting. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors. During the year ended 31 March 2026, the fee paid/payable to Asian Alliance (HK) CPA Limited and its affiliates is as follow:

	HK\$
Audit service – annual audit	480,000
Non-audit services – tax compliance services	20,000

SHAREHOLDERS' RIGHT

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

CORPORATE GOVERNANCE REPORT

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding, at the date of deposit of the requisition, not less than 10% of the voting rights, on a one vote per share basis, in the share capital of the Company. (the “**Requisitionists**”) (as the case may be) pursuant to article 64 of the memorandum and articles of association of the Company. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company’s principal place of business in Hong Kong. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Such meeting shall be held within two months after the deposit of such requisition. If within 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. Shareholders may put forward proposals with general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong.

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. Shareholders may send their enquiries or requests in respect of their rights to the Company’s principal place of business in Hong Kong.

INTERNAL CONTROLS AND RISK ASSESSMENT

The Directors acknowledge that they have overall responsibility for overseeing the Company’s internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

Aiming to provide reasonable assurance against material errors, losses or fraud, the Company has established a set of risk management procedures which comprised the following steps:

- Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;
- Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and
- Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment is performed or updated annually, and the results of risk assessment, evaluation and mitigation of each functions or operation are documented in the Risk Registry to communicate to the Board and management for reviews.

CORPORATE GOVERNANCE REPORT

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company and the Company's risk management and internal control systems in respect of the year ended 31 March 2026 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Group has yet to establish its internal audit function during the year ended 31 March 2026 as required under Code Provision D.2.5. The Audit Committee and the Board, has considered the internal control review report prepared by an independent consultancy company and communications with the Company's external auditors in respect of any material control deficiencies identified during the course of the consolidated financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

Whistleblowing Policy

The Board has set up a whistleblowing policy (the "**Whistleblowing Policy**") since 2017. The purpose of the Whistleblowing Policy is to (i) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and (ii) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the human resource manager of the Group. 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.

CORPORATE GOVERNANCE REPORT

Anti-bribery and Anti-corruption Policy

The Board has adopted an anti-bribery and anti-corruption policy (the “**Anti-bribery and Anti-corruption Policy**”) since 2017. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The Anti-bribery and Anti-corruption Policy forms an integral part of the Group’s corporate governance framework. The Anti-bribery and Anti-corruption Policy sets out the specific behavioural 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, this Anti-Bribery and Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

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

DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- Define the requirements of periodic financial and operational reporting to the Board and the Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;
- Controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and
- Procedures of communicating with the Group’s stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the GEM Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group’s affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange’s website and the Company’s website.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders' communication policy (the **"Shareholders' Communication Policy"**) with 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 Company has established several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are issued printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.dic.hk;
- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website;
- (iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and
- (v) the Hong Kong branch share registrar and transfer office of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company has reviewed the implementation and effectiveness of its Shareholders' Communication Policy for the year ended 31 March 2026. Having considered that effective shareholders communication channels are in place and shareholders are provided with regular updates of the Group's financial performance, strategic direction and material business development, the Board is of view that the Company has established an effective communication channel with its shareholders and considers that the Company's Shareholders' Communication Policy and its implementation are effective.

Constitutional Documents

A special resolution was passed by the Shareholders approving certain amendments to the Company's Articles of Association at the annual general meeting held on 28 August 2025. The amended Articles of Association of the Company is available on the websites of the Stock Exchange and the Company.

SUMMARY OF FINANCIAL INFORMATION

	2026 HK\$'000	For the year ended 31 March			
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	102,127	93,689	102,076	111,256	138,327
Gross Profit	22,011	14,930	20,984	19,149	30,205
Loss before income tax	(9,438)	(13,023)	(11,928)	(17,904)	(3,550)
Loss for the year	(9,440)	(12,997)	(12,091)	(17,908)	(3,613)
Other comprehensive (expense)/ income for the year	(3)	(1)	(3)	3	(3)
Total comprehensive expense for the year	(9,443)	(12,998)	(12,094)	(17,905)	(3,616)

	2026 HK\$'000	As at 31 March			
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Total assets	20,355	23,572	36,811	52,632	74,860
Total liabilities	(27,153)	(27,967)	(28,208)	(31,935)	(36,258)
Total (deficits) equity	(6,798)	(4,395)	8,603	20,697	38,602

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF LAI GROUP HOLDING COMPANY LIMITED

禮建德集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Lai Group Holding Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 93 to 164, which comprise the consolidated statement of financial position as at 31 March 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, 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 issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the 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 *Auditors’ 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, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

Recognition of revenue and costs from construction contracts and contract assets

Refer to details in Notes 5 and 19 and the accounting policies in Note 3 to the consolidated financial statements.

We identified recognition of revenue and costs from construction contracts and contract assets as a key audit matter as significant management's estimations and judgements are involved in the determination of the outcome of construction contracts and the progress towards completion of construction works.

How our audit addressed the key audit matter

Our audit procedures in relation to recognition of revenue and costs from construction contracts and contract assets mainly included:

- Reviewing the contract sum and budgeted costs to respective signed contracts and budgets prepared by management to check the contract terms including scope of work and total consideration.
- Obtaining an understanding from management about how the budgets were prepared and respective progress towards completion of construction works were determined.
- Evaluating the reasonableness of progress towards completion of construction works by obtaining and reviewing invoices issued by suppliers and subcontractors.
- In relation to the input method of revenue recognition, agreeing the progress towards complete satisfaction of performance obligation with reference to the proportion of inputs incurred for work performed at year end to the estimated total expected inputs.
- Testing the actual costs incurred on construction works, inspecting supporting documents on a sampling basis, including suppliers' invoices, invoices, work progress of the subcontractors and payroll records on staff costs incurred, to validate the actual construction costs incurred on the construction works.
- Assessing the appropriateness and accuracy of the disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matter

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

As disclosed in Notes 14, 15 and 17 to the consolidated financial statements, as at 31 March 2026, the carrying amount of property, plant and equipment and right-of-use assets of the Group were approximately HK\$7,600,000 and HK\$Nil respectively. Impairment loss of approximately HK\$86,000 and HK\$314,000 have been recognised against the carrying amounts of property, plant and equipment and right-of-use assets respectively during the year ended 31 March 2026.

The Group's management performed an impairment assessment of property, plant and equipment and right-of-use assets of the Group by estimating the recoverable amounts of their property, plant and equipment and right-of-use assets with reference to valuations performed by independent professional external valuers. The valuations included a value-in-use calculation for the Group's only cash generating unit of provision of interior design and fit-out services in Hong Kong and an estimation of fair value less costs of disposal for the land and building included in property, plant and equipment for provision of interior design and fit-out services in Hong Kong.

Relevant disclosures of property, plant and equipment and right-of-use assets and the impairment assessment are set out in Notes 14, 15 and 17 to the consolidated financial statements.

We consider impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter because of the significance of the balances to the consolidated financial statements and the significant estimates and judgement involved in assessing the recoverable amount of property, plant and equipment and right-of-use assets.

How our audit addressed the key audit matter

Our audit procedures in relation to the management's impairment assessment of property, plant and equipment and right-of-use assets included:

- Understanding the impairment assessment process of the Group with involvement of the independent professional external valuer engaged by the management;
- Evaluating the competence, capabilities, independence and objectivity of the independent external valuer engaged by the management, and the scope of the valuer's work;
- Assessing the reasonableness and appropriateness of the valuation methodologies with the relevant accounting requirements and industry norms; and
- Evaluating the reasonableness of the operating cash flows forecast and the key assumptions used, including evaluating the reasonableness of the budgeted revenue, budgeted gross margins and expected growth rates, and evaluating the suitability of the discount rate used and market unit rate adopted.

INDEPENDENT AUDITOR'S REPORT

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, the Group included a loss for the year attributable to the owners of the Company of approximately HK\$9,461,000 for the year ended 31 March 2026 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$14,327,000 and the Group has net liabilities of approximately HK\$6,798,000. These events and conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

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

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

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

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

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

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 auditors' report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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 of the Company.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Chung Chi Chiu

Practising Certificate Number: P06610

8/F, Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

24 June 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	5	102,127	93,689
Direct costs		(80,116)	(78,759)
Gross profit		22,011	14,930
Other income, other gains and losses, net	6	1,294	1,267
Impairment loss recognised, net	7	(502)	(764)
Administrative and other operating expenses		(32,001)	(28,203)
Operating loss	7	(9,198)	(12,770)
Finance costs	8	(240)	(253)
Loss before income tax		(9,438)	(13,023)
Income tax (expense) credit	9	(2)	26
Loss for the year		(9,440)	(12,997)
Other comprehensive expense			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(3)	(1)
Other comprehensive expense for the year, net of income tax		(3)	(1)
Total comprehensive expense for the year		(9,443)	(12,998)
(Loss) profit for the year attributable to:			
– Owners of the Company		(9,461)	(12,997)
– Non-controlling interests		21	–
		(9,440)	(12,997)
Total comprehensive (expense) income attributable to:			
– Owners of the Company		(9,464)	(12,998)
– Non-controlling interests		21	–
		(9,443)	(12,998)
Loss per share			
– Basic and diluted (HK cents)	13	(1.02)	(1.62)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	7,600	7,900
Right-of-use assets	15	–	100
		7,600	8,000
CURRENT ASSETS			
Contract assets	19	1,234	782
Inventory	16	754	–
Trade and other receivables	20	1,310	2,630
Tax recoverable		35	40
Cash and cash equivalents	21	9,422	12,120
		12,755	15,572
CURRENT LIABILITIES			
Contract liabilities	19	11,246	10,418
Trade and other payables	22	8,775	8,955
Amount due to a director	23	–	86
Provision for warranties	24	538	744
Bank borrowings	25	4,084	4,536
Loan from a director	23	2,000	–
Lease liabilities	26	439	1,016
		27,082	25,755
NET CURRENT LIABILITIES		(14,327)	(10,183)
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,727)	(2,183)
NON-CURRENT LIABILITIES			
Lease liabilities	26	62	203
Loan from a director	23	–	2,000
Deferred tax liabilities	18	9	9
		71	2,212
NET LIABILITIES		(6,798)	(4,395)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
CAPITAL AND RESERVES			
Share capital	27	9,600	8,000
Reserves		(16,474)	(12,395)
		(6,874)	(4,395)
Non-controlling interests	28	76	–
TOTAL DEFICITS		(6,798)	(4,395)

The consolidated financial statements on pages 93 to 164 were approved and authorised for issue by the Board of Directors on 24 June 2026 and are signed on its behalf by:

Mr. Wang Guoping
Director

Dr. Chan Lai Sin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company					Non-		Total equity HK\$'000
	Share capital HK\$'000 (Note 27)	Share premium HK\$'000 (Note a)	Translation reserve HK\$'000	Other reserve HK\$'000 (Note b)	Accumulated losses HK\$'000	Total HK\$'000	Controlling Interests HK\$'000	
At 1 April 2024	8,000	44,419	(5)	(5,829)	(37,982)	8,603	–	8,603
Loss for the year	–	–	–	–	(12,997)	(12,997)	–	(12,997)
Item that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	–	–	(1)	–	–	(1)	–	(1)
Total comprehensive expense for the year	–	–	(1)	–	(12,997)	(12,998)	–	(12,998)
At 31 March 2025	8,000	44,419	(6)	(5,829)	(50,979)	(4,395)	–	(4,395)
(Loss) profit for the year	–	–	–	–	(9,461)	(9,461)	21	(9,440)
Item that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	–	–	(3)	–	–	(3)	–	(3)
Total comprehensive (expense) income for the year	–	–	(3)	–	(9,461)	(9,464)	21	(9,443)
Issue of shares (Note 27)	1,600	5,600	–	–	–	7,200	–	7,200
Transaction cost attributable to issue of shares (Note 27)	–	(215)	–	–	–	(215)	–	(215)
Capital contribution of a subsidiary	–	–	–	–	–	–	55	55
At 31 March 2026	9,600	49,804	(9)	(5,829)	(60,440)	(6,874)	76	(6,798)

Notes:

(a) Share premium

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by Lai Group Holding Company Limited (the “**Company**”) subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

(b) Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the corporate reorganisation undertaken in preparation for the listing of the Company’s shares. Further, it includes the amount recognised in accordance with the accounting policies for the change in ownership interests in a subsidiary that does not result in a change of control.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES		
Loss before income tax	(9,438)	(13,023)
Adjustments for:		
Depreciation of property, plant and equipment	214	229
Depreciation of right-of-use assets	223	49
Finance costs	240	253
Impairment loss, net of reversal		
– property, plant and equipment	86	420
– right-of-use assets	314	369
– trade and other receivables	102	(25)
Provision for warranties	104	549
Derecognition of unutilised warranties upon expiration	–	(63)
Gain on disposal of property, plant and equipment	(15)	(4)
Interest income	(24)	(244)
Operating cash flows before movements in working capital	(8,194)	(11,490)
(Increase) decrease in contract assets	(524)	331
Decrease in trade and other receivables	1,289	176
Increase in inventory	(755)	–
Increase in contract liabilities	828	2,273
Decrease in trade and other payables	(181)	(2,852)
(Decrease) increase in amount due to a director	(86)	51
Decrease in provision for warranties	(310)	(525)
Cash used in operations	(7,933)	(12,036)
Interest received	24	244
Income tax refund (paid)	3	(2)
NET CASH USED IN OPERATING ACTIVITIES	(7,906)	(11,794)
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	15	4
NET CASH FROM INVESTING ACTIVITIES	15	4

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
FINANCING ACTIVITIES		
Proceeds from issue of shares	6,985	–
Proceeds from capital contribution by a non-controlling interest	55	–
Interest paid on bank borrowings	(126)	(163)
Repayment of bank borrowings	(452)	(428)
Interest paid on lease liabilities	(114)	(90)
Repayment of lease liabilities	(1,155)	(1,734)
Increase in loan from a director	–	2,000
NET CASH FROM (USED IN) FINANCING ACTIVITIES	5,193	(415)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,698)	(12,205)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,120	24,326
Effect of foreign exchange rate changes	–	(1)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR represented by bank balances and cash	9,422	12,120

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

The Company is a public exempted company with limited liability incorporated in Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is Office H, 19/F, Phase 01, Kings Wing Plaza, 3 On Kwan Street, Shek Mun, Sha Tin, New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and subsidiaries (the “**Group**”) are provision of interior design and fit-out services in Hong Kong and provision of health industry supply chain services in the People’s Republic of China (“**PRC**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2026.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(continued)*

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

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

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

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(continued)*

HKFRS 18 *Presentation and Disclosure in Financial Statements*

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

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

During the year ended 31 March 2026, the Group incurred a net loss for the year attributable to the owners of the Company of approximately HK\$9,461,000 for the year ended 31 March 2026 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$14,327,000 and the Group has net liabilities of approximately HK\$6,798,000. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.1 Basis of preparation of consolidated financial statements *(continued)*

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

- The Group has an available loan facilities of HK\$15,000,000 from a financial institution which are valid till December 2027;
- Subsequent to the reporting date, the Group received HK\$7,600,000 as repayment of a loan pursuant to the sale and purchase agreement for the disposal of a subsidiary;
- The management has been implementing various strategies to broaden the customer base and revenue of the Group;
- The Group has undertaken a comprehensive review of its operational structure, to aim at improving cash flow and profitability. These measures include downsizing or disposing non-profitable business units, renegotiating supplier contracts to reduce procurement costs, and optimising overhead expenditures; and
- The Directors are actively seeking for potential investors to improve capital structure of the Group. This would provide the Group with additional liquidity to meet short-term obligations and continue its operations without significant disruption.

The Directors have reviewed the Group's cash flow projections prepared by the management, which covers a period of not less than twelve months from 31 March 2026, on the basis that the Group's aforementioned plans and measures will be successful, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write-down the carrying values of the assets of the Group to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Onerous contracts and warranties

Present obligations arising under onerous contracts and warranties are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases and leases of low-value assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

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

Refundable rental deposits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Lease liabilities

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

The lease payments include:

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

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Foreign currencies *(continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans including the long service payment ("LSP") under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Employee benefits *(continued)*

Retirement benefit costs (continued)

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Employee benefits *(continued)*

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation *(continued)*

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities results in net deductible temporary differences.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Property, plant and equipment

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

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

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

Cash and cash equivalents

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

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

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for provision of interior design and fit-out services are recognised at the date of completion of the service, at the Directors' best estimate of the expenditure required to settle the Group's obligation.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to assets on a pro-rata basis based on the carrying amount of each assets in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets

Classification and subsequent measurement of financial assets

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

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

Debt instrument that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

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

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

i) Amortised cost and interest income

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

Impairment of financial assets subject to impairment assessment under HKFRS 9 Financial Instruments

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and other receivables, bank balances, and contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group applies the simplified approach and always recognises lifetime ECL for trade receivables and contract assets.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

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

(i) Significant increase in credit risk

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

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

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

The Group recognises an impairment gains or losses in profit or loss for financial instruments through loss allowance accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amount due to a director, loan from a director, bank borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity *(continued)*

Derecognition/modification of financial liabilities

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3.2, 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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgements in applying accounting policies

The followings are the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern and liquidity

As explained in Note 3.1 to the consolidated financial statements, the financial position of the Group indicates the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 3.1 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Deferred tax assets

As at 31 March 2026, no deferred tax asset has been recognised on the tax losses of approximately HK\$36,150,000 (2025: approximately HK\$31,698,000) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depend on whether sufficient future profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate change, higher interest rates and inflation, energy security concerns, cyberattack, elections in major economies, and international conflicts and tensions, may progress and evolve. In cases where the actual future taxable profits generated are more or less than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for financial assets and contract assets

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to change in estimates. The loss allowances for financial assets and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Revenue recognition from construction contracts for sales of interior design and fit-out services over time

The provision of design and fit-out services is considered to be performance obligation satisfied over time as the terms of the relevant construction contracts create an enforceable right to payment for the Group for performance completed to date. The contract revenue and profit of the contracts are based on the management's estimation of the total outcome of the construction contract as well as the progress towards completion of the contracts. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Provision for warranties

The Group offers a 1-year warranty for commercial interior design and fit-out services and a 3-year warranty for residential interior design and fit-out services, during which free warranty service for the repair and maintenance of parts and components under normal usage is provided to the customers. The calculation of the amount of the provision requires assumptions to be made with regard to the probability of liability, the amount of claims and the duration with reference to the historical pattern. The estimation basis is reviewed on an on-going basis and revised where appropriate. Notwithstanding that the management reviews and revises the estimates of the provision for warranties where appropriate, the actual claims may be higher or lower than the estimates and this will affect the profit or loss recognised. As at 31 March 2026, the carrying amount of provision for warranties was approximately HK\$538,000 (2025: approximately HK\$744,000).

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether property, plant and equipment and right-of-use assets are impaired, the Group has to exercise judgement and make estimation, particularly in assessing (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2026, the carrying amount of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately HK\$7,600,000 and HK\$Nil (2025: approximately HK\$7,900,000 and HK\$100,000) respectively. During the year ended 31 March 2026, impairment loss of approximately HK\$86,000 and HK\$314,000 (2025: approximately HK\$420,000 and HK\$369,000) were recognised on property, plant and equipment and right-of-use assets respectively. Details of the impairment testing on property, plant and equipment and right-of-use assets are disclosed in Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	2026 HK\$'000	2025 HK\$'000
Types of goods and services		
Interior design and fit-out services		
Residential interior design and fit-out services	91,994	90,880
Commercial interior design and fit-out services	10,020	2,809
	102,014	93,689
Health industry supply chain business		
Health product sale	113	–
Total	102,127	93,689
Timing of revenue recognition		
Over time	102,014	93,689
A point in time	113	–
Total	102,127	93,689

(ii) Performance obligations for contracts with customers

Interior design and fit-out services (revenue recognised over time)

The Group provides interior design and fit-out services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these works is recognised based on the stage of completion of the contract using input method.

The Group's services contracts include payment schedules which require stage payments over the services period once certain specified milestones are reached. The Group typically requires customers to provide non-refundable upfront deposits range from 60% to 70% of total contract sum, when the Group receives a deposit before service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The Group typically bills the customers when the specified milestones are reached (i.e. when the rights become unconditional) and the contract assets will be transferred to trade receivables. The normal credit term is 0 to 30 days upon service provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

(ii) Performance obligations for contracts with customers *(continued)*

Health industry supply chain business (revenue recognised at a point in time)

The Group engaged in health product sale. Revenue related to trading is recognised when control of the goods has transferred to the customer.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Operating segment

Information reported to the board of Directors (the “**Board**”), being the chief operating decision maker (“**CODM**”), for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2026, the Group commenced the business engaging in health industry supply chain services along with the new establishment of subsidiaries in the PRC, and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

- | | | |
|----|---------------------------------------|--|
| a. | Interior design and fit-out services | Provision of residential and commercial interior design and fit-out services |
| b. | Health industry supply chain business | Health product sales, business consulting and supervision, talent training and education |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Operating segment *(continued)*

Segment revenue and results

Year ended 31 March 2026

	Interior design and fit-out business HK\$'000	Health industry supply chain business HK\$'000	Total HK\$'000
Segment revenue	102,014	113	102,127
Segment results	(1,686)	44	(1,642)
Unallocated corporate income			14
Unallocated corporate expenses			(7,810)
Loss before income tax			(9,438)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by/loss from each segment without allocation of central administration costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 March 2026

	Interior design and fit-out business HK\$'000	Health industry supply chain business HK\$'000	Total HK\$'000
Reportable segment assets	14,899	898	15,797
Unallocated assets			4,558
			20,355
Reportable segment liabilities	(23,503)	(801)	(24,304)
Unallocated liabilities			(2,849)
			(27,153)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Operating segment *(continued)*

Segment assets and liabilities *(continued)*

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

- All assets other than certain of the Group's property, plant and equipment, right-of-use assets, other receivables, and cash and cash equivalents are allocated to operating segments; and
- All liabilities other than certain of the Group's other payables and lease liabilities are allocated to operating segments.

Other segment information

Amounts included in the measure of segment result or segment assets:

Year ended 31 March 2026

	Interior design and fit-out business HK\$'000	Health industry supply chain business HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	214	–	214
Depreciation of right-of-use assets	223	–	223
Impairment loss recognised			
– property, plant and equipment	86	–	86
– right-of-use assets	314	–	314
Impairment losses under expected credit loss model, net	96	6	102
Other income, other gains and losses, net	1,294	–	1,294
Finance costs	240	–	240

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Operating segment *(continued)*

Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	102,014	93,689	7,600	8,000
PRC	113	–	–	–
Total	102,127	93,689	7,600	8,000

Information about major customers

For the years ended 31 March 2026 and 2025, as no revenue derived from an individual customer of the Group has accounted for over 10% of the Group's total revenues, no information about major customers is presented.

6. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2026	2025
	HK\$'000	HK\$'000
Other income		
Interest income	24	244
Management fee income	1,228	987
Gain on disposal of property, plant and equipment	15	4
Others	27	32
	1,294	1,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. OPERATING LOSS

	2026 HK\$'000	2025 HK\$'000
Operating loss has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)		
Salaries and other benefits in kind	15,540	13,568
Contributions to retirement benefit scheme	413	348
Total staff costs (Note)	15,953	13,916
Impairment losses recognised on:		
– property, plant and equipment	86	420
– right-of-use assets	314	369
	400	789
Impairment loss recognised (reversal) under expected credit loss model, net:		
– trade receivables	32	(23)
– contract assets	72	–
– other receivables	(2)	(2)
	102	(25)
Total impairment losses recognised, net	502	764
Auditor's remuneration	480	480
Cost of inventories recognised as an expense	14,628	14,994
Depreciation of property, plant and equipment	214	229
Depreciation of right-of-use assets	223	49

Note: Staff costs amounted to approximately HK\$5,013,000 (2025: approximately HK\$4,871,000) was included in direct costs and approximately HK\$10,940,000 (2025: approximately HK\$9,045,000) was included in administrative and other operating expenses.

8. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on bank borrowings	126	163
Interest on lease liabilities	114	90
	240	253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. INCOME TAX EXPENSE (CREDIT)

	2026 HK\$'000	2025 HK\$'000
Current tax:		
Hong Kong Profits tax	–	4
PRC Enterprise Income Tax	2	–
Deferred income tax credit (Note 18)	–	(30)
Income tax expense (credit)	2	(26)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% for both years. Certain PRC subsidiaries are eligible as a small low-profit enterprise and are subject to the preferential tax treatment for the year ended 31 March 2026. The portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB3 million shall be computed at a reduced rate of 25% of taxable income amount, and is subject to EIT at 20% tax rate.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the years can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK\$'000	2025 HK\$'000
Loss before income tax	(9,438)	(13,023)
Tax at the domestic income tax rate of 16.5% (2025: 16.5%)	(1,557)	(2,149)
Tax effects of temporary differences previously not recognised	14	72
Tax effect of income not taxable for tax purpose	(88)	(41)
Tax effect of expenses not deductible for tax purpose	889	482
Tax effect of tax losses not recognised	735	1,574
Tax effect of tax reduction	–	(2)
Effect of two-tiered profits tax rates regime	11	38
Effect of different tax rates of subsidiaries operating in other jurisdictions	(2)	–
Income tax expense (credit)	2	(26)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and the chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and CO, are as follows:

	Fee HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
Year ended 31 March 2026				
<i>Executive directors:</i>				
Dr. Chan Lai Sin (Note i)	–	3,864	18	3,882
Mr. Wang Guoping (Chairman) (Note iii)	240	–	12	252
<i>Non-executive director:</i>				
Ms. Liu Lihui (Note iv)	120	–	6	126
<i>Independent non-executive directors:</i>				
Ms. Lui Lai Chun (Note vi)	49	–	–	49
Dr. Chung Siu Kuen	120	–	–	120
Ms. Ma Yufei (Note iv)	120	–	–	120
Ms. Sun Wai Ling (Note v)	71	–	–	71
	720	3,864	36	4,620
<i>Chief executive officer:</i>				
Mr. Siu Ka Sing	–	908	18	926
	720	4,772	54	5,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

	Fee HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
Year ended 31 March 2025				
<i>Executive directors:</i>				
Dr. Chan Lai Sin (Note i)	–	3,920	18	3,938
Ms. Wan Pui Chi (Note ii)	–	649	18	667
Mr. Wang Guoping (Chairman) (Note iii)	21	–	–	21
<i>Non-executive director:</i>				
Ms. Liu Lihui (Note iv)	17	–	–	17
<i>Independent non-executive directors:</i>				
Ms. Lui Lai Chun (Note vi)	120	–	–	120
Dr. Chung Siu Kuen	120	–	–	120
Dr. Chu Kwan Siu Candace (Note ii)	110	–	–	110
Ms. Ma Yufei (Note iv)	17	–	–	17
	405	4,569	36	5,010
<i>Chief executive officer:</i>				
Mr. Siu Ka Sing	–	895	18	913
	405	5,464	54	5,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

Notes:

- i. Re-designated from the Chairman to the Vice Chairman of the Board on 27 February 2025.
- ii. Resigned on 27 February 2025.
- iii. Appointed as executive director and Chairman on 27 February 2025.
- iv. Appointed on 10 February 2025.
- v. Appointed on 29 August 2025.
- vi. Resigned on 29 August 2025.
- vii. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- viii. The non-executive directors' emolument shown above was for the service as director of the Company.
- ix. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There were no emoluments under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 March 2026 and 2025. No emoluments have been paid to the Directors or chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include one Director and one chief executive (2025: two Directors and one chief executive) details of whose emoluments are set out in Note 10 above. Details of the remuneration for the year of the remaining three (2025: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries and other benefits in kind	2,222	1,323
Contributions to retirement benefit scheme	36	36
	2,258	1,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

11. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of the highest paid employees who are neither director nor chief executive of the Company, whose remuneration fell within the following bands is as follows:

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

During the years ended 31 March 2026 and 2025, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group.

12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

13. LOSS PER SHARE

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

Loss

	2026 HK\$'000	2025 HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	9,461	12,997

Number of shares

	2026 '000	2025 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	925,370	800,000

No diluted loss per share for the years ended 31 March 2026 and 2025 were presented as there were no potential ordinary shares in issue for the years ended 31 March 2026 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. PROPERTY, PLANT AND EQUIPMENT

	Land and building HK\$'000	Computer equipment HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost							
At 1 April 2024	10,320	3,061	795	507	698	3,613	18,994
Disposal	-	-	-	-	-	(226)	(226)
At 31 March 2025 and 1 April 2025	10,320	3,061	795	507	698	3,387	18,768
Disposal	-	-	-	-	-	(397)	(397)
At 31 March 2026	10,320	3,061	795	507	698	2,990	18,371
Accumulated depreciation and impairment							
At 1 April 2024	1,771	3,061	795	507	698	3,613	10,445
Charge for the year	229	-	-	-	-	-	229
Impairment loss recognised in profit or loss	420	-	-	-	-	-	420
Disposal	-	-	-	-	-	(226)	(226)
At 31 March 2025 and 1 April 2025	2,420	3,061	795	507	698	3,387	10,868
Charge for the year	214	-	-	-	-	-	214
Disposal	-	-	-	-	-	(397)	(397)
Impairment loss recognised in profit or loss	86	-	-	-	-	-	86
At 31 March 2026	2,720	3,061	795	507	698	2,990	10,771
Carrying values							
At 31 March 2026	7,600	-	-	-	-	-	7,600
At 31 March 2025	7,900	-	-	-	-	-	7,900

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For the year ended 31 March 2026

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Land and building	Over the lease term of 50 years
Computer equipment	20%
Leasehold improvements	Over the shorter of the term of the lease, or 20%
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20%

15. RIGHT-OF-USE ASSETS

	Office premises and carpark HK\$'000
Carrying amount as at 1 April 2024	–
Adjustment upon lease modifications	518
Depreciation charge	(49)
Impairment loss recognised in profit or loss	(369)
Carrying amount as at 31 March 2025 and 1 April 2025	100
Addition	437
Depreciation charge	(223)
Impairment loss recognised in profit or loss	(314)
Carrying amount as at 31 March 2026	–

	2026 HK\$'000	2025 HK\$'000
Expense relating to short-term leases	426	–
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	13	12
Total cash outflow for leases		
– within operating cash flows	13	12
– within financing cash flows	1,155	1,734

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For the year ended 31 March 2026

15. RIGHT-OF-USE ASSETS *(continued)*

For the years ended 31 March 2026 and 31 March 2025, the Group leases various offices, retail stores, carpark and office equipment for its operations. Lease contracts are entered into for fixed term of two to five years (2025: fixed term of two to five years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Health products	754	–

17. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

For the year ended 31 March 2026, as a result of the recurring operating losses of the Group, the management of the Group concluded that there was an indication of impairment and conducted an impairment assessment on property, plant and equipment and right-of-use assets with carrying amount of approximately HK\$7,600,000 and HK\$Nil (2025: approximately HK\$7,900,000 and HK\$100,000) respectively, which belong to the Group's cash generating unit of provision of interior design and fit-out services in Hong Kong.

Fair value measurement of the Group's land and building

The Group's land and building was valued on 31 March 2026 by Ascent Partners Valuation Service Limited ("**Ascent Partners**") (2025: Ascent Partners), an independent qualified professional valuer. The management of the Group works closely with Ascent Partners to establish the appropriate valuation techniques and inputs to the model.

The recoverable amount of land and building is estimated individually. During the year ended 31 March 2026, the Group estimates the recoverable amount of the land and building based on higher of fair value less cost of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the asset which is based on the recent transaction prices for similar properties adjusted for nature, location and conditions of the property. The fair value measurement is categorised into Level 3 fair value hierarchy. There has been no change to the valuation technique during the year. The relevant assets were impaired to their recoverable amount of HK\$7,600,000 (2025: HK\$7,900,000), which is their carrying values at the reporting date and the impairment of HK\$86,000 (2025: HK\$420,000) has been recognised in profit or loss within the relevant functions to which these assets relate during the year.

In estimating the fair value of the land and building, the highest and best use of the properties is realising them in the property market.

One of the key unobservable inputs used in valuing the land and building was the adjusted unit rate per square feet, which amounted to approximately HK\$8,637 per square feet (2025: approximately HK\$8,942 per square feet). A 5% increase in the adjusted unit rate per square feet used would result in an increase of approximately HK\$363,000 (2025: approximately HK\$396,000) in the fair value measurement of the land and building, and vice versa.

There were no transfers into or out of Level 3 during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

17. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)

Recoverable amount of the cash generating unit of provision of interior design and fit-out services

The Group estimates the recoverable amount of the cash generating unit of provision of interior design and fit-out services in Hong Kong to which the property, plant and equipment and right-of-use assets belong.

During the financial year ended 31 March 2025 and 2026, the recoverable amount of that cash generating unit has been determined based on the value-in-use calculation by reference to a valuation carried out by Adachi Global Advisory Limited, an independent qualified professional valuer. The calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following five years with a pre-tax discount rate of 11.48% (2025: 12.62%) as at 31 March 2026. The annual growth rate used ranged from 0% to 7% (2025: 5% to 7%), which is based on the cash-generating unit's past performance and management expectations for the market development. The cash flows beyond the five-year period are extrapolated using 2% growth rate (2025: 3%). Another key assumption for the value-in-use calculation is the budgeted gross margin, which is determined based on the cash-generating unit's past performance and management expectations for the market development.

For the year ended 31 March 2026, based on the result of the assessment, the management of the Group determined that the recoverable amount of the cash generating unit is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value-in-use and zero. Based on the value-in-use calculation, impairment loss of approximately HK\$Nil and HK\$314,000 (2025: HK\$Nil and HK\$369,000) have been recognised against the carrying amounts of property, plant and equipment and right-of-use assets respectively for the year ended 31 March 2026.

18. DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the reporting period are as follows:

Deferred tax liabilities arising from:

	Tax depreciation HK\$'000
As at 1 April 2024	39
(Credited) to profit or loss (Note 9)	(30)
As at 31 March 2025 and 1 April 2025	9
Charge to profit or loss (Note 9)	—
As at 31 March 2026	9

As at 31 March 2026, the Group has unused tax losses of approximately HK\$36,150,000 (2025: approximately HK\$31,698,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. CONTRACT ASSETS (LIABILITIES)

	2026 HK\$'000	2025 HK\$'000
Contract assets	1,306	782
Less: Allowance for credit losses	(72)	–
	1,234	782
Contract liabilities	(11,246)	(10,418)

Contract assets

As at 1 April 2024, contract assets amounted to approximately HK\$1,113,000 (net of allowance for credit losses of approximately HK\$Nil).

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The increase (2025: decrease) in contract assets in the current year is the result of the increase (2025: decrease) in ongoing design and fit-out projects at the end of the year.

Details of the impairment assessment of contract assets are set out in Note 30(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. CONTRACT ASSETS (LIABILITIES) (continued)

Contract assets (continued)

The Group's service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group typically requires certain customers to provide non-refundable upfront deposits range from 60% to 70% of total contract sum as part of its credit risk management policies.

Contract liabilities

As at 1 April 2024, contract liabilities amounted to HK\$8,145,000.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current liabilities based on the Group's earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	2026 HK\$'000	2025 HK\$'000
Provision of interior design and fit-out services	10,293	7,915

20. TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables	322	490
Less: Allowance for credit losses	(32)	–
	290	490
Other receivables, deposits and prepayments	1,032	2,154
Less: Allowance for credit losses	(12)	(14)
	1,020	2,140
Total trade and other receivables	1,310	2,630

As at 1 April 2024, trade receivables from contracts with customers amounted to approximately HK\$273,000 (net of allowance for credit losses of approximately HK\$23,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. TRADE AND OTHER RECEIVABLES *(continued)*

The following is an aged analysis of gross trade receivables presented based on the invoice dates:

	2026 HK\$'000	2025 HK\$'000
0-30 days	216	156
31-60 days	104	303
61-90 days	2	31
	322	490

As at 31 March 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$209,000 (2025: approximately HK\$334,000) which are past due as at the reporting date. As at 31 March 2026 and 2025, there are not any balances that are past due 90 days or more.

Details of impairment assessment of trade and other receivables are set out in Note 30(b).

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.00% to 0.05% (2025: 0.00% to 0.875%).

Details of impairment assessment of bank balances are set out in Note 30(b).

22. TRADE AND OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Trade payables	5,824	6,712
Other payables and accruals	2,951	2,243
	8,775	8,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of trade payables presented based on the invoice date:

	2026 HK\$'000	2025 HK\$'000
0-30 days	3,942	1,724
31-60 days	238	1,555
61-90 days	439	2,142
Over 90 days	1,205	1,291
	5,824	6,712

Payment terms granted by suppliers and subcontractors are generally 30 days (2025: 30 days) from the invoice date of the relevant purchases and services provided.

23. AMOUNT DUE TO A DIRECTOR/LOAN FROM A DIRECTOR

(a) Amount due to a director

Dr. Chan Lai Sin ("Dr. Chan") is an executive director of the Company. The balance is denominated in HK\$. The amount due to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

(b) Loan from a director

	2026 HK\$'000	2025 HK\$'000
Dr. Chan	2,000	2,000

The Group obtained the borrowing of HK\$2,000,000 from Dr. Chan for daily operation on 7 March 2025. The loan is unsecured, interest-free, and is repayable upon maturity in March 2027.

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For the year ended 31 March 2026

24. PROVISION FOR WARRANTIES

	2026 HK\$'000	2025 HK\$'000
At 1 April	744	783
Provision for the year	104	549
Utilisation during the year	(310)	(525)
Derecognition of unutilised amounts expired during the year	–	(63)
At 31 March	538	744

The Company provides warranties to its customers which typically run for initial periods ranging from one year to three years on the services provided. The amount of the provision for the warranties is estimated based on sales amounts and past experience of the level of warranty utilisation. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

25. BANK BORROWINGS

	Notes	2026 HK\$'000	2025 HK\$'000
Unsecured	(a)	4,084	4,536
The carrying amount of the above bank loan that contains a repayment on demand clause (shown under current liabilities) but repayable:			
Within one year		464	450
Within a period of more than one year but not exceeding two years		478	464
Within a period of more than two year but not exceeding five years		1,524	1,479
Over five years		1,618	2,143
		4,084	4,536

Notes:

- (a) On 4 February 2024, the Group has obtained a bank loan under the SME Financing Guarantee Scheme by a bank for a 120-month instalment loan with principal amount of HK\$5,000,000. The unsecured bank loan is denominated in HK\$, interest-bearing at Prime Rate minus 2.25% per annum. The bank loan is secured by personal guarantee given by Dr. Chan. The effective interest rate during the year ended 31 March 2026 is between 2.76% to 3.68% per annum (2025: between 2.76% to 3.68%) per annum.
- (b) As at 31 March 2026, the Group has unutilised credit facilities of HK\$15,000,000 from a financial institution (2025: has unutilised credit facilities of HK\$14,000,000 from a financial institution).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

26. LEASE LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Lease liabilities payable:		
Within one year	439	1,016
Within a period of more than one year but not exceeding two years	62	203
Within a period of more than two years but not exceeding five years	–	–
	501	1,219
Less: Amount due for settlement within 12 months shown under current liabilities	(439)	(1,016)
Amount due for settlement after 12 months shown under non-current liabilities	62	203

The incremental borrowing rates applied to lease liabilities range from 5.06% to 14.04% (2025: 5.06% to 14.57%).

27. SHARE CAPITAL

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of ordinary shares '000	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025 and 1 April 2025	1,000,000	10,000
Increase on 6 February 2026 (Note a)	1,000,000	10,000
At 31 March 2026	2,000,000	20,000
Issued and fully paid:		
At 1 April 2024 and 31 March 2025	800,000	8,000
Issue of shares (Note b)	160,000	1,600
At 31 March 2026	960,000	9,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

27. SHARE CAPITAL (continued)

Notes:

- (a) Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 6 February 2026, the Company's authorised share capital has been increased from HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each (the "**Shares**") to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of additional 1,000,000,000 Shares with effect from 6 February 2026.
- (b) On 26 May 2025, the Company entered into a placing agreement with the placing agent, on a best effort basis, placing of 160,000,000 new shares at the placing price of HK\$0.045 per placing share (the "**Placing**"). The Placing has been completed on 19 June 2025. The net proceeds from the Placing, after deduction of all relevant expenses (after deduction of placing commission and other relevant costs and expenses of the Placing) amounted to approximately HK\$6,985,000.

28. NON-CONTROLLING INTERESTS

	Share of net assets of a subsidiary HK\$'000
As at 1 April 2025	–
Non-controlling interests arising from establishment of a subsidiary	55
Share of profit for the year	21
As at 31 March 2026	76

29. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the borrowings, lease liabilities and loan from a director disclosed in Notes 25, 26 and 23(b), respectively, net of cash and cash equivalents and (deficits) equity attributable to owners of the Company, comprising issued share capital, accumulated losses and other reserves. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total of loan from a director (Note 23(b)), interest-bearing bank borrowing (Note 25) and lease liabilities (Note 26) divided by the total (deficits) equity as at the end of each reporting period.

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For the year ended 31 March 2026

29. CAPITAL RISK MANAGEMENT *(continued)*

The gearing ratios of the Group are as follows:

	2026 HK\$'000	2025 HK\$'000
Total interest-bearing bank borrowing, lease liabilities and loan from a director	6,585	7,755
Total deficits	(6,798)	(4,395)
Gearing ratio	(96.9%)	(176.5%)

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2026 HK\$'000	2025 HK\$'000
Financial assets		
Amortised cost	10,343	14,142
Financial liabilities		
Amortised cost	15,360	16,796

(b) Financial risk management objective and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, trade and other payables, amount due to a director, loan from a director, bank borrowings and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Market risk

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed rate lease liabilities (see Note 26 for details).

The Group is also exposed to cash flow interest risk in relation to variable-rate bank balances (see Note 21 for details) and variable-rate bank borrowings (see Note 25 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and Prime Rate arising from the Group's borrowings. The Group aims at keeping borrowings at variable rates. The Group currently does not hedge its exposure to interest rate risks. However, the management monitors the interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost:

	2026 HK\$'000	2025 HK\$'000
Financial assets at amortised cost	24	244

Interest expense on financial liabilities not measured at FVTPL:

	2026 HK\$'000	2025 HK\$'000
Financial liabilities at amortised cost	240	253

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points increase or decrease in variable-rate bank borrowings is used and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If the interest rate on bank borrowings had been 100 basis points higher/lower and all other variables were held constant, the Group's loss before income tax for the year ended 31 March 2026 would increase/decrease by approximately HK\$41,000 (2025: approximately HK\$45,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group credit risk exposures are primarily attributable to trade and other receivables, contract assets and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables and contract assets arising from contracts with customers

In respect of trade receivables and contract assets, collective credit evaluations are performed on all customers. These evaluations focus on the customer's financial position, past history of making payments and take into account information specific to the customer as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under the ECL model on its financial assets and contract assets. In this regard, management considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk. As at 31 March 2026, 2 customers (2025: 3 customers) which individually contributed over 10% of the Group's aggregate trade receivables and contract assets. The aggregate amounts of trade receivables and contract assets attributable to these customers represented approximately 59% (2025: approximately 46%) of the Group's total trade receivables and contract assets as at 31 March 2026.

Impairment loss of HK\$32,000 (2025: Reversal of impairment loss of approximately HK\$23,000) was recognised during the year ended 31 March 2026. Details of the quantitative disclosures are set out below in this note.

Deposits and other receivables

The management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk since initial recognition and the Group provided impairment based on 12m ECL.

For the year ended 31 March 2026, reversal of impairment of approximately HK\$2,000 (2025: Reversal of impairment loss of approximately HK\$2,000) is recognised during the year ended 31 March 2026. Details of the quantitative disclosures are set out below in this note.

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For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL	
		General approach	Simplified approach
Performing	The counterparty has a low risk of default and does not have any past-due amounts or frequently repays after due dates but usually settle in full	12m ECL	Lifetime ECL – not credit-impaired
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
In default	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	Amount is written-off

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For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	2026 Gross carrying amount HK\$'000	2025 Gross carrying amount HK\$'000
Financial assets at amortised cost						
Trade receivables	20	N/A	(Note 2)	Lifetime ECL (not credit-impaired)	322	490
				Lifetime ECL (credit-impaired)	-	-
Other receivables	20	N/A	(Note 1)	12m ECL	322	490
Bank balances	21	A1 – Aa2	N/A	12m ECL	643	1,546
Other item						
Contract assets	19	N/A	(Note 2)	Lifetime ECL (not credit-impaired)	9,180	11,829
					1,306	782

Notes:

- (1) For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Not past due/ no fixed repayment terms HK\$'000	Total HK\$'000
As at 31 March 2026		
Other receivables and deposits	643	643
As at 31 March 2025		
Other receivable and deposits	1,546	1,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Credit risk and impairment assessment *(continued)*

Notes: *(continued)*

- (2) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items on a collective basis, grouped by past due status.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix with lifetime ECL.

Gross carrying amount:

	2026	Trade receivable	2025	
	Average loss rate	HK\$'000	Average loss rate	Trade receivable HK\$'000
Current to 30 days past due	5.6%	216	0%	156
31-60 days past due	18.6%	104	0%	303
61-90 days past due	42.5%	2	0%	31
More than 90 days past due	100%	–	100%	–
		322		490

	2026	Contract assets	2025	
	Average loss rate	HK\$'000	Average loss rate	Contract assets HK\$'000
Current	5.6%	1,306	0%	782

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 March 2026, the Group recognised ECL provisions of approximately HK\$32,000 and HK\$72,000 on trade receivables and contract assets respectively, (2025: reversal of ECL provisions of approximately HK\$23,000 and HK\$Nil respectively), based on collective assessment.

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For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Credit risk and impairment assessment *(continued)*

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

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
As at 1 April 2024	–	23	23
Change due to financial instruments recognised as at 1 April 2024:			
– impairment losses reversed	–	(23)	(23)
As at 31 March 2025 and 1 April 2025	–	–	–
Change due to financial instruments recognised as at 1 April 2025:			
– impairment losses recognised	32	–	32
At 31 March 2026	32	–	32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Credit risk and impairment assessment *(continued)*

The following table show reconciliation of loss allowances that has been recognised for other receivables:

	12m ECL HK\$'000
At 1 April 2024	16
Change due to financial instruments recognised as at 1 April 2024:	
– impairment losses reversed	(6)
New financial asset originated	4
At 31 March 2025	14
Change due to financial instruments recognised as at 1 April 2025:	
– impairment losses reversed	(9)
New financial asset originated	7
At 31 March 2026	12

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The Group is exposed to liquidity risk as the Group had net current liabilities of HK\$14,327,000 as at 31 March 2026. The liquidity of the Group primarily depends on the future funding being available and the ability of the Group to meet its financial obligations as they fall due. Details of which are set out in Note 3.1 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group may be required to pay:

	On demand or within one year HK\$'000	Between one and two years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
As at 31 March 2026				
Trade and other payables	8,775	–	8,775	8,775
Loan from a director	2,000	–	2,000	2,000
Bank borrowing	4,084	–	4,084	4,084
Lease liabilities	467	63	530	501
	15,326	63	15,389	15,360
As at 31 March 2025				
Trade and other payables	8,955	–	8,955	8,955
Loan from a director	–	2,000	2,000	2,000
Amount due to a director	86	–	86	86
Bank borrowing	4,536	–	4,536	4,536
Lease liabilities	1,081	215	1,296	1,219
	14,658	2,215	16,873	16,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

30. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objective and policies *(continued)*

Liquidity risk *(continued)*

Bank borrowings with a repayment on demand clause are included in the “on demand or within one year” time band in the above maturity analysis. As at 31 March 2026, the aggregate carrying amount of the bank borrowing amounted to approximately HK\$4,084,000 (2025: approximately HK\$4,536,000). Taking into account the Group’s financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank borrowing will be repaid within eight years (2025: nine years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

Maturity Analysis – Bank borrowing with a repayment on demand clause based on scheduled repayments						
	Less than one year HK\$’000	Between one and two years HK\$’000	Between two and five years HK\$’000	Over five years HK\$’000	Total undiscounted cash outflows HK\$’000	Carrying amount HK\$’000
At 31 March 2026	580	580	1,742	1,694	4,596	4,084
At 31 March 2025	580	580	1,742	2,274	5,176	4,536

31. SHARE OPTION SCHEME

The Company’s share option scheme (the “**Scheme**”) was adopted pursuant to a resolution passed on 24 March 2017. The Scheme is to attract and retain the best available personnel, to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the Directors may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the Directors (or as the case maybe, the independent non-executive directors of the Company) from time to time on the basis of the directors’ opinion as to their contribution or potential to the development and growth of the Group.

The aggregate number of the Company’s shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 20% of the Company’s shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company’s shareholders in general meeting provided that the total number of the Company’s shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company’s shares in issue as at the date of approval of the refreshed limit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. SHARE OPTION SCHEME *(continued)*

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK\$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the offer date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 24 March 2017, subject to early termination provisions contained in the Scheme.

No share option was granted, exercised, cancelled or lapsed during the years ended 31 March 2026 and 2025 and there was no share option outstanding as at 31 March 2026 (2025: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the 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 assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs for each employee to the scheme, which the contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of the state-managed defined contribution retirement benefits scheme operated by the government of the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total expense recognised in profit or loss of approximately HK\$413,000 (2025: approximately HK\$348,000) represents contributions paid and payable to the scheme by the Group at rates specified in the rules of the scheme. As at 31 March 2026, HK\$28,000 contributions (2025: HK\$27,000 contributions) due in respect of the year ended 31 March 2026 had not been paid over to the Schemes. The amounts were paid subsequent to the end of the reporting period.

33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management of the Group includes the Directors and senior executives. Details of their remuneration are disclosed in Note 10. The remuneration of the Directors and senior executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2026 HK\$'000	2025 HK\$'000
Non-current asset		
Investment in a subsidiary	–	–
Current assets		
Other receivables and prepayments	158	158
Amounts due from subsidiaries	25,906	26,682
Cash and cash equivalents	4,400	1,766
	30,464	28,606
Current liabilities		
Accruals	849	405
Amount due to a subsidiary	3,810	4,341
Loan from a director	2,000	–
	6,659	4,746
Net current assets	23,805	23,860
Non-current liability		
Loan from a director	–	2,000
Net assets	23,805	21,860
Capital and reserves		
Share capital	9,600	8,000
Reserves (Note a)	14,205	13,860
Total equity	23,805	21,860

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 24 June 2026 and are signed on its behalf by:

Dr. Chan Lai Sin
Director

Mr. Wang Guoping
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

(a) Reserves movement of the Company

	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024	44,419	(4,755)	(20,560)	19,104
Loss and total comprehensive expense for the year	–	–	(5,244)	(5,244)
At 31 March 2025 and 1 April 2025	44,419	(4,755)	(25,804)	13,860
Loss and total comprehensive expense for the year	–	–	(5,040)	(5,040)
Issue of shares (Note 27)	5,600	–	–	5,600
Transaction cost attributable to issue of shares (Note 27)	(215)	–	–	(215)
At 31 March 2026	49,804	(4,755)	(30,844)	14,205

35. PARTICULARS OF SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 March 2026 and 2025:

Name of subsidiary	Place of incorporation/ operations	Paid up issued/ registered capital	Proportion of ownership interest and voting power held by the Company				Principal activities
			Directly 2026	Directly 2025	Indirectly 2026	Indirectly 2025	
Kingsky Group Limited ("Kingsky")	Seychelles	Ordinary share of United States dollars ("US\$")100	100%	100%	–	–	Investment holding
Fame Protector Limited	Seychelles	Ordinary share of US\$100	–	–	100%	100%	Property and investment holding
Globe Sense Limited	Hong Kong	Ordinary share of HK\$1,000	–	–	100%	100%	Provision of interior design and fit-out services
Smart Will Engineering Limited	Hong Kong	Ordinary share of HK\$100,000	–	–	100%	100%	Provision of interior design and fit-out services
Best Famous Engineering Limited	Hong Kong	Ordinary share of HK\$100	–	–	100%	100%	Provision of interior design and fit-out services
New Base Enterprises Limited	Hong Kong	Ordinary share of HK\$100	–	–	100%	100%	Provision of interior design and fit-out services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

35. PARTICULARS OF SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ operations	Paid up issued/ registered capital	Proportion of ownership interest and voting power held by the Company				Principal activities
			Directly 2026	Directly 2025	Indirectly 2026	Indirectly 2025	
Happy Season Limited	Hong Kong	Ordinary share of HK\$1	–	–	100%	100%	Inactive
Enjoy Together Share Limited	Hong Kong	Ordinary share of HK\$1	–	–	100%	100%	Investment holding
海南共享產品管理 有限公司 (Note c)	The PRC	Registered capital of RMB1,000,000 (Note b)	–	–	100%	–	Health industry supply chain business
三亞樂享共達供應鏈 有限公司 (Note c)	The PRC	Registered capital of RMB100,000 (Note b)	–	–	51%	–	Health industry supply chain business
迪愛仕家私裝飾設計 (深圳)有限公司*	The PRC	Registered capital of HK\$10,000 (Note a)	–	–	100%	100%	Inactive

* Wholly-foreign owned enterprise

Notes:

- (a) The registered capital has not been paid up at 31 March 2026 and 2025.
- (b) The registered capital amounted to RMB51,000 has not been paid up at 31 March 2026.
- (c) The subsidiaries are newly established in PRC in 2026.
- (d) None of the subsidiaries had issued any debt securities at the end of the year.

36. CAPITAL COMMITMENT

	2026 HK\$'000	2025 HK\$'000
Contracted for but not provided for in the consolidated financial statements:		
Unpaid registered capital of subsidiaries (Note 35(a))	1,205	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Loan from a director HK\$'000	Bank borrowing HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 April 2024	–	4,964	2,435	7,399
Financing cash flows:				
– New loan raised	2,000	–	–	2,000
– Interest paid on bank borrowings	–	(163)	–	(163)
– Repayment of bank borrowings	–	(428)	–	(428)
– Repayment of lease liabilities	–	–	(1,734)	(1,734)
– Interest paid on lease liabilities	–	–	(90)	(90)
	2,000	(591)	(1,824)	(415)
Non-cash changes:				
– Lease modified (Note 38)	–	–	518	518
– Interest expenses (Note 8)	–	163	90	253
	–	163	608	771
At 31 March 2025	2,000	4,536	1,219	7,755
Financing cash flows:				
– Interest paid on bank borrowings	–	(126)	–	(126)
– Repayment of bank borrowings	–	(452)	–	(452)
– Repayment of lease liabilities	–	–	(1,155)	(1,155)
– Interest paid on lease liabilities	–	–	(114)	(114)
	–	(578)	(1,269)	(1,847)
Non-cash changes:				
– New lease entered (Note 38)	–	–	437	437
– Interest expenses (Note 8)	–	126	114	240
	–	126	551	677
At 31 March 2026	2,000	4,084	501	6,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

38. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2026, the Group renewed a lease agreement for the use of a leased property (2025: two new lease agreements for the use of a leased property and renewed a carpark) for lease term for one to two years (2025: one to two years). Upon the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$437,000 and approximately HK\$437,000 (2025: approximately HK\$518,000 and approximately HK\$518,000) respectively.

39. EVENT AFTER REPORTING PERIOD

Disposal of a subsidiary

On 5 June 2026, a direct wholly-owned subsidiary, Kingsky Group Limited (the “**Vendor**”), the director of the Group, Dr. Chan and an indirect wholly-owned subsidiary, Fame Protector Limited (the “**Target Company**”) entered into a sale and purchase agreement, pursuant to which, (1) the Vendor has conditionally agreed to sell and Dr. Chan has conditionally agreed to purchase the entire equity interest of the Target Company for the consideration of HK\$1; and (2) Dr. Chan has conditionally agreed that the loan, being the outstanding loan due from the Target Company amounted to HK\$7,600,000 shall be paid to Smart Will Engineering Limited (an indirect wholly-owned subsidiary of the Company) (the “**Disposal**”) upon completion of the Disposal, subject to the terms and conditions of the sale and purchase agreement.

The major asset held by the Target Company is the land and building of the Group. Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company. The disposal constitutes a connected transaction for the Company and has been completed in June 2026.

Offer letter in relation to a tenancy agreement

On 22 June 2026, Enjoy Together Share Limited, an indirect wholly-owned subsidiary of the Company, as tenant, signed a binding Letter of Offer and Acceptance with the landlord, an independent third party, in relation to the lease of a premises at a monthly rent of Malaysian ringgit 89,712 (approximately HK\$173,144) for a term of three years commencing on 1 November 2026 and expiring on 31 October 2029, both days inclusive. A formal tenancy agreement will be entered into between the parties before 1 November 2026.

Acceptance of the offers contained in the Letter of Offer and Acceptance to enter into a tenancy agreement shall constitute a valid and binding agreement between Enjoy Together Share Limited and the landlord for the tenancy agreement of the premises.