SG Group Holdings Limited
樺欣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1657)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2025

The board (the "**Board**") of directors (the "**Directors**") of SG Group Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries for the year ended 30 April 2025. This announcement, containing the full text of the 2025 annual report for the year ended 30 April 2025 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") in relation to information to accompany preliminary announcement of the annual results.

By order of the Board
SG Group Holdings Limited
Choi King Ting Charles
Chairman, Chief Executive Officer
and Executive Director

Hong Kong, 29 July 2025

As at the date of this announcement, the executive Directors are Mr. Choi King Ting Charles, Mr. Choi Ching Shing and Ms. Li Li Mei, and the independent non-executive Directors are Mr. Lai Kwok Hung Alex, Mr. Yeung Chuen Chow Thomas and Mr. Cüneyt Bülent Bilâloğlu.

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CORPORATE INFORMATION

REGISTERED OFFICE
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Unit B, 9/F
Mai Wah Industrial Building
1-7 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

COMPANY'S TELEPHONE HOTLINE
(852) 2756 8980

COMPANY'S EMAIL ADDRESS
admin@jcfash.com

COMPANY'S WEBSITE
www.jcfash.com

EXECUTIVE DIRECTORS
Mr. Choi King Ting, Charles
(Chairman and Chief Executive Officer)
Mr. Choi Ching Shing
Ms. Li Li Mei *(appointed on 31 December 2024)*

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Lai Kwok Hung, Alex
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

COMPANY SECRETARY
Mr. Chu Pui Ki, Dickson
(Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants)

AUTHORISED REPRESENTATIVES
Mr. Choi King Ting, Charles
Mr. Chu Pui Ki, Dickson

COMPLIANCE OFFICER
Mr. Choi King Ting, Charles

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr. Lai Kwok Hung, Alex *(Chairman)*
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

REMUNERATION COMMITTEE
Mr. Yeung Chuen Chow, Thomas *(Chairman)*
Mr. Choi King Ting, Charles
Mr. Cüneyt Bülent Bilâloğlu

NOMINATION COMMITTEE
Mr. Choi King Ting, Charles *(Chairman)*
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS
Harneys Services (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman, KY1-1002
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Boardroom Share Registrars (HK) Limited
2103B, 21st Floor, 148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER
Hang Seng Bank Limited
20th Floor, 83 Des Voeux Road
Central, Hong Kong

AUDITOR
D & PARTNERS CPA LIMITED
Certified Public Accountant
Registered Public Interest Entity Auditor
2201, 22/F., West Exchange Tower,
322 Des Voeux Road Central,
Sheung Wan,
Hong Kong

MAIN BOARD STOCK CODE
1657

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of SG Group Holdings Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 30 April 2025 (the "Year") to you.

Against the macroeconomic uncertainties, geopolitical conflicts and cost inflation, the Group expanded sales to a record HK$153.8 million for the Year, with a reduction in loss to HK$6.0 million. With the deep understanding of our major customers' needs and better products, the Group leveraged our integrated supply chain management and recorded an increase in the revenue from the business of the supply of apparel products by 17.9%.

With the best and most relevant menu offerings and customer-focused service, the business in respect of the provision of institutional catering to private institution continued to grow with an increase by 489.5%. This is still a small part of our business but we are scaling it at pace. The Group has the confidence that this new business will be truly transformational for the Group, both for the profitability and cash generation of our business model.

Ahead of the unfavourable economic environment and US market volatility, the Board will continue to assess the impact on the Group's operations and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection therewith. The Group will take appropriate measures to adapt to the challenging environment when necessary including but not limited to prevailing cost control measures to increase the operating efficiency of the Group.

Looking ahead, the Group will continue to strengthen its customized comprehensive apparel designing and sourcing services to better fulfill our commitments to the existing and potential customers. The Group will actively approach the existing and potential customers to explore new business opportunities through its business network. The Directors believe that regular communications with the Group's customers allows the Group to better understand their needs and requirements, which in turn will strengthen the relationships between the Group and its customers. The Group will also continue to explore and optimise the Group's supplier base to strength its supply chan management services and restore the core profitability of our operations.

The Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors will also continue, from time to time, to explore, in a prudent way, suitable investment opportunities to enhance the interests of the Company and its shareholders which in time will bring sustainable and stable development to the Group.

NOTE OF APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to the Group's management and staff for their commitment and dedication. I would also like to express my deep gratitude to all of our business partners, customers, suppliers and the Shareholders for their continuous support.

SG Group Holdings Limited
Choi King Ting, Charles
Chairman

Hong Kong, 29 July 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The business operations of the Group consist of three major segments, namely (i) the traditional segment, where the Group primarily sources and supplies branded label apparel products to fashion retailers and wholesalers; (ii) the new retail segment, where the Group proactively collaborates with influencers, providing design, develop and supply both branded label and influencer collaboration label apparel products to fashion retailers and wholesalers; and (iii) the institutional catering segment, where the Group provides institutional catering to private institution.

During the Year, the Group recorded an increase in the traditional segment. The Group's revenue from such business segment has increased by 5.9% to approximately HK$97.2 million for the Year from approximately HK$91.8 million for the year ended 30 April 2024. The increase reflected the increase in sales orders from our major UK customers and a new customer targeting US market.

In respect of new retail business, the Group's revenue increased by 55.5% to approximately HK$45.4 million for the Year from approximately HK$29.2 million for the year ended 30 April 2024. The increase reflected the increase in sales orders from our major UK customers benefited from the optimization of the influencer collaboration collections and the provision of the best and most relevant products to our customers.

In respect of provision of institutional catering to private institution business, the Group recorded an increase by 489.5% to HK$11.2 million for the Year from approximately HK$1.9 million for the year ended 30 April 2024. Building on the successful start and high customer satisfaction, the Group is confident in growing the institutional catering business over the long term. The Group will continue to grow market share by providing a wide range of high-value menu offerings and customer-focused service.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 25.1% to approximately HK$153.8 million for the Year from approximately HK$122.9 million for the year ended 30 April 2024. The increase in revenue was mainly due to (i) the increase in revenue generated from the businesses in respect of the supply of apparel products and the provision of institutional catering to private institution; (ii) the increase in sales orders and revenue generated from the supply of apparel products to major customers headquartered in the UK and a new customer targeting US market.

Traditional business

The Group recorded an increase in the traditional business segment. The Group's revenue has increased by 5.9% to approximately $97.2 million for the Year from approximately HK$91.8 million for the year ended 30 April 2024. The increase reflected the increase in sales orders from our major UK customers and a new customer targeting US market.

New retail business

The Group recorded a significant increase in revenue from the new retail business by 55.5% to approximately HK$45.4 million for the Year from approximately HK$29.2 million for the year ended 30 April 2024. The increase reflected the increase in sales orders from our major UK customers benefited from the optimization of the influencer collaboration collections and the provision of the best and most relevant products to our customers.

Institutional catering business

The Group recorded an increase by 489.5% to HK$11.2 million for the Year from approximately HK$1.9 million for the year ended 30 April 2024. Building on the successful start and high customer satisfaction, the Group is confident in growing the institutional catering business over the long term. The Group will continue to grow market share by providing a wide range of high-value menu offerings and customer-focused service.

Cost of sales

The Group's cost of sales primarily consists of cost of goods sold and other direct costs. The cost of sales increased by 18.0% to approximately HK$123.4 million for the Year as compared to HK$104.6 million for the year ended 30 April 2024. The cost of sales increased along with the increase in revenue for the Year.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK$30.3 million for the Year from approximately HK$18.3 million for the year ended 30 April 2024, representing an increase of approximately 65.6%. The Group's gross profit margin was approximately 19.7% for the Year and approximately 14.9% for the year ended 30 April 2024. Focusing on the traditional and new retail business segment, the Group's gross profit margin was approximately 15.8% for the Year and approximately 14.3% for the year ended 30 April 2024. Such increase in gross profit margin was primarily attributable to the continuous effort in optimization of both customer and supplier portfolio.

Other gains and losses

The Group recorded other net gains on foreign exchange of approximately HK$755,000 for the Year, as compared to other net gains of approximately HK$59,000 for the year ended 30 April 2024. The foreign exchange gains on appreciation of Great British Pound ("GBP") mitigate the appreciation of Renminbi ("RMB").

The Group recorded a net realised losses on financial assets at FVTPL of approximately HK$453,000 for the Year (for the year ended 30 April 2024: HK$1.6 million) and a net unrealised losses on financial assets at FVTPL of HK$10,000 for the Year (for the year ended 30 April 2024: HK$1.2 million). However, the Group continues, from time to time, to explore, in a prudent way, suitable investment opportunities to enhance the interests of the Company and its shareholders.

The Group recorded an impairment loss recognised on investment properties of approximately HK$1.6 million and written off on property, plant and equipment of approximately HK$76,000 for the Year respectively (for the year ended 30 April 2024: HK$Nil and HK$Nil respectively).

Impairment loss recognised on trade receivables

The Group recorded a provision for impairment loss recognised on trade receivables of approximately HK$2.1 million for the Year, as compared to a provision for impairment loss recognised on trade receivables of approximately HK$1.4 million for the year ended 30 April 2024. As a result of the increase in trade receivables of major UK customers and a new customer targeting US market, which are past due at the end of the Year and took into account the forward looking factor when assessing the expected credit loss on the trade receivables, the Group incurred a greater amount of credit loss allowance against the trade receivables as compared to the year ended 30 April 2024. There was no significant change of credit risk exposure for the major customers of the Group.

Administrative expenses

Administrative expenses primarily consist of employee benefit expenses, entertainment expenses, travelling expenses, depreciation of property and equipment and right of-use assets, legal and professional fees and other miscellaneous general and administrative expenses. Administrative expenses decreased to approximately HK$16.7 million for the Year from approximately HK$17.2 million for the year ended 30 April 2024, representing a decrease of approximately 2.9%. The decrease was mainly attributable to the decrease in rental expenses in respect of short-term leases of approximately HK$180,000 (for the year ended 30 April 2024: HK$1.1 million), resulting in the optimisation of back office team so as to cope with the new market and new customers. Nonetheless, the Group continues to inspire the team talent and ensures proper cost control measures on the administrative expenses during the Year.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK$17.1 million for the Year from approximately HK$15.4 million for the year ended 30 April 2024, representing an increase of approximately 11.0%. The increase was mainly due to the increase in staff cost of approximately HK$7.8 million (for the year ended 30 April 2024: HK$5.1 million), resulting in the enhancement of the provision of apparel designing and sourcing services and institutional catering to better fulfill our commitments to the existing and potential customers. Nonetheless, the Group continues to ensure proper cost control measures on the employees' remuneration during the Year.

Loss for the year

The Group recorded a loss for the year of approximately HK$6.0 million for the Year, as compared to loss for the year of approximately HK$17.1 million for the year ended 30 April 2024. The decrease in loss was mainly due to (i) the increase in revenue and gross profit generated from the businesses in respect of the supply of apparel products and the provision of institutional catering to private institution, as well as (ii) the decrease in loss of the net realised and unrealised losses on financial assets at FVTPL recorded for the Year.

Total comprehensive expenses attributable to owners of the Company

Total comprehensive expenses attributable to owners of the Company amounted to approximately HK$6.2 million for the Year, as compared to total comprehensive expenses of approximately HK$17.6 million for the year ended 30 April 2024. The decrease was in line with the loss for the Year; as a result of mild recovery in the overall fashion retail and wholesale market under the continuous geopolitical tensions, high inflation and interest rate hikes.

Basic loss per Share

The Company's basic loss per Share for the Year was approximately HK$0.189, as compared to the basic loss per Share of approximately HK$0.536 for the year ended 30 April 2024. The decrease was in line with the loss for the year attributable to owners of the Company for the Year, as compared to that for the year ended 30 April 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a healthy financial position. As at 30 April 2025 and 2024, the Group had net current assets of approximately HK$63.6 million and HK$64.3 million, respectively, which include bank balances and cash of approximately HK$30.4 million and HK$32.4 million, respectively. The Group's current ratio (that is, current assets divided by current liabilities) decreased from approximately 5.8 as at 30 April 2024 to approximately 2.9 as at 30 April 2025.

Gearing ratio is calculated by dividing total debts by total equity as at the end of the reporting period. The total debts include bank borrowings and lease liabilities. The Group's gearing ratio was approximately 0.1684 as at 30 April 2025 (30 April 2024: 0.0716).

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management performs an ongoing credit evaluation of the financial conditions of the customers in order to reduce the Group's exposure to credit risk. In addition to these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

COMMITMENTS

As at 30 April 2025, the Group did not have any capital commitments contracted for but not provided in the audited consolidated financial statements (30 April 2024: HK$Nil). Such commitments related to capital expenditure in respect of renovation of an owned property and acquisition of intangible asset of the Group.

CAPITAL STRUCTURE

As at 30 April 2025 and 2024, the Company's issued share capital was HK$320,000 divided into 32,000,000 Shares of HK$0.01 each.

SIGNIFICANT INVESTMENTS

As at 30 April 2025 and 2024, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the prospectus dated 28 February 2017 for the listing of Shares of the Company on GEM of the Stock Exchange ("Prospectus"), the Group currently has no other plan for material investments and capital assets.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 April 2025 and 2024.

FOREIGN EXCHANGE EXPOSURE

As at 30 April 2025 and 2024, the Group's exposure to currency risk primarily related to HK$ and GBP. As HK$ is pegged to the functional currency of the Group, US$, the Group does not expect significant exchange rate risk from HK$. The management of the Group strives to change invoicing currency of sales from GBP to US$ to minimise exchange rate risk from fluctuations of GBP. The Group has set up a comprehensive foreign currency risk management policy that the Group may adopt to manage the risk it faces. The Group will review such policy from time to time. The Group currently does not undertake any foreign currency hedge.

PLEDGE OF ASSETS

Save for the disclosure set out in note 30 to the consolidated financial statements in this annual report, as at 30 April 2025 and 2024, the Group did not have any leased assets secured by the lessor's title under finance lease.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees were 49 and 46 as at 30 April 2025 and 2024, respectively. The Group's employee benefit expenses mainly include salaries, wages, other staff benefits, contributions to retirement schemes. For the years ended 30 April 2025 and 2024, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK$14.3 million and HK$11.2 million, respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to basic salary, year-end bonuses would be discretionarily offered to those employees with outstanding performance.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong and the People's Republic of China ("PRC"). To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong and the PRC during the Year.

The Group also complies with the requirements under the Companies Act (revised) of the Cayman Islands, the Rules Governing the Listings of Securities on the Stock Exchange (the "Listing Rules") and the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") for the disclosure of information and corporate governance.

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising environmental adverse impacts in daily operations, such as energy saving and recycling of office resources. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organisation. The Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment.

MANAGEMENT DISCUSSION AND ANALYSIS

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance.

The Group provides good quality services to the customers and maintains a good relationship with them. The Group keeps a database to directly communicate with recurring customers for developing a long-term business relationship.

The Group also maintains effective communication and develops a long term trust relationship with the suppliers. During the Year, there was no material dispute or disagreement between the Group and its suppliers.

FUTURE PROSPECTS

In the view of the highly volatile global environment and the increase of credit risk, adhering to the Group's credit risk control policies, the Group will continue to explore new business opportunities with the existing and potential customers in different regions and continue to strengthen its customized comprehensive apparel designing and sourcing services to better fulfill our commitments to the existing and potential customers.

Meanwhile, the Group will continue to expand the peripheral business scope of fashion and scale up the institutional catering at pace and to deliver a sustainable and profitable growth for the Group.

Looking ahead, the Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors will also continue, from time to time, to explore, in a prudent way, suitable investment opportunities to enhance the interests of the Company and its shareholders which in time will bring sustainable and stable development to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain other risks involved in the Group's current operations. In particular, the Group relies on several major customers and the Group does not enter into any long-term contracts with the customers and therefore they have no commitment to place future orders with the Group, which exposes the Group to the risk of uncertainty and potential volatility in the Group's revenue. The Group also faces business risks such as (i) customers' reliance on the Group's ability to respond to changes in end consumers' preference in a timely manner; (ii) if there is a significant decrease in the orders from our customers in the UK, the Group cannot guarantee that it would be able to make up the loss of sales from other markets; (iii) the Group operates in a competitive market and the intense competition it faces may lead to a decline in the Group's market share and lower profit margins; (iv) the Group is exposed to credit risk from our customers and the payments may not be collected from our customers in the future; (v) costs increase due to fluctuations in the price, availability and quality of raw materials which could affect the supplies of the Group; and (vi) some of our customers are sensitive to social responsibility and social compliance standards if our approved suppliers have or are perceived to have failed to comply with these standards, our reputation as a design and sourcing service provider could be adversely affected and customers may choose not to continue their business with us.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Choi King Ting, Charles (蔡敬庭) ("Mr. Charles Choi"), aged 47, is an executive Director, the chairman and chief executive officer of the Company. Mr. Charles Choi was appointed as the chairman and the chief executive officer of our Group on 15 August 2016. He is the chairman of the nomination committee of the Board (the "Nomination Committee") and a member of the remuneration committee of the Board (the "Remuneration Committee"). Mr. Charles Choi is the director of JC FASHION GROUP LIMITED, JC Fashion Group Limited (旺利多時裝集團有限公司), JC Fashion (UK) Company Limited, JC Fashion (Shenzhen) Limited (旺利多時裝(深圳)有限公司), JC Fashion (Overseas) Development Company Limited, JC Capital Development Company Limited, A Dim Sum Story (HK) Limited and LOST INK LIMITED, all of which are wholly-owned subsidiaries of the Company. He is also a director of JC Fashion International Group Limited (a company wholly-owned by Mr. Charles Choi and is the controlling shareholders of the Company). Mr. Charles Choi is the younger half-brother of Mr. Choi Ching Shing. Mr. Charles Choi is primarily responsible for the overall management, operations and reviewing of corporate directions and strategies of our Group, and managing customer relationships and marketing. Mr. Charles Choi has more than 20 years of experience in the apparel designing and sourcing industry. Mr. Charles Choi joined our Group in September 2011. Mr. Charles Choi worked as a general manager in JC Fashion Company Limited (旺利多有限公司) from November 2001 to December 2011.

Mr. Charles Choi obtained a bachelor of commerce degree from the University of Toronto in Canada in November 2000. Mr. Charles Choi is also a director of the Federation of Hong Kong Garment Manufacturers, which is an organisation incorporated in 1964 to promote and protect the interests of garment manufacturers and merchants in Hong Kong. He become a member of Young President Organization since April 2020.

Mr. Choi Ching Shing (蔡清丞) ("Mr. Benny Choi"), aged 48, is an executive Director, the head of design and development team and the elder half-brother of Mr. Charles Choi. He was appointed as a Director on 18 July 2016 and re-designated as an executive Director on 15 August 2016. He has been the head of the design and development team since 1 April 2016. Mr. Benny Choi is the director of JC Design & Consultancy Company Limited, JC Fashion Group Limited (旺利多時裝集團有限公司) and JC FASHION GROUP LIMITED, all of which are wholly-owned subsidiaries of the Company. Mr. Benny Choi is primarily responsible for the overall management, operations, reviewing of corporate directions and strategies of our Group and is responsible for determining the design and development of our apparel products. Mr. Benny Choi has more than 16 years of experience in the garment industry. Mr. Benny Choi joined our Group in November 2014. Mr. Benny Choi was employed at Wintako Company Limited as a merchandiser from December 2000 to November 2007. Mr. Benny Choi was a general manager and director of Wintako Fashion Company Limited from November 2007 to October 2014 and July 2007 to July 2016, respectively.

Mr. Benny Choi obtained a bachelor of commerce degree from the University of Toronto in Canada in June 2001.

Ms. Li Li Mei (李麗美) ("Ms. Li"), aged 48, was appointed as an executive Director on 31 December 2024 and was appointed as the Group's administration and human resources manager with effect from 1 February 2016. Ms. Li is primarily responsible for the administration and human resources management of the Group. Ms. Li has more than 20 years of experience in the bookkeeping and administrative field. Prior to joining the Group in March 2015, Ms. Li worked as an accounts clerk in G.E. Logistics Inc. from July 1997 to August 2000 and an accounts supervisor in Deltamax Freight System Limited from September 2000 to July 2009. She served as an operation clerk in Chin Yang Enterprises Company Limited from May 2010 to September 2010, Ms. Li was an accounts clerk in Kennetex International Limited from November 2010 to February 2015.

Ms. Li obtained a diploma in international trade studies from Song Shan High School of Commerce in Taiwan in July 1995. She further obtained a diploma in international trade studies from Taipei College of Maritime Technology (formerly known as China College of Maritime Technology and Commerce) in Taiwan in June 2004.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lai Kwok Hung, Alex (黎國鴻), ("Mr. Lai"), aged 60, has been appointed as an independent non-executive Director and the chairman of the audit and risk management committee of the Board (the "Audit and Risk Management Committee") on 21 February 2017. Mr. Lai has over 31 years' solid experience in corporate governance, financial advisory and management, funds raising, business development and management. Mr. Lai is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the United Kingdom. He is also a Chartered Secretary and Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Currently, Mr. Lai is an associate member of Urban Land Institute, a member of both the Hong Kong Institute of Directors and The American Chamber of Commerce in Hong Kong. Mr. Lai has been appointed as an executive director and a member of the investment committee of Gemini Investments (holdings) limited ("Gemini") (a company listed on the Main Board of the Stock Exchange, stock code: 174) since 9 August 2013, and appointed as the chief executive officer of Gemini since 31 December 2020. He has been an independent director of SICC Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 688234) since February 2025.

Mr. Lai obtained a Bachelor of Arts degree in Accountancy awarded by The City University of Hong Kong in 1993, a Diploma in Legal Studies awarded by The University of Hong Kong in 2002 and a Master's Degree in Professional Accounting awarded by The Hong Kong Polytechnic University in 2004.

Mr. Yeung Chuen Chow, Thomas (楊存洲) ("Mr. Yeung"), aged 49, was appointed as an independent non-executive Director on 21 February 2017. He is the chairman of the Remuneration Committee and a member of the Nomination Committee and Audit and Risk Management Committee. Mr. Yeung has more than 18 years of experience in the garment industry. Since September 1998, Mr. Yeung has served as a director of Wall Street Uniforms International Limited, which is a uniform supplier. Mr. Yeung has served as a director of The Federation of Hong Kong Garment Manufacturers since January 2000.

Mr. Yeung obtained a bachelor of science degree in business administration from the Tepper School of Business of Carnegie Mellon University in the US in May 1998.

Mr. Cüneyt Bülent Bilâloğlu ("Mr. Bilâloğlu"), aged 50, was appointed as an independent non-executive Director on 21 February 2017. He is a member of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. Mr. Bilâloğlu has approximately 16 years of experience in the legal industry. From February 2008 to July 2010, Mr. Bilâloğlu was a legal trainee at the judicial district of the Berlin Court of Appeal in Germany. From 1 October 2009 to 31 December 2009, Mr. Bilâloğlu was a legal trainee at the Shanghai office of King & Wood (currently known as King & Wood Mallesons), a firm which at the time of Mr. Bilâloğlu's training specialised in foreign direct investments, banking, employment, mergers and acquisition and copyright law. From August 2010 to October 2011, Mr. Bilâloğlu worked as a freelance legal consultant giving advice on various areas of law, inducing structuring a company for expansion into European and Asian markets. He joined LOBERT Partnerschaft Rechtsanwälte as a partner from September 2012 to June 2014. He was a founding partner of BBvB Dr. Alt & Böhmke Partnerschaft mbB, Rechtsanwälte from December 2014 to June 2019. Currently, he is a partner of Gùwèn Rechtsanwälte Dr. Alt Part mbB since July 2019.

He obtained a diploma in jurist from Humboldt University of Berlin in Germany in March 2006. Mr. Bilâloğlu further obtained a MA in media consultancy from Technical University of Berlin in Germany in July 2009.

SENIOR MANAGEMENT

Ms. Lau Wai Ching, Maggie (劉慧清) ("Ms. Lau"), aged 58, was appointed as the Group's account manager with effect from 1 February 2016. Ms. Lau is primarily responsible for the financial management of the Group. Ms. Lau has accumulated approximately 30 years of experience in accounting. Prior to joining the Group in February 2013, Ms. Lau worked as a cashier in the accounts department of Henderson Real Estate Agency Limited from February 1992 to September 1992. Ms. Lau worked as an accounts clerk in Bambi (Hong Kong) Limited from February 1993 to February 1994, in Flexico Co. Limited from March 1994 to March 2003 and in Tsuen Shing Enterprises Limited from November 2003 to November 2006. She served as a senior account clerk in Cathay Clothing International Limited from November 2006 to March 2009. She was an account clerk and shipping supervisor in Kennetex International Limited from April 2009 to August 2011 and an accounts supervisor in Yield Growth Foods Trading Co. Limited from October 2011 to February 2013.

Ms. Lau completed her form 5 secondary school education at Pak Kau English School in July 1984.

Mr. Yu Xu Ming (俞旭明) ("Mr. Yu"), aged 61, was appointed as the Group's quality assurance manager with effect from 1 December 2017. Mr. Yu is primarily responsible for the overall quality control process. Mr. Yu has approximately 36 years of experience in the garment industry. Prior to joining the Group in September 2017, Mr. Yu worked as a sewing machine operator in Zhejiang Huzhou City Xiaoshi Silk Fashion Factory (浙江湖州市曉市絲綢服裝廠) from December 1981 to December 1984. Mr. Yu served as a production supervisor and sample room supervisor respectively in Hong Mu Dan Silk Fashion Company Limited (紅牡丹絲綢時裝有限公司) from December 1984 to August 1988 and December 1988 to February 1999 respectively. Besides, Mr. Yu served as a sample room supervisor in Baozi Fashion Factory (寶姿時裝廠) in March 1999 to February 2006. Mr. Yu served as a quality assurance supervisor in Dashing Fashion (Shenzhen) Company Limited (好利高時裝(深圳)有限公司) from March 2006 to May 2008, and served as a quality assurance supervisor in KC Fashion (Shenzhen) Company Limited (港絲時裝(深圳)有限公司) from June 2008 to August 2017.

Mr. Yu completed his high school course in June 1980 at Anjixian Xiaoshi High School in Zhejiang Province (浙江省安吉縣曉市中學). Mr. Yu did not hold any directorships in any securities listed companies in or on any securities market in Hong Kong or overseas in the past three years.

COMPANY SECRETARY

Mr. Chu Pui Ki, Dickson (朱沛祺) ("Mr. Chu")**,** aged 40, was appointed as the company secretary of the Company on 1 March 2019. Mr. Chu is primarily responsible for overseeing the company secretarial affairs of the Group.

Mr. Chu has over 10 years of relevant experience in accounting and auditing and has experience in tax, internal control matters and holding the positions of company secretary and authorised representative in other companies listed on the Stock Exchange. He is currently serving as the company secretary and providing professional corporate services to companies listed in the main board and GEM of the Stock Exchange.

Mr. Chu graduated from the Hong Kong Baptist University in Hong Kong with a bachelor's degree of business administration in accounting in November 2006 and he has been a member of Hong Kong Institute of Certified Public Accountants since February 2011.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

The Company's corporate governance code are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. The Company is committed to ensure a quality board and transparency and accountability to shareholders. The CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Charles Choi is the chairman and chief executive officer of the Company, which constitutes a deviation from the code provision C.2.1.

Since Mr. Charles Choi has been operating and managing JC Fashion Group Limited (旺利多時裝集團有限公司), the main operating subsidiary of the Company since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Charles Choi taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance. The Directors also believe that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and professional individuals including three independent non-executive Directors. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

The Company complied with all code provisions in the CG Code during the Year, save for code provisions C.2.1.

The Board has reserved for its decision and consideration issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group's significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group's corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group's strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group's senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board will conduct at least four regular Board meetings a year and additional meetings will be held or resolutions in writing signed by all Directors in lieu of a meeting will be arranged as and when required. If a substantial shareholder of the Company or a Director has a conflict of interest in a transaction which the Board determines to be material, it will be considered and dealt with by the Board at a duly convened Board meeting. Comprehensive information on matters to be discussed at the Board meeting will be supplied to the Directors in a timely manner to facilitate discussion and decision making.

COMPOSITION OF THE BOARD

At the date of this report, the Board comprises three executive Directors and three independent non-executive Directors, the name and office of each of the members of the Board and the Board committees of the Company are as follows:

Board member	Office
Mr. Choi King Ting, Charles *(Chairman and Chief Executive Officer)*	Executive Director
Mr. Choi Ching Shing	Executive Director
Ms. Li Li Mei (appointed on 31 December 2024)	Executive Director
Mr. Lai Kwok Hung, Alex	Independent non-executive Director
Mr. Yeung Chuen Chow, Thomas	Independent non-executive Director
Mr. Cüneyt Bülent Bilâloğlu	Independent non-executive Director

Audit and Risk Management Committee member

Mr. Lai Kwok Hung, Alex *(Chairman)*
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

Remuneration Committee member

Mr. Yeung Chuen Chow, Thomas *(Chairman)*
Mr. Choi King Ting, Charles
Mr. Cüneyt Bülent Bilâloğlu

Nomination Committee member

Mr. Choi King Ting, Charles *(Chairman)*
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

Ms. Li Li Mei has obtained the legal advice on 23 December 2024 referred to in Rule 3.09D of the Listing Rules and has confirmed that she understood her obligations as a director of the Company.

Pursuant to the articles of association of the Company (the “Articles”), all Directors were appointed for an initial term of three years. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the requirement of the business of the Group. A balanced composition of executive Directors and independent non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the relevant provision of the Listing Rules in having at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise. Save as the fact that Mr. Charles Choi is the younger half-brother of Mr. Benny Choi, there is no relationship among the members of the Board.

The appointment of Directors is recommended by the Nomination Committee and approved by the Board based on a formal written procedure and policy for the appointment of new Directors. When selecting potential candidates for the Directors, their skills, experience, expertise, devotion of time and non-conflicts of interests are the key factors.

The daily operation and management of the business of the Group, among other matters, the implementation of strategies, are delegated to the executive Directors. They report periodically to the Board on their work and business decisions.

All Directors have been fully consulted about any matters proposed for inclusion in the agenda for regular meetings. The chairman of the Board has delegated the responsibility for drawing up the agenda for each Board meeting to the company secretary of the Company (the “Company Secretary”).

With the assistance of the Company Secretary, the chairman of the Board seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and have received adequate and reliable information in a timely manner.

Notices of at least 14 days are given to the Directors for regular meetings, while the Board papers are sent to the Directors not less than three days before the intended date of a Board or Board committee meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. The Company Secretary ensures that the procedures and all applicable rules and regulations are complied with. Minutes of the Board meetings and meetings of the Board committees are kept by the Company Secretary and are available for inspection at any time on reasonable notice by any Director.

The Directors have full access to information of the Group and are able to obtain independent professional advice whenever they deem necessary. Memorandums are issued to the Directors from time to time to update them with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

Draft minutes are normally circulated to Directors or members of the relevant Board committees for comment within a reasonable time after each meeting.

Any material transaction, which involves a conflict of interests between a substantial shareholder or a Director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the non-executive Directors and the independent non-executive Directors. Directors are abstained from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

Responsibilities

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include (i) regular board meetings focusing on business strategy, operational issues and financial performance; (ii) monitoring the quality, timeliness, relevance and reliability of internal and external reporting; (iii) monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in connected transaction; and (iv) ensuing processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

Director's Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements of the Group are accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements of the Group. In preparing the accounts for the Year, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;
- approved adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards; and
- made judgments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis.

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Board Diversity Policy

The Board has adopted a "Board Diversity Policy" (the "Policy") which sets out the approach to achieve diversity on the Board and the Nomination Committee is responsible for monitoring the implementation of the Policy. In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Policy, including but not limited to gender, age, cultural and educational background, or professional experience etc. The Nomination Committee will discuss any revisions which may be required, and recommend any such revisions to the Board for consideration and approval.

The Board will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness. The Group will also ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company; and will continue to apply the principle of appointments based on merits with reference to the Policy as a whole.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. The employee gender ratio of the Group as at 30 April 2025 is approximately 1 male: 2.3 female. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce. The Board considers that the gender ratio in the workforce (including senior management) is satisfactory. Yet, the Group will still (i) periodically review internal records on gender diversity; (ii) identify suitable female candidates for relevant positions within the Company; and (iii) try to ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company. The Board will ensure that any successors to the Board shall follow the Policy.

The Board currently comprised of 6 Directors, one of which is female. The Board is currently of the opinion that it generally meets the diversity requirements under the Listing Rules. Yet, the Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified and will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness.

During the year ended 30 April 2025, the Nomination Committee has reviewed the independence of the independent non-executive Directors, to consider the qualifications of the retiring directors standing for election at the 2025 annual general meeting, to review the structure, size and composition of the Board and to review the Policy. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

Delegation by the Board

The Board has established three committees, namely the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities of each committee are described below. All committees have defined terms of reference which are no less exacting than those set out in the CG Code.

Audit and Risk Management Committee

The Audit and Risk Management Committee was established with written terms of reference in compliance with the CG Code on 21 February 2017 and amended on 27 December 2018 and 16 March 2020. The Audit and Risk Management Committee consists of three independent non-executive Directors, namely Mr. Lai Kwok Hung, Alex, serving as the chairman, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu.

The primary responsibilities of the Audit and Risk Management Committee are to (i) oversee the Company's relationship with the external auditor; (ii) review the financial information of the Company; (iii) oversee the Company's financial reporting system, risk management and internal control systems and effectiveness of internal audit function; (iv) oversee the Company's corporate governance function; and (v) perform other duties assigned by the Board. All committee members possess appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules.

During the Year, four meetings of the Audit and Risk Management Committee were held in which the members review and consider, inter alias, the audited financial statements of the Group for the Year and the re-appointment of independent auditor of the Group. There was no disagreement between the Board and the Audit and Risk Management Committee on the selection and appointment of external auditors.

The Company's financial statements for the Year have been reviewed by the Audit and Risk Management Committee. The Audit and Risk Management Committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with the CG Code on 21 February 2017 and amended on 16 March 2020 and 28 July 2023. The Remuneration Committee consists of two independent non-executive Directors, namely Mr. Yeung Chuen Chow, Thomas, serving as the chairman, and Mr. Cüneyt Bülent Bilâloğlu, and one executive Director, namely Mr. Charles Choi.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure of all remuneration of Directors and senior management and the establishment of a formal and transparent procedure for developing a policy on such remuneration, assess the performance of executive Directors and approve the terms of executive Directors' service contracts and reviewing and/or approving matters relating to share schemes under Chapter 17. The Remuneration Committee has duly performed their duties during the Year.

The Remuneration Committee and the Board will review the terms of reference of the Remuneration Committee at least annually. The terms of reference of the Remuneration Committee are in line with the requirements of the Listing Rules.

According to the terms of reference of the Remuneration Committee, the Remuneration Committee will make recommendations to the Board about the remuneration of non-executive Directors. In determining the emoluments payable to the Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

During the Year, two meetings of the Remuneration Committee was held.

There was no discretionary bonus paid to the Directors and the five highest paid individuals for the Year (30 April 2024: HK$Nil). Details of the directors' remuneration and five highest paid individuals for the Year as regarded to be disclosed pursuant to the CG Code are provided in note 11 to the consolidated financial statements.

During the Year, the remuneration of the senior management is listed below by band:

	Number of individuals
HK$ nil to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	–

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with the CG Code on 21 February 2017 and amended on 27 December 2018 and 16 March 2020. The Nomination Committee consists of two independent non-executive Directors, namely Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu, and one executive Director, namely Mr. Charles Choi, serving as the chairman.

The Nomination Committee is responsible for (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, (ii) identifying individuals suitably qualified to become Board members, (iii) assessing the independence of the independent non-executive Directors; and (iv) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Director.

The Nomination Committee and the Board will review the terms of reference of the Nomination Committee at least annually. The terms of reference of the Nomination Committee are in line with the requirements of the Listing Rules.

During the Year, two meetings of the Nomination Committee was held in which the Nomination Committee members (i) reviewed and considered that the structure, size, diversity and composition of the Board are appropriate; (ii) assessed the independence of independent non-executive Directors; (iii) recommended the appointment and re-appointments of Directors; and (iv) recommended the aforesaid matters to the Board for approval.

The Nomination Committee will review the Board composition by considering the benefits of all aspects of diversity, including but not limited to those described under the heading of Board Diversity Policy in this report. The Board Diversity Policy shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

Nomination Policy

The Board adopted a nomination policy (the "Nomination Policy") on 27 December 2018. A summary of the Nomination Policy, together with the selection criteria and the nomination procedures made towards achieving those objectives are disclosed below:

Summary of the Nomination Policy

The Nomination Policy provides the key selection criteria and general principles of the Nomination Committee in making any recommendation on the appointment and re-appointment of the Directors. It aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Group's business.

Selection criteria

When making recommendation(s) regarding the appointment of any proposed candidate(s) for directorships to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a number of criteria including but not limited to the followings:

(a) Character and integrity;

(b) Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;

(c) Measurable objectives adopted for achieving diversity on the Board;

(d) Requirements of the Board to have independent directors in accordance with the Listings Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;

(e) Potential contributions he/she will bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

(f) Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and

(g) Other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles and other applicable rules and regulations. The progress made towards achieving the objectives set out in the Nomination Policy will be disclosed periodically in the corporate governance report of the Company.

Nomination procedures

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

(a) Appointment of new director

(i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents;

(ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;

(iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable;

(iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board;

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above;

(iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Review of Nomination Policy

The Nomination Committee will conduct regular reviews on the structure, size and composition of the Board and this Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Attendance of meetings

During the Year, the attendance of each member of the board meetings, general meeting and the above committee meetings are recorded as below:

	Number of meetings attended/Number of meetings held				
Name of Directors	**Board Meeting**	**Audit and Risk Management Committee Meeting**	**Nomination Committee Meeting**	**Remuneration Committee Meeting**	**General Meeting**
Executive Directors:					
Mr. Choi King Ting, Charles	4/4	N/A	2/2	2/2	1/1
Mr. Choi Ching Shing	4/4	N/A	N/A	N/A	1/1
Ms. Li Li Mei *(appointed on 31 December 2024)*	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors:					
Mr. Lai Kwok Hung, Alex	4/4	4/4	N/A	N/A	1/1
Mr. Yeung Chuen Chow, Thomas	4/4	4/4	2/2	2/2	1/1
Mr. Cüneyt Bülent Bilâloğlu	4/4	4/4	2/2	2/2	1/1

INDEPENDENT VIEWS AND INPUT

During the year ended 30 April 2025, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors representing more than one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- the independent non-executive Directors have an equal status to other Board members;
- all independent non-executive Directors share their views and opinions through regular quarterly meetings;
- annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group;
- interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors; and
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix C3 to Listing Rules (the "Model Code"). In response to the specific enquiry made by the Company of the Directors, all Directors have confirmed that they had compiled with the required standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the Year.

Pursuant to B.13 of the Model Code, the Directors have also requested any employee of the Company or director or employee of subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she were a Director.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. Before the Listing, each newly appointed Director received training from the legal advisor of the statutory and regulatory obligations of a director of a listed company in Hong Kong. The Directors are continually updated with business and market changes, and legal and regulatory developments to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memorandum, Board papers, and updates on corporate governance practices and director's responsibilities under the Listing Rules, applicable laws and other relevant statutory requirements.

Up to date of this report, the current Board members participated in the following training programs:

	Types of training	
Name of Directors	**Attending seminar, and/or meeting, and/or forum, and/or briefing**	**Reading materials updating on new rules and regulations**
Executive Directors		
Mr. Choi King Ting, Charles	✓	✓
Mr. Choi Ching Shing	✓	✓
Ms. Li Li Mei	✓	✓
Independent non-executive Directors		
Mr. Lai Kwok Hung, Alex	✓	✓
Mr. Yeung Chuen Chow, Thomas	✓	✓
Mr. Cüneyt Bülent Bilâloğlu	✓	✓

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group and, as at the date of this report, the Directors and officers of the Company are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers of the Company shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

During the Year, the Board, through the Audit and Risk Management Committee, conducted an annual review of both design and implementation effectiveness of the risk management and internal control systems of the Group, which covered all material controls including financial, operational and compliance controls. Such annual review was done with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit and Risk Management Committee communicated any material issues to the Board.

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.

During the Year, the Group appointed APEC RISK MANAGEMENT LIMITED ("ARML") to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and

- independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems.

The results of the independent review and assessment were reported to the Audit and Risk Management Committee and the Board. Moreover, improvements in internal control and risk management measures, as recommended by ARML, to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of ARML, as well as the comments of the Audit and Risk Management Committee, the Board considered the internal control and risk management systems are effective and adequate.

Enterprise Risk Management Framework

The Group established its enterprise risk management framework during the Year. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritised and allocated treatments. The Group's risk management framework follows the COSO Enterprise Risk Management — Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit and Risk Management Committee that oversights risk management and internal audit functions of the Group.

Principal Risks

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of principal risks including currency risk, interest rate risk, credit risk and liquidity risk. Furthermore, there are certain other risks involved in the Group's operations which are beyond its control. In particular, the Group relies on several major customers and the Group does not enter into any long term contracts with them and therefore they have no commitment to place future orders with the Group, which exposes the Group to the risk of uncertainty and potential volatility in the Group's revenue. The Group also faces business risks such as (i) customers' reliance on the Group's ability to respond to changes in end customers' preference in a timely manner; (ii) if there is a significant decrease in the orders from our customers in the UK, the Group cannot guarantee that it would be able to make up the loss of sales from other markets; (iii) the Group operates in a competitive market and the intense competition it faces may lead to a decline in the Group's market share and lower profit margins; (iv) the Group is exposed to credit risk from our customers and the payments may not be collected from our customers in the future; (v) costs increase due to fluctuations in the price, availability and quality of raw materials which could affect the supplies of the Group; and (vi) some of our customers are sensitive to social responsibility and social compliance standards if our approved suppliers have or are perceived to have failed to comply with these standards, our reputation as a design and sourcing service provider could be adversely affected and customers may choose not to continue their business with us.

Risk Control Mechanism

The Group adopts a "three-layer" corporate governance structure with (i) operational management and controls performed by operations management, (ii) coupled with risk management monitoring carried out by the finance team, and (iii) independent internal audit outsourced to and conducted by ARML. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit and Risk Management Committee and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated at least annually by the management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced so that all risk owners have access to the risk register and are aware of those risks in their area of responsibility and they can adopt follow-up actions in an efficient manner.

The Group's risk management activities are performed by management on an ongoing basis. The Company has adopted risk management policy and procedures (the "Risk Management Policy"). The effectiveness of the Group's risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. The management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually in order to further enhance the Group's internal control and risk management systems.

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and ensure that the preparation of the consolidated financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

AUDITOR'S REMUNERATION AND RESPONSIBILITIES

The Company has appointed D & PARTNERS CPA LIMITED as the auditor of the Group. For the Year, D & PARTNERS CPA LIMITED received HK$500,000 for audit services, HK$150,000 for non-audit services in connection with the Group's interim review for the period ended 31 October 2024. The reporting responsibilities of D & PARTNERS CPA LIMITED are set out in the Independent auditor's reports of this report.

There was no disagreement between the Board and the Audit and Risk Management Committee on the selection and appointment of the external auditors during the Year.

DIVIDEND POLICY

Under the Dividend Policy, the declaration and payment of dividends shall be determined by the Board and subject to all the applicable requirements under, including but not limited to, the Companies Law of the Cayman Islands and the articles of association of the Company.

The Company do not have any pre-determined dividend payout ratio. In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account, inter alia, the Group's results of operations, cashflows and financial condition, general business conditions and strategies, operating and capital requirements, future prospects, legal and tax considerations and other factors the Board deems appropriate. Our Directors will consider as to whether if there is any material adverse impact on our Group's financial and liquidity position arising out of the dividend payments. Dividends may be paid out by way of cash or by other means that our Group considers appropriate.

The Company will continually review the Dividend Policy from time to time. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with its shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The disclosure of the Group's information in a reasonable and time manner by the Board is to facilitate the shareholders as well as the investors to have a better understanding of the business performance, operations and strategies of the Group.

Our website at *www.jcfash.com* allows the Company's potential and existing investors as well as the public to get access to and acquire the Company's up-to-date corporate and financial information.

Shareholders are provided with contact details of the Company, such as telephone hotline, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means. The contact details of the Company are provided in this report, the "Corporate Information" section of this annual report and the Company's website.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns that they may have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by shareholders.

The Board will regularly review the shareholders communication policy to ensure its effectiveness. During the year ended 30 April 2025, the Board reviewed the implementations and effectiveness of the policy and considered that the policy remained effective and was properly implemented given the multiple channels of communication in place during the year.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

To safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. Besides, pursuant to article 64 of the Articles, one or more shareholders of the Company holding, at the date of deposit of the requisition, no less than one-tenth of the paid-up capital of the Company and having the right of voting at general meetings may make a requisition to convene a general meeting and 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.

Shareholders may send written enquiries to the Company or put forward any enquiries or proposals to the Board. The contact details are as follows:

Board of Directors
SG Group Holdings Limited
Address: Unit B, 9/F, Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong
Telephone hotline: 2756 8980
Email address: admin@jcfash.com

To put forward proposals at an annual general meeting or an extraordinary general meeting, the shareholders shall submit a written notice of those proposals with detailed contact information to the Board/Company Secretary at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the proposed resolution in the agenda for the general meeting.

Moreover, the notice period concerning the notice to be given to all the shareholders for consideration of the proposals submitted by the shareholders concerned varies as follows pursuant to article 65 of the Articles:

(a) for an annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered, it shall be called by at least 21 clear days' notice in writing; and

(b) for all other extraordinary general meetings, they may be called by not less than 14 clear days' notice in writing.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's address abovementioned and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

On 31 October 2023, an annual general meeting was held and shareholders' approval was obtained to approve the second amended and restated memorandum and articles of association of the Company was effective on 31 October 2023 and is available for viewing on the websites of the Company and the Stock Exchange.

There had been no significant changes in the constitutional documents of the Company during the year ended 30 April 2025 and up to the date of this annual report.

WHISTLEBLOWING POLICY

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

ANTI-CORRUPTION POLICY

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EXECUTIVE SUMMARY

The Board of Directors of the Group is pleased to share the Environmental, Social, and Governance (ESG) Report (the “Report”) for the fiscal year concluding on 30 April 2025. Aligned with the updated Environmental, Social, and Governance Reporting Code in Appendix C2 of the Stock Exchange’s Listing Rules, this document highlights the Group’s key activities in Hong Kong and Shenzhen, China. The Report will undergo periodic evaluation to ensure clarity and effectiveness, with disclosures adjusted as necessary.

Specializing in apparel design, sourcing, and consulting services for fashion retailers and wholesalers, the Group generates revenue through product supply and advisory solutions. Committed to sustainable practices and corporate accountability, it balances business expansion with societal and environmental considerations, aiming to harmonize growth with stakeholder expectations.

The Group actively engages stakeholders — including clients, investors, employees, suppliers, and communities — to protect their interests while driving shareholder value. By prioritizing sustainable policies, operational excellence, and customer-centric innovation, it delivers tailored services that meet evolving market needs.

During the Report’s preparation, the Group rigorously assessed its environmental and social frameworks to enhance governance, operational resilience, and ESG integration. Long-term objectives include reducing ecological footprints, addressing climate challenges, and embedding sustainability into strategic decision-making. Initiatives span environmental stewardship, human rights advocacy, transparent stakeholder dialogue, workforce well-being, community empowerment, and client-focused enhancements.

Approved by the Board of Directors on 29 July 2025, this Report underscores the Group’s dedication to fostering ethical, inclusive, and sustainable progress.

GOVERNANCE STRUCTURE

Board’s Oversight

The Board maintains rigorous oversight of ESG issues through a structured governance framework. Internal stakeholder engagement—including management insights, employee surveys, and cross-departmental collaboration—informs materiality assessments, while external feedback from suppliers, consumers, and communities is gathered via focus groups and targeted surveys. ESG priorities are evaluated based on business impact, stakeholder expectations, and alignment with strategic goals, then integrated into operational plans with measurable KPIs. Regular board reviews assess progress, risks, and emerging opportunities, supported by training programs to enhance ESG competency. Transparent reporting ensures accountability, while continuous dialogue with stakeholders enables adaptive management of ESG risks and value creation, reinforcing long-term resilience and ethical growth.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board's ESG Management Approaches & Strategies

The board's ESG management approach centers on embedding sustainability into governance and operations, leveraging structured engagement with internal stakeholders (management, staff, employees) and external stakeholders (suppliers, consumers, communities) through focus group interviews, surveys, and collaborative dialogues to identify, evaluate, and address material ESG risks and opportunities. Below is the structured process:

1. Evaluation of Material ESG Issues

Stakeholder Input:

Internal: Regular focus groups with management and employees gather insights on operational risks, workplace culture, and ESG alignment. Employee surveys assess awareness, priorities, and barriers to ESG implementation.

External: Supplier partnerships are evaluated through audits and surveys to ensure ethical practices, while consumer feedback (via surveys/market research) highlights sustainability expectations and concerns.

Risk Mapping: Materiality assessments combine stakeholder feedback with industry benchmarks to identify high-impact ESG issues (e.g., carbon footprint, labor practices, supply chain ethics) that pose risks or opportunities to business resilience.

2. Prioritization Framework

Impact vs. Relevance: Issues are prioritized based on their potential to affect long-term business performance, stakeholder expectations, and alignment with strategic goals. For example:

Internal: Employee well-being and diversity initiatives are prioritized through management workshops.

External: Supplier decarbonization and consumer demand for transparency are elevated via board-level reviews.

Integration into Strategy: High-priority issues are embedded into business plans, with KPIs (e.g., emissions reduction, supplier compliance rates) tracked to ensure accountability.

3. Management of ESG Risks and Opportunities

Collaborative Governance:

Internal: Cross-departmental teams (e.g., HR, operations, sustainability) collaborate to implement ESG initiatives, supported by leadership endorsement and employee training programs.

External: Supplier codes of conduct and consumer education campaigns are co-developed through partnerships, ensuring shared responsibility.

Monitoring & Adaptation:

Progress against ESG goals is reviewed quarterly by the board, incorporating updates from stakeholder surveys and focus groups. Adjustments are made to address emerging risks (e.g., regulatory changes, shifting consumer preferences).

4. Stakeholder-Centric Communication

Transparency: Regular ESG progress reports are shared internally (e.g., town halls, intranet updates) and externally (e.g., annual reports, supplier forums), detailing how stakeholder input shapes decision-making.

Feedback Loops: Continuous engagement through surveys ensures evolving stakeholder concerns are captured, fostering trust and alignment with business objectives.

Outcome

By integrating internal expertise (management insights, employee feedback) and external expectations (supplier/customer priorities), the board ensures ESG strategies are both pragmatic and impactful. This stakeholder-driven approach enables proactive risk mitigation, strengthens operational resilience, and aligns ESG outcomes with long-term value creation for the issuer.

Reviewing Progress

The board maintains a structured approach to monitor advancements in ESG objectives and emphasize their business relevance through these actions:

1. Ongoing ESG Assessments: The board conducts regular evaluations of the organization's ESG progress, measuring outcomes against defined benchmarks. These assessments analyze how ESG initiatives influence core operations and contribute to enduring business resilience.

2. Strategic ESG Incorporation: ESG priorities are embedded into the overarching business strategy, aligning sustainability targets with corporate goals. This integration illustrates how ESG efforts drive sustained value creation for the company and its stakeholders.

3. KPI Development: Clear, quantifiable KPIs directly tied to ESG objectives are established. These metrics are transparently reported and connected to business activities to holistically track ESG outcomes.

4. Stakeholder Collaboration: The board engages stakeholders — investors, employees, clients, and communities — to solicit input on ESG initiatives. Transparent reporting on progress and business benefits ensures accountability and fosters trust.

5. Educational Programs: ESG-focused training is provided to board members, leadership, and staff to deepen understanding of its business relevance. Enhanced awareness empowers stakeholders to support ESG goals effectively.

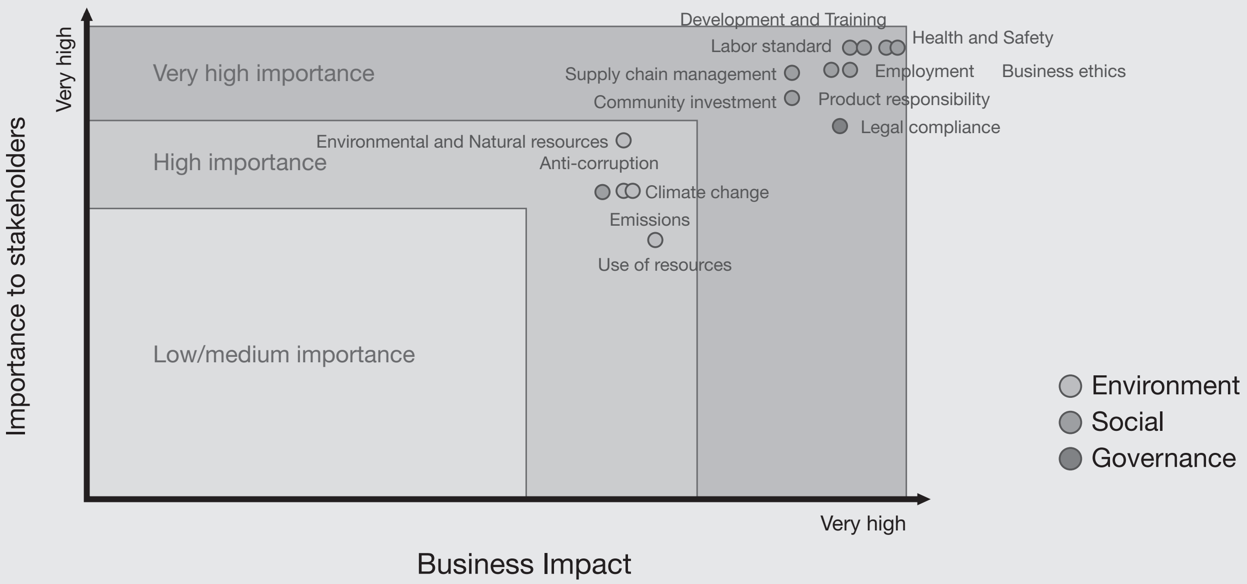
By implementing these measures, the board strengthens ESG accountability while reinforcing its critical role in organizational success.

REPORTING PRINCIPLES

Materiality Assessment

Please refer to section 2 of "Governance Structure" for the procedure and principles of materiality assessment in details.

Materiality Matrix



The results of materiality assessment, based on importance to stakeholders and business impact, show that there is very high importance for "employment," "health and safety," "development and training," "labor standards," "product responsibility," "business ethics," and "legal compliance."

Using Smart Carbon Calculator for GHG Management

To advance our sustainability initiatives, we leverage TT Green, an innovative blockchain-powered platform developed by InnoBlock Technology Limited. This system ensures precise data recording, greenhouse gas (GHG) inventory management, and carbon emission calculations using the most recent emission factors and methodologies. TT Green's immutable blockchain architecture guarantees data integrity, enabling real-time tracking of energy consumption, emissions sources, and GHG inventories across operations.

The platform streamlines carbon accounting by automating calculations with updated emission factors aligned with global standards, ensuring accuracy in reporting and compliance. Its advanced analytics generate audit-ready reports, enhancing transparency in our environmental footprint.

TT Green also strengthens stakeholder trust through its user-friendly interface, which provides granular access to GHG inventories, emission breakdowns, and calculation methodologies. Stakeholders can independently verify data, assess progress against targets, and understand how updated emission factors influence results. This transparency empowers informed decision-making and reinforces our commitment to credible, science-driven sustainability practices.

No Methodology or Factors Changed

The methodology applied on TT Green remains consistent with the prior year (as outlined in the 2024 ESG Report), ensuring uniformity in sustainability data and related metrics. This continuity enables clear, year-on-year comparisons, allowing stakeholders to transparently evaluate progress and trends.

REPORTING BOUNDARY

The ESG Report encompasses the Group's operations primarily located in Hong Kong and Mainland China, specifically focusing on its activities in Shenzhen City and Hong Kong. The reporting boundary has been established to provide a comprehensive overview of the Group's environmental, social, and governance performance, reflecting the key operational areas where the Group has significant influence and responsibility.

To determine the entities and operations included in the ESG Report, the Group conducted a thorough assessment of its business activities, stakeholder interests, and materiality concerns. This process involved engaging with various stakeholders, including employees, suppliers, customers, and investors, to identify and prioritize the ESG issues that are most relevant to the Group's operations and impact. The Group utilized feedback from stakeholder surveys and assessments to inform its reporting scope, ensuring that the selected entities and operations align with the Group's sustainability goals and stakeholder expectations.

In the reporting period, there were no significant changes to the scope of the ESG Report compared to the previous year. The continued focus on the same geographical regions and operational areas reflects the Group's commitment to maintaining consistency in its ESG disclosures. This consistency enables stakeholders to effectively assess the Group's performance over time. However, the Group remains open to reviewing and adjusting its reporting boundaries in future reports, should there be expansion into new markets or changes in operational activities that warrant inclusion. This proactive approach ensures that the Group remains agile in its commitment to transparent and responsible reporting of its ESG performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENT

A1. EMISSIONS

A1. General Disclosure

Policies

JC Fashion Group Limited is committed to maintaining high environmental standards in its operations and has implemented comprehensive policies to manage air emissions, waste generation, and discharges into water and land. The Group adheres to a proactive approach to environmental sustainability, which includes:

Air Emissions Management: The Group monitors and strives to minimize air emissions, including nitrogen oxides (NOx), sulfur oxides (SOx), and other regulated pollutants. This is achieved through the adoption of energy-efficient technologies and practices within its operations, as well as encouraging eco-friendly transportation methods among employees.

Waste Management: The Group employs the principles of the 3R approach — Reduce, Reuse, and Recycle — to manage both hazardous and non-hazardous waste. The organization emphasizes minimizing waste generation and effectively segregating waste types to ensure proper handling and disposal. Non-hazardous waste, primarily textile fabrics, is actively repurposed or reused, while hazardous waste management practices ensure compliance with relevant regulations to mitigate environmental impacts.

Water Discharge Control: The Group ensures that any discharges into water bodies are in compliance with national regulations, monitoring for contaminants and taking steps to minimize any potential impacts on local ecosystems.

Compliance with Relevant Laws and Regulations

Air Quality Standards: Compliance with national air quality regulations ensures that the Group's operations do not exceed permissible limits for NOx, SOx, and other pollutants. Regular assessments and audits are conducted to ensure adherence to these standards.

Waste Management Regulations: The Group follows national definitions and regulations concerning hazardous waste, ensuring that all hazardous materials are managed and disposed of in accordance with legal requirements. The Group maintains records and implements appropriate disposal methods to align with regulatory obligations.

Water Quality Regulations: The organization complies with national regulations governing discharges into water bodies, ensuring that any effluents released do not harm water quality or local ecosystems. Regular monitoring and reporting are conducted to maintain compliance.

Through these policies and compliance measures, JC Fashion Group Limited demonstrates its commitment to environmental stewardship and responsible corporate practices, thereby mitigating the impact of its operations on air quality, waste generation, and water resources.

A1.1 The types of Emissions and Respective Emissions Data

Scope 1, 2 & 3 Activities

Scope	Categories	Activity
Scope 1	Mobile Combustion	Company Vehicles: Motor Gasoline (Cars)
Scope 1	Mobile Combustion	Company Vehicles: Diesel Oil (Cars)
Scope 2	Electricity	Grid mix
Scope 2	Purchased Energy	Purchased Gas – Towngas
Scope 3	Air Travel	Airplane – RF effect unknown
Scope 3	Transport Services and Warehousing	Warehousing
Scope 3	Transport Services and Warehousing	Warehousing
Scope 3	Transport Services and Warehousing	Downstream transportation and distribution
Scope 3	Transport Services and Warehousing	Upstream transportation and distribution
Scope 3	Metal Waste	Metal for Recycling
Scope 3	Metal Waste	Non-hazardous Waste – Metal
Scope 3	Road Travel	Local Business Travel – Vans Rental
Scope 3	Road Travel	Local Business Travel – Taxi
Scope 3	Electrical Waste	Non-hazardous Waste – Lamps
Scope 3	Electrical Waste	IT and Electrical Waste for Recycling
Scope 3	Electrical Waste	Hazardous Waste – IT and Electrical Waste
Scope 3	Electricity	Grid Mix
Scope 3	General Waste	Non-hazardouse Waste – Municipal Solid Waste (MSW) to landfill
Scope 3	General Waste	Ink Jet Bottles and Toner Cartridge for Recycling
Scope 3	General Waste	Other Non-hazardous Waste

Scope	Categories	Activity
Scope 3	Paper and Cardboard Waste	Non-hazardous Waste – Paper
Scope 3	Paper and Cardboard Waste	Non-hazardous Waste – Paper
Scope 3	Utilities	Purchased Fresh Water – General Office Use and Discharge
Scope 3	Glass Waste	Non-hazardous Waste – Glass
Scope 3	Glass Waste	Glass for Recycling
Scope 3	Plastic Waste	Plastic for Recycling
Scope 3	Plastic Waste	Non-hazardous Waste – Plastic
Scope 3	Plastic Waste	Non-hazardous Waste – Plastic
Scope 3	Textiles	Textiles and textile products
Scope 3	Paper Waste	Paper for Recycling

Air Pollutants

Activity	Amount		NOx (kg)	SOx (kg)	PM (kg)
Electricity Use – Hong Kong	0	kWh	0.000	0.000	0.000
Adjustment Value			0	0	0
(Total)			0	0	0
Towngas (2022)	0	unit	0.000	0.000	–
Adjustment Value			0	0	0
(Total)			0	0	0
Liquefied petroleum gas – Hong Kong	0	unit	0.000	0.000	–
Adjustment Value			0	0	0
(Total)			0	0	0
Private cars (2022)	5,635,108	km	420.943	–	30.993
Adjustment Value			0	0	0
(Total)			420.943	0	30.993
Light goods vehicles (<=2.5tonnes)	0	km	0.000	–	0.000
Adjustment Value			–	–	–
(Total)			0	0	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Activity	Amount		NOx (kg)	SOx (kg)	PM (kg)
Light goods vehicles (2.5-3.5tonnes)	0	km	0.000	–	0.000
Adjustment Value			–	–	–
(Total)			0	0	0
Light goods vehicles (3.5-5.5tonnes)	0	km	0.000	–	0.000
Adjustment Value			–	–	–
(Total)			0	0	0
Medium & Heavy goods vehicles (5.5-15tonnes)	0	km	0.000	–	0.000
Adjustment Value			–	–	–
(Total)			0	0	0
Medium & Heavy goods vehicles (>=15tonnes)	0	km	0.000	–	0.000
Adjustment Value			0	0	0
(Total)			0	0	0
Vehicles: Diesel (2022)	0	L	–	0.000	–
Adjustment Value			0	0	0
(Total)			0	0	0
Vehicles: Petrol (2022)	0	L	–	0.000	–
Adjustment Value			–	–	–
(Total)			0	0	0
Electricity Use – China Southern Grid	0	kWh	0.000	0.000	0.000
Adjustment Value			0	0	0
(Total)			0	0	0
Backup Generator: Diesel	0	hp-hr	0.000	–	–
Adjustment Value			0	0	0
(Total)			0	0	0
Boiler (< 293 kW): Diesel	0	L	0.000	0.000	–
Adjustment Value			0	0	0
(Total)			0	0	0
Total		–	420.943	0	30.993

Production, Imports, and Exports of Ods

	Amount (CFC-11 equivalent)
ODS Produced	–
ODS destroyed by approved technologies	–
ODS entirely used as feedstock in the manufacture of other chemicals	–
Production of ODS	0
Imports of ODS	–
Exports of ODS	–

A1.2 Total Hazardous Waste

Hazardous Waste by Composition by Tons

Waste Composition	Value Chain Position	Waste Generated	Waste diverted from disposal	Waste directed to disposal
Total Waste	–	0	0	0

The Group adheres to the 3R principles (Reduce, Reuse, Recycle) to segregate hazardous and non-hazardous waste generated through its operations. Given the nature of its business, hazardous waste production remains negligible in daily activities, resulting in no recorded data during the Reporting Year. Nevertheless, the Group recognizes the environmental risks associated with hazardous materials, particularly the adverse effects of improper disposal of electronic waste containing heavy metals, which can contaminate soil, water systems, and ecosystems.

To mitigate these risks, the Group proactively controls hazardous waste generation and ensures strict segregation in compliance with regulatory standards. For instance, general office waste such as batteries and fluorescent tubes are directed to designated government recycling bins, with employees encouraged to participate actively. Staff are further advised to recycle outdated electronic devices (e.g., computers, appliances) wherever feasible. The Group remains committed to transparency and plans to disclose detailed hazardous waste metrics in future reporting cycles as relevant data becomes available.

A1.3 Total Non-Hazardous Waste

Non-Hazardous Waste by Composition by Metric Tons

Waste Composition	Value Chain Position	Waste Generated	Waste diverted from disposal	Waste directed to disposal
Total Waste	–	0	0	0

The Group recognizes that while recycling non-hazardous waste helps mitigate environmental harm, reducing the consumption of office supplies—particularly paper—can further curb carbon emissions linked to manufacturing processes, thereby advancing sustainable practices. Its non-hazardous waste primarily consists of everyday office materials like paper and used stationery. To address this, the Group actively promotes resource conservation, encourages the reuse of items, and prioritizes recycling. Employees are guided to minimize waste generation by adopting digital workflows, such as sharing documents via email and using electronic communication tools as the default method for internal announcements.

Operational measures include enforcing double-sided printing to optimize paper usage, selecting refillable stationery to extend product lifecycles, and sourcing office supplies with enhanced recyclability, higher recycled content, minimal packaging, and extended durability. Non-hazardous waste is systematically collected, processed, and disposed of in compliance with regulatory standards. Through consistent efforts to reduce paper dependency, the Group has fostered a culture of digital communication among staff, embedding sustainability into daily operations while ensuring accountability in waste management practices.

A1.4 Emission Target & Steps Taken to Achieve

The Group is committed to sustainability and responsible environmental stewardship. We are actively working towards establishing an actionable emission reduction target and developing a clear roadmap to achieve it. We will disclose these targets and the corresponding steps in due course to demonstrate our dedication to transparency and continuous improvement in our environmental performance.

A1.5 Hazardous & Non-Hazardous Wastes Handling

Waste Diverted from Disposal by Metric Tons

Recovery Operations	Total Amount	Onsite	Offsite
Total Hazardous Waste	0	0	0
Preparation for reuse	0	0	0
Recycling	0	0	0
Other Recovery Operations	0	0	0
Total Non-hazardous Waste	0	0	0
Preparation for reuse	0	0	0
Recycling	0	0	0
Other Recovery Operations	0	0	0
Total	0	0	0

Fabric Waste Management

A circular economy represents an economic framework designed to eradicate waste and foster the perpetual reuse of resources via recycling, reduction, and minimized ecological harm. The Group actively upholds this model by prioritizing waste reduction and material reuse, establishing a closed-loop system to optimize resource efficiency.

Central to this commitment is the Group's management of fabric waste. During the reporting period, 36.4 tons of non-hazardous fabric waste were reintegrated into production processes to craft new garments. This practice curtails reliance on virgin materials, conserves natural resources, and diminishes the environmental impact of operations, aligning with circular economy principles.

Notably, the absence of hazardous waste in the Group's records underscores its dedication to responsible waste stewardship. By ensuring no hazardous materials are generated or improperly disposed of, the Group safeguards employee well-being, consumer safety, and ecosystem health. These efforts not only enhance operational sustainability but also set a benchmark for environmental consciousness within the textile industry, driving collective progress toward greener practices.

A2. USE OF RESOURCES

A2. General Disclosure

The Group is committed to the efficient use of resources across all operational facets, including production, storage, transportation, and the utilization of buildings and electronic equipment. Our approach emphasizes sustainable resource management through the implementation of eco-conscious practices that minimize energy, water, and raw material consumption.

To achieve these goals, we integrate the 3R framework — Recycle, Reduce, Reuse — into our daily workflows. This includes recycling materials wherever possible, reducing reliance on non-reusable resources, and ensuring responsible disposal of waste. Our energy consumption strategies focus on optimizing the use of electricity and fuels, particularly in mobile combustion activities related to company vehicles.

Water management is also a priority, with efforts aimed at minimizing withdrawal and maximizing efficiency. We regularly evaluate our water usage and discharge practices to ensure they align with sustainability targets and regulatory compliance.

Through training programs and awareness campaigns, we empower our employees to actively participate in improving our eco-performance. Additionally, we foster collaborative partnerships with customers, suppliers, and investors to amplify our sustainability efforts. This holistic approach underscores our dedication to environmental stewardship and continuous improvement in resource management.

A2.1 Scope 1,2 Energy Consumption & Intensity

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).

Energy Type (In Joules)	**Consumption**	**Self-generated but not consumed**	**Sold**
Electricity	21,282.45	0	0
Heating	–	–	–
Cooling	–	–	–
Steam	–	–	–
Total Energy consumption within the organization	21,282.45	–	–

Scope 1 Energy Consumption

Categories	**Activity**	**Consumption**	**Unit**
Mobile Combustion	Company Vehicles: Motor Gasoline (Cars)	5,683.34	kg
Mobile Combustion	Company Vehicles: Diesel Oil (Cars)	0	kg

Scope 1 Energy Intensity

Categories	Activity	Intensity
Mobile Combustion	Company Vehicles: Motor Gasoline (Cars)	0 per kWh 0 per person 0 per unit output 0 per m^3 0 per sq.ft.
Mobile Combustion	Company Vehicles: Diesel Oil (Cars)	0 per kWh 0 per person 0 per unit output 0 per m^3 0 per sq.ft.

Scope 2 Energy Consumption

Categories	Activity	Consumption	Unit
Electricity	Grid mix	273,279	kWh
Purchased Energy	Purchased Gas – Towngas	0	unit

Scope 2 Energy Intensity

Categories	Activity	Intensity
Electricity	Grid mix	0 per kWh 0 per person 0 per unit output 0 per m^3 0 per sq.ft.
Purchased Energy	Purchased Gas – Towngas	0 per kWh 0 per person 0 per unit output 0 per m^3 0 per sq.ft.

The Group is committed to optimizing its energy consumption, achieving a total of 21,282.45 kWh of electricity from a diverse grid mix, while maintaining a proactive approach to energy efficiency. Efforts include minimizing reliance on non-renewable sources and enhancing the sustainability of our operations. Through the use of company vehicles powered by motor gasoline, the Group is actively reducing the carbon footprint and promoting responsible energy use. This dedication to efficient energy management not only supports sustainability goals but also fosters a culture of environmental stewardship within the Group.

A2.2 Water Consumption in Total and Intensity

Total Water Withdrawal in Mega Litres

Water withdrawal by destination	All Areas (ML)	Areas with water stress (ML)
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	0	0
Total of surface water	0	0
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	0	0
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0
Total of groundwater	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	0	0
Total of produced water	0	0
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	0	0
Total of seawater	0	0
Total third-party water withdrawal by withdrawal source	0	0
Surface water	–	0
Groundwater	–	0
Seawater	–	0
Produced water	–	0
Total water withdrawal	0	0

Water Discharge by Destination in Mega Litres

Water discharge by destination	**All Areas (ML)**	**Areas with water stress(ML)**
Surface water (total)	0	–
Groundwater (total)	0	–
Seawater (total)	0	–
Produced water (total)	0	–
Third-party water (total)	0	–
Third-party water sent for use to other organizations	0	–
Total water discharge	0	0

Water Discharge by Categories in Mega Litres

Water discharge by destination	**All Areas (ML)**	**Areas with water stress(ML)**
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	0	0
Total water discharge	0	0

Total Water Consumption in Mega Litres

Water consumption	**All Areas (ML)**	**Areas with water stress (ML)**
Total water consumption	0	0
Change in water storage, if water storage has been identified as having a significant water-related impact	0	–

A2.3 Energy Use Efficiency Target

The Group is committed to enhancing its environmental performance by establishing an energy use efficiency target. To this end, we are currently collecting comprehensive data to establish a baseline and inform our target-setting process. We will disclose the specific targets and related initiatives in due course, reflecting our ongoing commitment to sustainability and responsible energy management.

A2.4 Issue in Sourcing Water Fit for Purpose, Water Efficiency Targets

The Group is dedicated to responsible water management and is actively working towards establishing targets for water sourcing that are fit for purpose, as well as improving water efficiency. We are currently collecting relevant data to establish a baseline, which will inform our target-setting process. These targets and related initiatives will be disclosed in due course, underscoring our commitment to sustainable resource use and environmental stewardship.

A2.5 Total Packaging Material Used

No packaging material usage has been recorded in this Reporting Year.

Non-Renewable Materials Used

Renewable Materials Used

A3. THE ENVIRONMENT AND NATURAL RESOURCES

A3. General Disclosure

The Group prioritizes environmental protection and sustainable resource management across all operations, committing to avoid significant ecological harm and prevent resource overexploitation. While no standalone environmental policy exists, eco-conscious practices are embedded into daily workflows to foster employee awareness and advance the Company's sustainability goals.

A3.1 Description of the Significant Impacts, Activities on Environment & Natural Resources, Actions Taken

Central to these efforts is the efficient use of resources — reducing energy, water, paper, and material consumption to lower carbon footprints and support conservation. Guided by the 3R framework (Recycle, Reduce, Reuse), the Group recycles materials where possible, minimizes non-reusable resource usage, and ensures responsible disposal of waste.

To deepen environmental engagement, the Group organizes training programs and awareness campaigns, empowering employees to contribute to eco-performance improvements. Collaborative partnerships with customers, suppliers, and investors further amplify sustainability advocacy.

The Group actively participates in community environmental initiatives and rigorously evaluates operational impacts on health, safety, and ecosystems to maintain regulatory compliance. Although core business activities currently pose minimal environmental risks, the Group remains unwavering in its dedication to sustainable practices, continually refining strategies to uphold its role as an ethical environmental steward.

A4. CLIMATE CHANGE

A4. General Disclosure

JC Fashion Group Limited is committed to proactively identifying and managing significant climate-related risks that may impact its operations. The company conducts regular climate resilience assessments, integrating climate risk considerations into strategic planning and decision-making. Key policies include diversifying supply chains, investing in climate-resilient logistics and sustainable technologies, and adopting circular economy principles to enhance operational flexibility. JC Fashion Group also emphasizes staff training and continuous monitoring of climate scenarios to ensure preparedness for physical and transition risks. These policies aim to mitigate the potential adverse effects of climate change and support the company's long-term sustainability and resilience.

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

Description of Climate-Related Issues Impacting the Group

JC Fashion Group Limited faces several climate-related challenges that influence its operations and strategic outlook:

– Physical Risks: Increased frequency and severity of extreme weather events, such as floods and storms, threaten supply chain stability and operational continuity, especially in vulnerable regions like Hong Kong and Mainland China.

– Transition Risks: Evolving regulations aimed at reducing carbon emissions and shifting market preferences toward sustainable products may impact costs and product offerings, necessitating adjustments in business practices.

– Consumer Behavior: Growing consumer demand for sustainable and environmentally responsible fashion influences product development and marketing strategies.

Actions Taken to Manage Climate-Related Risks

In response to these challenges, JC Fashion Group Limited has implemented several proactive measures:

Diversification and Resilience in Supply Chains: The company is diversifying its supplier base and exploring climate-resilient logistics solutions, including alternative transportation methods, to mitigate disruptions caused by extreme weather.

Integration of Climate Risk into Strategic Planning: Climate risk assessments are incorporated into strategic decision-making processes to ensure resilience across different climate scenarios.

Investment in Sustainable Technologies and Materials: The company is investing in energy-efficient technologies and sustainable materials to reduce its carbon footprint and adapt to evolving regulatory and market demands.

Staff Training and Development: Ongoing training initiatives are in place to enhance staff awareness and capacity to respond effectively to climate-related issues.

Adoption of Circular Economy Principles: Short to medium-term initiatives include adopting circular economy approaches to improve operational flexibility and reduce environmental impact.

Scenario Analysis for Future Planning: Conducted in early 2024 and reported in early 2025, the scenario analysis considered various climate pathways over different time horizons to inform strategic adjustments and resilience planning.

CLIMATE-RELATED DISCLOSURE

I. GOVERNANCE

I. Governance

Governance Structure for Climate-Related Risks and Opportunities

(i) Governance Body and Skills Assessment

At JC Fashion, our governance body responsible for overseeing climate-related risks and opportunities is our Board of Directors. The Board evaluates corporate governance practices, including those tied to Environmental, Social, and Governance (ESG) risks. To ensure the Group maintain the right expertise, we regularly assess the Board's composition and the competencies of its members. This involves identifying gaps in climate change or sustainability knowledge, which we address through training or recruiting additional expertise. By prioritizing these skills, we empower our Board to effectively guide strategies that respond to climate challenges and opportunities

(ii) Information Flow to the Board

We keep our Board informed about climate-related risks and opportunities through ongoing communication with senior management across key divisions. This includes regular management reports detailing progress on climate initiatives, emerging risks, and opportunities. While the exact frequency of updates isn't specified, they form part of our Board's routine governance activities, ensuring alignment with our oversight responsibilities.

(iii) Strategic Oversight and Decision Making

When overseeing our strategy and major business decisions, the Board integrates climate-related considerations into the process. We align ESG factors with our broader business objectives, enabling proactive adaptation to evolving regulations and market conditions. By evaluating how climate risks might impact operations and financial performance, we ensure trade-offs are carefully weighed, supporting long-term resilience and strategic alignment.

(iv) Setting and Monitoring Climate-Related Targets

The Board oversees the establishment of climate-related targets, guided by our short- and long-term sustainability goals. These goals focus on reducing emissions in line with regulatory requirements and industry best practices. We regularly assess the effectiveness of our management approach and track progress toward these targets. While specific performance metrics aren't detailed, we prioritize accountability by aligning relevant metrics with remuneration policies, incentivizing the achievement of our sustainability objectives.

At JC Fashion Group Limited, the Board of Directors is actively engaged in overseeing climate-related risks and opportunities within our operations. We ensure that the board is regularly informed about these critical issues through a structured and systematic approach.

Firstly, we conduct comprehensive reviews of our climate risk management framework, which includes regular updates on the identification, assessment, and mitigation of climate-related risks. These reviews are typically held quarterly, allowing us to stay abreast of any emerging risks or opportunities in a timely manner.

Furthermore, our Executive Directors play a pivotal role in communicating relevant climate-related information to the board. They are responsible for developing and implementing our environmental, social, and governance (ESG) strategies, and they provide detailed reports during board meetings. These reports encompass current performance metrics, progress towards our sustainability goals, and insights into how climate change may impact our business operations and strategy.

We also integrate stakeholder feedback and market analysis into our discussions. By engaging with various stakeholders, including customers and suppliers, we gather valuable insights that inform our understanding of climate-related risks and opportunities. This engagement is conducted regularly, ensuring that the board has a well-rounded perspective when making strategic decisions.

Additionally, we emphasize the importance of training and capacity building for our board members regarding climate-related issues. We conduct educational sessions to enhance their understanding of the implications of climate change on our business, ensuring they are well-equipped to address these challenges.

Overall, our approach involves a continuous cycle of assessment, communication, and education, enabling our board to make informed decisions that align with our commitment to sustainability and responsible business practices.

At JC Fashion Group, we prioritize effective governance processes to monitor, manage, and oversee climate-related risks and opportunities. Our management team plays a crucial role in ensuring that these responsibilities are clearly defined and effectively executed within our organizational structure.

(i) Oversight of Climate-Related Risks and Opportunities

The responsibility for overseeing climate-related risks and opportunities is delegated to our Executive Directors, who are tasked with developing and implementing our Environmental, Social, and Governance (ESG) management policies and strategies. This delegation ensures that there is a clear line of accountability at the management level. The Executive Directors regularly report to the Board of Directors, allowing for continuous oversight and evaluation of our climate-related initiatives and performance.

The Board engages in regular communication with the Executive Directors and relevant management from key business divisions to ensure that climate-related considerations are integrated into our strategic planning and decision-making processes. This oversight includes conducting periodic reviews of our progress toward climate-related goals, assessing the effectiveness of our initiatives, and making adjustments as necessary to align our operations with sustainability principles.

(ii) Integration of Controls and Procedures

To support the oversight of climate-related risks and opportunities, our management utilizes a comprehensive framework of controls and procedures that are integrated with other internal functions across the organization. This framework is designed to ensure that climate-related factors are considered in all aspects of our operations, from supply chain management to product development and employee engagement.

For instance, our management team conducts regular assessments of climate-related risks, including physical risks from extreme weather events and transition risks associated with changing regulations. These assessments are integrated with our overall risk management processes, allowing us to identify and address potential challenges proactively.

Additionally, we emphasize collaboration between departments, ensuring that environmental sustainability is a shared responsibility across the organization. This collaborative approach enables us to effectively communicate climate-related goals and initiatives to all employees, fostering a culture of sustainability and encouraging participation in our efforts to reduce our carbon footprint.

The Board integrates climate-related considerations into our strategic planning. We have established a framework that aligns with the Task Force on Climate-related Financial Disclosures (TCFD), allowing us to systematically identify and assess the potential impacts of climate change on our business operations. This approach enables us to anticipate changes in regulations, market conditions, and customer expectations, thus positioning ourselves favorably in a rapidly evolving landscape.

When it comes to major transactions, the Board rigorously evaluates climate-related factors as part of our due diligence process. This includes assessing the environmental impact of potential acquisitions or partnerships and understanding how these transactions align with our sustainability goals. By incorporating climate considerations into our decision-making, we reduce the likelihood of future liabilities and enhance our reputation as a responsible corporate citizen.

Moreover, our risk management policies are intricately linked to climate-related risks. The Board actively oversees the identification and management of these risks, ensuring that they are incorporated into our broader risk management framework. This involves regularly reviewing our exposure to physical risks, such as extreme weather events that could disrupt our supply chain, as well as transition risks related to regulatory changes and shifts in consumer preferences towards sustainable products.

The Board regularly engages in discussions about our climate strategy and the associated risks and opportunities that may impact our operations. This includes evaluating potential impacts from extreme weather events, regulatory changes, and shifts in consumer preferences. We understand that these factors can significantly influence our long-term sustainability and profitability.

To effectively monitor our progress towards our climate targets, we are about to set up a system of key performance indicators (KPIs) that measure our performance in reducing greenhouse gas emissions, improving energy efficiency, and enhancing resource management by factoring and comparing the ESG performances in 2023, 2024, and 2025. The Board will later on review these metrics regularly, allowing us to assess our performance against our established goals when they are ready.

In addition to tracking our progress, we are considering that our climate-related performance metrics to be integrated into our remuneration policies. This incoming alignment reinforces our commitment to sustainability at all levels of the organization. By linking executive compensation to the achievement of our climate targets, we create an incentive structure that motivates our leadership team to prioritize and drive our sustainability initiatives forward. Details of remuneration-climate performance peg are under research by the Board (including the Sustainability Committee) and senior management.

At JC Fashion Group Limited, we recognize the critical importance of addressing climate-related risks and opportunities as part of our commitment to sustainable business practices. As management, we play an integral role in assessing and managing these climate-related factors to ensure that our operations align with our sustainability goals and stakeholder expectations.

(i) Scope of Climate-Related Responsibilities and Duties

Management-level positions within our organization, particularly those focused on sustainability and operations, are tasked with a wide range of responsibilities related to climate-related risks and opportunities. This includes conducting thorough assessments of potential climate impacts on our supply chain, production processes, and overall business operations. Our designated sustainability committee, comprising executives from various departments, works collaboratively to identify, evaluate, and prioritize climate-related issues. They are responsible for developing strategies that mitigate risks and capitalize on opportunities, such as transitioning to more energy-efficient practices and exploring sustainable sourcing options. Regular training and updates are provided to ensure that all management personnel are equipped with the knowledge to make informed decisions regarding climate-related matters.

(ii) Board's Oversight

The Board of Directors exercises oversight over climate-related management by maintaining open lines of communication with the sustainability committee. We conduct regular meetings to review progress on climate initiatives, assess the effectiveness of implemented strategies, and discuss emerging challenges. The Board actively engages in discussions about the integration of climate considerations into our overall business strategy, ensuring that sustainability remains a key focus at the highest level of governance. This oversight is complemented by performance metrics that are tied to our climate objectives, allowing the Board to monitor advancements and provide guidance where necessary.

(iii) Dedicated Controls and Procedures

To effectively manage climate-related risks and opportunities, we have established dedicated controls and procedures within our Group. These include detailed protocols for assessing climate risks during our strategic planning processes and regular reviews to evaluate our performance against established sustainability targets. We utilize a framework based on the Task Force on Climate-related Financial Disclosures (TCFD) to guide our reporting and risk management practices, ensuring that we identify and disclose relevant climate-related information. Our procedures also involve stakeholder engagement to gather insights and feedback, which helps us refine our strategies and enhance our resilience to climate impacts.

II. STRATEGY

1. Climate-Related Risks and Opportunities

(A) Climate-Related Risks and Opportunities

1. Physical Risks:

   Acute Risks: Severe weather events, such as typhoons and heavy rainfall, could disrupt our supply chain, delay deliveries, and cause damage to our facilities and inventory. These disruptions may lead to increased operational costs and reduced sales, affecting our cash flows.

   Chronic Risks: Prolonged high temperatures may influence our workforce productivity and increase energy consumption for cooling, thereby raising operational costs. Additionally, climate change could shift market demand for seasonal products, impacting our inventory management and revenue streams.

2. Transition Risks:

   Regulatory Changes: As governments implement stricter environmental regulations, we may face increased compliance costs. Adapting to new regulations could require investment in sustainable practices, impacting our short-term cash flow.

   Market Shifts: Growing consumer demand for sustainable and eco-friendly products presents an opportunity for us to innovate and expand our product offerings. However, failure to adapt could lead to a loss of market share.

3. Opportunities:

   Investment in sustainable practices and technologies can enhance our brand reputation and attract environmentally conscious consumers, potentially leading to increased sales and market competitiveness.

Participation in green financing initiatives may provide access to favorable financing conditions, reducing our overall cost of capital.

(B) Classification of Risks

We categorize the identified climate-related risks as follows:

1. Acute Physical Risk: Severe weather events (e.g., typhoons) that could disrupt operations and supply chains.

2. Chronic Physical Risk: Prolonged high temperatures affecting employee productivity and energy consumption.

3. Transition Risk: Regulatory changes that may increase operational costs and market shifts driven by consumer demand for sustainable products.

(C) Time Horizons for Climate-Related Risks and Opportunities

We anticipate that the effects of climate-related risks and opportunities may manifest over different time horizons:

1. Short Term (1-3 years): Immediate impacts from acute physical risks, such as disruptions due to severe weather events, as well as initial adjustments to regulatory changes.

2. Medium Term (3-5 years): Ongoing adjustments to market shifts and the gradual implementation of sustainable product lines and practices. This period will also encompass the potential increase in operational costs due to regulatory compliance.

3. Long Term (5+ years): Chronic physical risks, such as the long-term effects of climate change on resource availability and workforce productivity, as well as the broader transformation of the market landscape toward sustainability.

(D) Definitions of Time Horizons

At JC Fashion Group, we define our planning horizons as follows:

1. Short Term: This period spans 1 to 3 years and involves immediate operational and financial planning, where we address urgent risks and opportunities that may impact our cash flows.

2. Medium Term: Covering a timeframe of 3 to 5 years, this horizon allows us to implement strategic initiatives and track the effectiveness of our responses to identified risks and opportunities.

3. Long Term: This encompasses a period of 5 years and beyond, where we focus on sustainable growth strategies, resilience against chronic climate risks, and the alignment of our business model with long-term environmental objectives.

2. Business Model and Value Chain

(A) Current and Anticipated Effects of Climate-Related Risks and Opportunities

Currently, we face several climate-related risks that could impact our operations, supply chain, and overall business resilience. These risks include:

1. Physical Risks:

   Acute Risks: Extreme weather events, such as typhoons and heavy rainfall, can disrupt our logistics and supply chain, leading to delays in deliveries and potential damage to our products. For instance, severe weather can affect our ability to transport goods to retailers and customers, which may result in financial losses.

   Chronic Risks: Over time, rising temperatures can affect consumer behavior, particularly in the apparel sector. A shift in seasonal demand could lead to reduced sales of our autumn/winter products, impacting our revenue streams.

2. Transition Risks:

   As governments impose stricter regulations to combat climate change, we may need to adjust our business practices to comply with new environmental standards. This could lead to increased operational costs as we invest in sustainable practices and technologies.

   Conversely, we also see opportunities arising from these climate-related challenges:

   – Sustainable Product Development: There is a growing consumer demand for eco-friendly and sustainably produced apparel. By innovating our product lines to incorporate sustainable materials and practices, we can capture a larger market share and enhance our brand reputation.

   – Operational Efficiency: Implementing energy-efficient practices can reduce our operational costs and carbon footprint. For example, investing in renewable energy sources and optimizing our supply chain logistics can lead to significant improvements in efficiency.

(B) Concentration of Climate-Related Risks and Opportunities

The concentration of climate-related risks and opportunities in our business model and value chain is primarily evident in the following areas:

1. Geographical Areas:

   Our operations in regions prone to extreme weather events, such as Hong Kong and Mainland China, are particularly vulnerable to physical risks. Any disruptions in these areas can have cascading effects on our supply chain and distribution networks.

2. Facilities:

Our production facilities and warehouses must be resilient to climate impacts. This includes ensuring that our facilities are equipped to handle extreme weather conditions and are energy-efficient to minimize our environmental impact.

3. Types of Assets:

Our supply chain assets, including transportation and storage facilities, are critical points where climate-related risks are concentrated. Disruptions in logistics due to weather events can hinder our ability to deliver products on time, affecting customer satisfaction and ultimately our bottom line.

By proactively identifying and addressing these climate-related risks and opportunities, we at JC Fashion aim to enhance our resilience, drive sustainable growth, and create long-term value for our stakeholders. We are committed to integrating climate considerations into our strategic planning and operational practices, ensuring that we are well-prepared to meet the challenges posed by climate change while seizing the opportunities it presents.

3. Strategy and Decision-Making

(A) Responding to Climate-Related Risks and Opportunities

(i) Changes to Our Business Model

We have begun to adapt our business model to prioritize sustainability and resilience in the face of climate-related challenges. This includes reallocating resources towards sustainable practices, such as investing in energy-efficient technologies, optimizing our supply chain for lower emissions, and enhancing our product offerings with eco-friendly materials. We are also exploring innovative design processes that minimize waste and reduce our carbon footprint.

(ii) Adaptation and Mitigation Efforts

Our current and anticipated efforts to adapt to and mitigate climate-related risks include:

– Enhancing Energy Efficiency: We are implementing measures to reduce energy consumption in our facilities through the use of LED lighting and optimizing heating and cooling systems.

– Sustainable Sourcing: We are actively seeking suppliers who adhere to environmentally friendly practices, which not only reduces our carbon footprint but also ensures that our supply chain is resilient against climate impacts.

– Disaster Preparedness: We have established protocols to manage risks associated with extreme weather events, such as floods and typhoons, to protect our operations and workforce.

(iii) Climate-Related Transition Plan

Currently, we are in the process of developing a comprehensive climate-related transition plan. This plan will outline our approach to reaching our climate targets and managing our transition towards a low-carbon economy. Key assumptions used in this plan include projected regulatory changes, anticipated advancements in sustainable technologies, and shifts in consumer preferences towards greener products. Dependencies we are aware of include our reliance on suppliers who also commit to sustainable practices and the overall readiness of the market to adopt eco-friendly measures.

(iv) Achieving Climate-Related Targets

To achieve our climate-related targets, including greenhouse gas emissions reduction, we are:

– Establishing specific, measurable targets for emissions reduction that align with international standards and best practices.

– Continuously monitoring our emissions through rigorous data collection and analysis, allowing us to adjust our strategies as necessary.

– Engaging with stakeholders to promote transparency and accountability, ensuring that our actions are effectively communicated and aligned with stakeholder expectations.

(B) Resourcing Climate-Related Activities

To support our climate-related initiatives, we are allocating dedicated resources towards:

– Training and Capacity Building: We are investing in employee education programs to enhance understanding of sustainability practices across all levels of our organization.

– Research and Development: We are committing resources to explore new technologies and methods that can reduce our environmental impact and improve operational efficiencies.

– Partnerships and Collaborations: We aim to engage with industry partners, NGOs, and government bodies to leverage shared knowledge and drive collective action towards sustainability.

As we move forward, we are committed to integrating these practices into our core operations, ensuring that our response to climate-related risks and opportunities is proactive, strategic, and aligned with our mission of promoting sustainability within the fashion industry. We see this commitment not just as a regulatory requirement, but as a fundamental aspect of our business strategy that will ultimately enhance our resilience and competitive advantage in the marketplace.

This is the first time of JC Fashion Group taking TCFD or IFRS S2 into reporting. We shall be endeavoring to disclosing information about the progress of plans on a comparable basis.

4. Financial Position, Financial Performance and Cash Flows

Financial Position

During the reporting period, our financial position has been impacted by several climate-related factors. Notably, we have recognized an increase in total emissions, culminating in emissions of 220.155 tonnes of carbon dioxide equivalent (tCO_2e) compared to 144.122 tonnes in the previous year. This is mainly because of an additional account on the Scope 3 (value chain indirect) emissions for the first time, which clearly demonstrates our commitment to cover as sound as possible the emission sources, directly or remotely. Data and performance transparency are positively influencing our balance sheet by potentially enhancing our reputation among environmentally conscious investors and clients.

We have identified that the transition to utilizing motor gasoline cars for deliveries has introduced new direct emissions, accounting for 0.221 tCO_2e. This shift has implications for our asset valuation, as we may need to reassess the carrying amounts of our transportation assets in light of increased operational costs associated with emissions management and compliance with environmental regulations.

Financial Performance

Our financial performance has also been influenced by climate-related opportunities. By proactively managing our energy consumption and improving efficiency, as evidenced by a reduction in Scope 2 emissions from 144.122 to 142.925 tCO_2e, we have realized cost savings that have positively impacted our profit margins. The implementation of energy-efficient practices, such as the installation of LED lighting and promoting employee awareness regarding conservation, has contributed to lower utility expenses.

Furthermore, the absence of product recalls or service-related complaints, attributed to our rigorous quality assurance processes, has safeguarded our revenue streams. A strong commitment to sustainability and ethical practices has allowed us to strengthen our brand value and customer loyalty, translating into stable sales performance.

Cash Flows

In terms of cash flows, our operational efficiencies have led to improved cash generation from our core business activities. The investments in sustainable practices, such as waste management and energy efficiency, have yielded positive cash flow results by reducing operational costs. However, we anticipate that the transition risks associated with evolving regulatory frameworks may require us to allocate additional capital toward compliance measures in the coming year.

Opportunities for Growth

The growing market demand for sustainable and ethically produced fashion presents opportunities for revenue growth. By positioning ourselves as a leader in sustainable apparel, we can attract new customers and retain existing ones, enhancing our overall financial performance.

Conclusion

In summary, as we at JC Fashion Group assess our financial position, performance, and cash flows, it is evident that climate-related risks and opportunities play a pivotal role in shaping our strategy. By adhering to the financial reporting standards under HKFRS and ensuring that our climate considerations are reflected in our financial statements, we are committed to transparently disclosing the impacts of these factors. This approach not only safeguards our business interests but also aligns with our mission to contribute positively to the environment and society. As we continue to evaluate and adapt to these challenges and opportunities, we aim to maintain our financial health while upholding our commitment to sustainability.

Expected Changes in Financial Position

Short Term (1-3 years):

JC Fashion Group Limited anticipates moderate impacts on its financial position due to ongoing investments in sustainable materials and climate-resilient logistics. The company plans to allocate capital toward diversifying supply chains and integrating energy-efficient technologies, which may result in initial increased capital expenditure. Funding for these initiatives will primarily come from internal cash flows and existing credit facilities.

Medium Term (4-6 years):

As climate resilience measures mature, the company expects improved supply chain stability and operational efficiency, leading to more predictable revenues and potentially reduced insurance and operational costs. Planned disposals include non-core assets that may no longer align with sustainability goals, optimizing asset utilization.

Long Term (7-10 years):

The strategic investments are expected to enhance overall financial stability, supporting sustained growth. The company's focus on sustainable practices may open new market opportunities, improving revenue streams. Planned funding sources include reinvested earnings, green financing options, and potential strategic partnerships aligned with climate goals.

Expected Changes in Financial Performance and Cash Flows

Short Term:

Initial investments in climate resilience and sustainability initiatives may temporarily increase capital expenditures, potentially impacting short-term cash flows. However, these investments are expected to mitigate risks and reduce costs associated with climate-related disruptions.

Medium Term:

Operational efficiencies and supply chain diversification are projected to enhance cash flow stability and improve profitability margins. Reduced physical and transition risks should translate into lower resilience-related costs and insurance premiums.

Long Term:

By embedding sustainability into its core business model, JC Fashion Group Limited expects to realize long-term financial benefits, including increased revenue from sustainably produced products, improved brand value, and access to favorable financing conditions. Overall, the company anticipates strengthened cash flows, supporting ongoing investment and shareholder value creation.

5. Climate Resilience

(A) Assessment of Climate Resilience

(i) Implications for Strategy and Business Model

Our assessment of climate resilience indicates that our business model is generally robust against current climate-related risks, but it does reveal areas where we must enhance our adaptability. The effects identified include increased frequency and intensity of extreme weather events, which could disrupt our supply chain and delivery processes.

To respond effectively, we are committed to diversifying our supplier base and investing in climate-resilient logistics solutions. This includes exploring alternative transportation methods and supply chains that can withstand unpredictable weather patterns. Additionally, we plan to integrate climate risk assessments into our strategic planning to ensure that our operations remain sustainable under varying climate scenarios.

(ii) Significant Areas of Uncertainty

During our assessment, we identified several significant uncertainties that could impact our climate resilience:

1. Physical Risks: The unpredictability of extreme weather events poses a substantial risk to our operations, particularly in regions prone to flooding or severe storms.

2. Transition Risks: Changes in regulations and market preferences towards more sustainable practices could affect our cost structure and product offerings.

3. Consumer Behavior: The evolving expectations of our customers regarding sustainability could change our strategic focus and product development.

(iii) Capacity to Adjust Strategy and Business Model

We recognize that the capacity to adjust our strategy and business model is crucial for long-term resilience. Our current initiatives, such as investing in energy-efficient technologies and sustainable materials, position us well to adapt. We are also committed to ongoing staff training to enhance our collective capability to respond to climate-related challenges. Over the short to medium term, we aim to strengthen our operational flexibility by adopting a circular economy approach, which will further solidify our resilience to climate impacts.

(B) Climate-Related Scenario Analysis

Climate Resilience Analysis for JC Fashion Group Limited

As part of our commitment to sustainability and responsible business practices, we at JC Fashion Group Limited have conducted a thorough assessment of our climate resilience. This analysis is essential for understanding how our strategy and business model can adapt to climate-related changes, developments, and uncertainties. The insights gained from this assessment will guide our future decisions and investments in sustainability initiatives.

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(B) Climate-Related Scenario Analysis

(i) How and When the Analysis Was Carried Out

Our climate-related scenario analysis was conducted in early 2024, aligning with our annual review cycle.

Inputs Used:

1. Climate Scenarios: We utilized scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), focusing on both transition risks (like policy shifts towards carbon neutrality) and physical risks (such as increased temperatures and severe weather).

2. Diversity of Scenarios: The analysis included a range of scenarios, from a business-as-usual approach with minimal climate action to aggressive mitigation strategies that align with international climate agreements like the Paris Agreement.

3. Risks Considered: We assessed both transition risks, including regulatory changes and shifts in consumer preferences, and physical risks related to climate impacts on our supply chain and operations.

4. Relevance of Scenarios: These scenarios were deemed relevant as they reflect potential future states that could significantly impact our business environment and operational viability.

5. Time Horizons: The analysis projected impacts over three-time horizons: short-term (1-3 years), medium-term (4-6 years), and long-term (7-10 years).

6. Scope of Operations: The analysis encompassed all our operations, particularly focusing on our key markets in Hong Kong and Mainland China, where we have significant supply chain activities.

(ii) Key Assumptions Made

Key assumptions underlying our analysis included:

- A gradual increase in regulatory pressures to reduce carbon emissions.

- Consumer preferences shifting towards sustainable products over the next decade.

- The likelihood of increasingly severe weather events disrupting supply chains.

(iii) Reporting Period

The climate-related scenario analysis was completed for its first time in the first quarter of 2025, providing us with timely insights as we finalize our strategies for the upcoming fiscal year.

Conclusion

Through this climate resilience analysis, we at JC Fashion Group have gained valuable insights into the implications of climate-related changes on our business model. We remain committed to continuous improvement and adaptation in our strategies, ensuring that we not only respond to climate-related risks but also seize opportunities that arise from the transition towards a more sustainable economy. Our ongoing efforts will focus on enhancing our resilience and contributing positively to the communities and environments in which we operate.

III. RISK MANAGEMENT

1. Risk Management

(A) Climate-Related Risk Management Processes

Identification and Assessment:

To identify climate-related risks, we utilize a combination of qualitative and quantitative measures. Our processes involve gathering data from reputable sources, including climate reports, academic studies, and government publications. We cover all our operations, particularly focusing on our primary locations in Hong Kong and Mainland China. This comprehensive scope ensures that we have a holistic understanding of the risks we face.

Scenario Analysis:

We employ climate-related scenario analysis as a pivotal component of our risk identification process. By modeling various climate scenarios, we can ascertain how different future conditions may affect our business operations. This analysis helps us to visualize potential impacts from extreme weather events, regulatory changes, and shifts in market dynamics, enabling us to prepare accordingly.

Risk Assessment:

When assessing risks, we evaluate their nature, likelihood, and magnitude. Our assessment criteria include both qualitative factors — such as potential reputational damage — and quantitative thresholds, including financial implications of disruptions. This multifaceted approach allows us to gauge the severity of risks accurately and to develop appropriate response strategies.

Prioritization:

In prioritizing climate-related risks, we consider their potential impact relative to other types of risks we encounter. By aligning climate risks with our overall risk framework, we ensure that they receive the attention they deserve in our strategic planning and decision-making processes.

Monitoring:

We continuously monitor climate-related risks through regular reviews and updates to our risk management framework. This includes tracking changes in climate patterns, regulatory developments, and technological advancements that could influence our risk landscape. Our management team is tasked with overseeing these monitoring efforts, ensuring that we remain agile in our response to emerging risks.

Process Changes:

Compared to the previous reporting period, we have enhanced our processes by incorporating more advanced data analytics tools and expanding our scenario analysis capabilities. This evolution reflects our commitment to staying ahead of climate-related challenges and refining our risk management approach continually.

(B) Climate-Related Opportunities

In addition to risks, we actively identify and assess climate-related opportunities that can drive innovation and growth within our company. Our processes for recognizing these opportunities parallel those used for risks:

Identification and Assessment:

We analyze market trends, consumer preferences, and regulatory incentives that favor sustainable practices. This evaluation helps us uncover new avenues for growth, such as developing eco-friendly products and optimizing supply chain efficiencies.

Scenario Analysis:

Similar to our risk assessment, we utilize climate-related scenario analysis to evaluate potential opportunities. By understanding how different climate scenarios may influence market dynamics, we can position ourselves to capitalize on emerging trends and adapt our business strategies accordingly.

(C) Integration Into Overall Risk Management

The processes we use for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are fully integrated into our overall risk management framework. This integration ensures that climate considerations are embedded in our strategic decision-making, allowing us to align our business objectives with sustainability goals. By fostering a culture of resilience and adaptability, we are better equipped to navigate the complexities of climate change while driving long-term value for our stakeholders.

In summary, at JC Fashion Group, we are committed to an ongoing journey of enhancing our climate-related risk management processes, ensuring that we are proactive in addressing both challenges and opportunities that arise from the changing climate landscape.

The Group has implemented a structured process for identifying, assessing, and managing climate-related opportunities, integrated within its overall environmental and governance framework. This process includes the following key steps:

1. Governance and Oversight: The Board of Directors is responsible for empowering department heads to implement measures that mitigate climate-related risks and seize opportunities. Regular alignment of the Group's development strategy with its Environmental, Social, and Governance (ESG) performance ensures that climate considerations are prioritized at the highest levels.

2. Risk Assessment: The Group conducts thorough analyses of current and potential climate-related risks to understand their impact on the business. This includes evaluating both acute risks (like extreme weather events) and chronic risks (such as prolonged high temperatures) that could affect operations and market demand.

3. Opportunity Identification: By analyzing climate-related risks, the Group also identifies potential opportunities, such as the development of new eco-friendly products or the enhancement of energy efficiency in operations. This proactive approach allows the Group to innovate and adapt to changing market conditions.

4. Integration into Strategic Planning: Climate-related opportunities are integrated into the Group's strategic planning and decision-making processes. This includes setting general targets for improvement in sustainability practices and exploring specific initiatives aimed at reducing greenhouse gas emissions and enhancing resource efficiency.

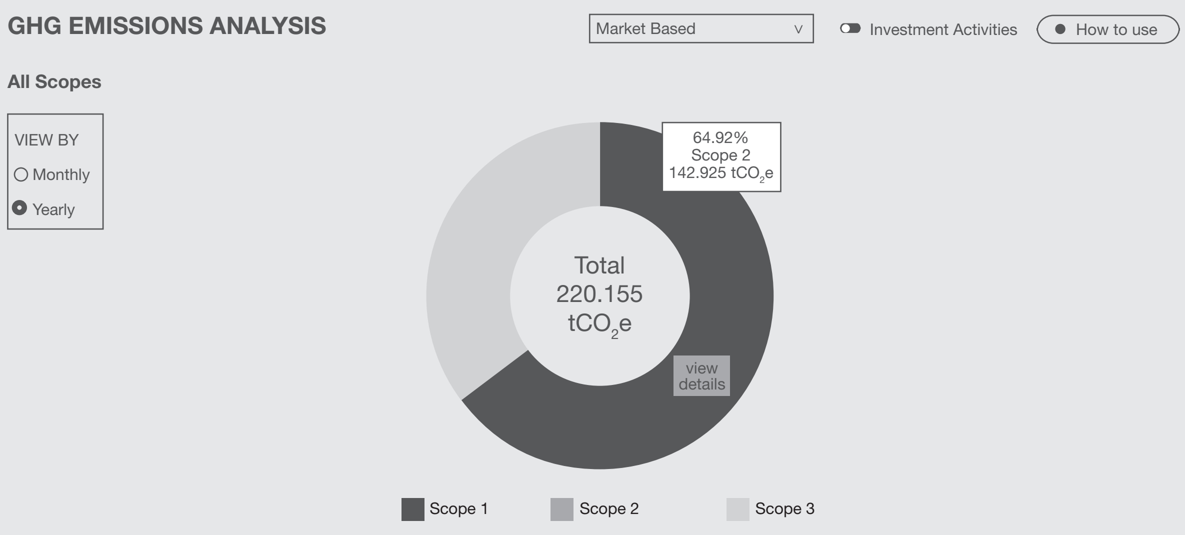
5. Monitoring and Reporting: The Group monitors the effectiveness of its climate-related strategies and initiatives, regularly reviewing progress against established goals. This ongoing assessment allows for adjustments to be made as necessary to optimize performance and capitalize on emerging opportunities.

Through this structured process, the Group aims to not only mitigate climate-related risks but also to leverage opportunities for sustainable growth and innovation within its operations.

IV. METRICS AND TARGETS

1. Greenhouse Gas (GHG) Emissions

Scopes	Emission (tCO_2e)
Total Emissions	220.155
Scope 1	0.310
Scope 2	142.925
Scope 3	76.920
Scope 3 Upstream	20.846
Cat6	20.846
Cat4	0.000
Cat5	0.000
Cat3	0.000
Cat1	0.000
Scope 3 Downstream	56.074
Cat9	56.074
Cat12	0.000
Cat11	0.000



2. Climate-Related Transition Risks

JC Fashion Group Limited identifies several climate-related transition risks that could impact its operations and financial performance:

Regulatory Changes: The Group may face increased compliance costs due to evolving government regulations aimed at reducing carbon emissions. Adapting to these new regulations may require significant investment in sustainable practices.

Market Shifts: There is a growing consumer demand for sustainable and eco-friendly products. Failure to adapt to these market preferences could lead to a loss of market share and revenue.

Investment in Sustainable Practices: Transitioning to sustainable practices and technologies could incur initial costs, impacting short-term cash flow, although it may lead to long-term benefits.

3. Climate-Related Physical Risks

The Group faces several climate-related physical risks that could impact operations and assets. The key physical risks include:

Acute Risks: The company is vulnerable to severe weather events, such as typhoons and heavy rainfall, which could disrupt logistics and supply chain operations, leading to delays and potential damage to inventory.

Chronic Risks: Prolonged high temperatures may affect workforce productivity and increase energy consumption for cooling, raising operational costs. Additionally, climate change could shift consumer demand patterns, impacting the sales of seasonal products.

4. Climate-Related Opportunities

JC Fashion Group Limited sees a number of opportunities arising from climate-related challenges, which can drive growth, innovation, and strengthen our market position:

Sustainable Products:

By integrating sustainable materials and eco-friendly practices into our product lines, we can meet the increasing consumer demand for responsible fashion. This positions us as a leader in environmentally conscious apparel, helping us expand our market share and enhance brand loyalty.

Operational Efficiency:

Implementing energy-efficient technologies and waste reduction initiatives can significantly lower operational costs. Using renewable energy sources and optimizing supply chain logistics not only reduces our carbon footprint but also improves resource efficiency, leading to long-term cost savings.

Green Financing:

Engaging in green financing options allows us to access favorable funding conditions, such as green bonds or sustainability-linked loans. These financial instruments support our investments in sustainable infrastructure and innovations, reducing our overall cost of capital and reinforcing our commitment to environmental responsibility.

Brand Reputation and Customer Loyalty:

Promoting our sustainability initiatives and achieving recognized certifications enhances our brand image. This builds trust with consumers who prioritize responsible brands, fostering customer loyalty, encouraging repeat business, and differentiating us in a competitive marketplace.

Partnerships and Collaborations:

Working with industry peers, NGOs, and government agencies enables us to share knowledge, resources, and best practices. These collaborations can accelerate the development of sustainable innovations and help us meet environmental targets more effectively, amplifying our impact.

Adaptation to Regulatory Changes:

Staying ahead of evolving environmental regulations offers opportunities to innovate and improve our business practices. Proactive compliance not only minimizes legal risks but also positions us as an industry leader committed to responsible operations, opening doors to new business models and markets.

Employee Engagement and Innovation:

Encouraging our workforce to participate in sustainability initiatives fosters a culture of innovation and responsibility. Engaged employees contribute ideas for sustainable practices, which can lead to operational improvements and inspire further initiatives, strengthening internal morale and external reputation.

5. **Capital Deployment**

No concrete capital expenditure, financing or investment was deployed towards climate-related risks and opportunities in the Reporting Year.

6. Internal Carbon Prices

The Group is currently in the process of evaluating the incorporation of a carbon pricing mechanism into its decision-making framework. While a carbon price has not yet been applied, the Group recognizes the importance of this approach in enhancing its sustainability efforts and aligning with global best practices. In the near future, the Group will endeavor to develop and implement a carbon pricing strategy that reflects its commitment to environmental responsibility and supports informed decision-making across its operations.

7. Remuneration

During the report year, climate-related considerations have not been incorporated into the Group's remuneration policy. However, the Group recognizes the importance of aligning its compensation practices with sustainability goals and is committed to gradually integrating these considerations into its remuneration framework. Moving forward, the Group will begin to use climate-related factors as a reference point in remuneration decisions, ensuring that executive and employee incentives are aligned with our sustainability objectives and long-term commitment to environmental responsibility. This step-by-step approach will facilitate the development of a comprehensive remuneration strategy that supports and rewards efforts towards achieving our climate targets.

8. Industry-Based Metrics

The Group is committed to advancing its sustainability performance by establishing industry-based metrics. We are currently collecting relevant data to establish a baseline, which will serve as the foundation for setting meaningful performance targets. These metrics and related initiatives will be disclosed in due course, reflecting our ongoing dedication to transparency and continuous improvement in our ESG practices.

9. Climate-Related Targets

The Group is dedicated to advancing its climate strategy by actively collecting data, conducting analysis, and utilizing modelling to establish a comprehensive baseline and develop future projections. We are committed to setting meaningful climate-related targets and will disclose these targets and related initiatives in due course, demonstrating our ongoing commitment to sustainable and responsible environmental stewardship.

10. Applicability of Cross-Industry Metrics And Industry-Based Metrics

The Group is committed to strengthening its ESG capabilities by applying relevant cross-industry and industry-specific metrics as part of our capacity-building efforts and data collection processes. We are actively working to enhance data availability and integrate these metrics into our sustainability framework. These initiatives will be disclosed in due course, underscoring our dedication to transparency and continuous improvement in our ESG practices.

SOCIAL

B1. EMPLOYMENT

B1. General Disclosure

Policies

Compensation and Dismissal: The Group is committed to providing fair and competitive compensation packages that are aligned with industry standards. The compensation structure is designed to reward performance and promote employee retention. Dismissal procedures are conducted in accordance with local labor laws, ensuring that employees are treated with respect and dignity throughout the process. Employees are given clear reasons for any dismissal, and the Group adheres to legal requirements concerning notice periods and severance pay.

Recruitment and Promotion: The Group employs a transparent and merit-based recruitment process that focuses on selecting the most qualified candidates. Job postings are made publicly to attract a diverse talent pool. Promotion policies are based on performance evaluations and the potential for growth within the organization, ensuring that all employees have equal opportunities for advancement.

Working Hours and Rest Periods: The Group complies with local labor regulations regarding working hours and rest periods. Employees are encouraged to maintain a healthy work-life balance, and flexible working arrangements are available where feasible. Regular breaks are provided during work hours, and employees are entitled to leave in accordance with statutory requirements.

Equal Opportunity and Diversity: The Group is committed to fostering a diverse and inclusive workplace. It has established policies that promote equal opportunity for all employees, regardless of gender, age, ethnicity, or any other characteristic. Training programs on diversity and inclusion are implemented to create awareness and facilitate a respectful work environment.

Anti-discrimination: The Group has a strict anti-discrimination policy that prohibits any form of discrimination or harassment in the workplace. Employees are encouraged to report any incidents of discrimination, and the Group takes immediate action to investigate and address such claims.

Benefits and Welfare: The Group offers a range of employee benefits aimed at enhancing the well-being of its workforce. These include health insurance, retirement plans, and professional development opportunities. The Group also promotes employee engagement through team-building activities and wellness programs.

Compliance with Relevant Laws and Regulations

The Group adheres to all relevant labor laws and regulations in both Hong Kong and Mainland China, including but not limited to:

– Labor Law: The Group complies with the Labor Law of the People's Republic of China and the Employment Ordinance in Hong Kong, ensuring that employment contracts, working hours, and conditions meet legal standards.

– Occupational Safety and Health Ordinance: The Group ensures compliance with health and safety regulations to provide a safe working environment for all employees.

– Equal Opportunities Ordinance: The Group upholds the principles of equal opportunity and non-discrimination as mandated by local legislation, actively promoting diversity and inclusion in the workplace.

– Wage and Employment Legislation: The Group complies with all regulations regarding minimum wage, overtime pay, and other employment standards, ensuring that all employees receive fair compensation for their work.

B1.1 Total Workforce by Gender, Employment Type (for Example, Full- or Part-Time), Age Group and Geographical Region

Total Employee & Percentage by Age Group

Age Group	19 and below	20 – 29	30 – 39	40 – 49	50 – 59	60 or above
Total Employees	0	11	12	15	9	2
% of Total	0%	22.4%	24.5%	30.6%	18.4%	4.1%

Information on Employees by Region & Employment Type

Region	Full-time	Total
Hong Kong	19	19
Mainland China	27	27
UK	3	3

Information on Employees by Gender & Employment Type

Employment Type	Male	Female	Total
Full-time	15	34	49
Total	15	34	49

The employee demographics reveal a workforce of 49 individuals, predominantly female (69%) and mostly aged between 40-49 years (30.6%), with the largest regional representation in Mainland China (55%) and a significant presence in Hong Kong (39%). The age distribution shows no employees under 19, indicating a mature, stable workforce, with the majority in the 30-39 (24.5%) and 40-49 (30.6%) age groups at the Group. All employees are full-time, reflecting a focus on long-term employment. Nevertheless, the gender imbalance and regional concentration remind the Group with potential areas for strategic development, such as fostering gender diversity and attracting younger talent to ensure workforce sustainability.

B1.2 Employee Turnover Rate

Resigned Employee and Turnover Rate by Geographical Region

Geographical Region	Resigned Employees	Turnover Rate
Hong Kong	10	20%
Mainland China	6	12%
UK	2	4%

Resigned Employee and Turnover Rate by Gender

Gender	Resigned Employees	Turnover Rate
Male	6	12%
Female	12	24%

Resigned Employee And Turnover Rate By Age Group

Age Group	Resigned Employees	Turnover Rate
19 and below	0	0%
20 – 29	13	27%
30 – 39	4	8%
40 – 49	1	2%
50 – 59	0	0%
60 or above	0	0%

The employee turnover rate analysis reveals insights into resigned employees across various categories. In geographical terms, Hong Kong experienced the highest turnover rate at 20% with 10 resigned employees, followed by Mainland China with 12% and 6 resigned employees, while the UK had the lowest at 4% with 2 resignation. Gender-wise, female employees exhibited a higher turnover rate of 24% with 12 resignations, compared to 12% for males with 6 resignations. Analyzing age groups, the 20-29 bracket showed the highest turnover at 27% with 13 resignations, while the 30-39 age group had a turnover rate of 8% with 4 resignations, and the older age groups (40-49, 50-59, and 60 or above) reported minimal resignations, with turnover rates of 2% and 0% for the 40-49 and 50-59 age groups respectively, and no resignations in the under-19 and 60 or above categories.

B2. HEALTH AND SAFETY

B2 General Disclosure

Policies

The Group has established comprehensive policies aimed at providing a safe working environment and protecting employees from occupational hazards. These policies are integral to the Group's commitment to ensuring employee well-being and maintaining high standards of health and safety within its operations. Key components of the Group's health and safety policies include:

1. Occupational Health and Safety Compliance: The Group adheres strictly to relevant local and international regulations, including the Occupational Safety and Health Ordinance in Hong Kong and applicable labor laws in Mainland China. This ensures that all operations meet or exceed statutory safety requirements.

2. Risk Assessment: Regular assessments are conducted to identify potential occupational hazards, enabling proactive measures to mitigate risks. This includes evaluating work environments, equipment, and tasks to ensure safe working conditions.

3. Training and Awareness: The Group prioritizes training programs for all employees to enhance their understanding of workplace safety protocols. Regular workshops and training sessions cover topics such as emergency procedures, safe equipment handling, and ergonomic practices to promote overall well-being.

4. Health Promotion Initiatives: The Group encourages a healthy work-life balance by promoting health and wellness initiatives. This includes access to health resources, encouraging regular breaks, and providing information on managing stress and maintaining mental well-being.

5. Safety Equipment and Resources: The Group ensures that all employees have access to necessary personal protective equipment (PPE) and safety tools. Regular inspections and maintenance of equipment are conducted to ensure their safety and functionality.

6. Emergency Preparedness: The Group has established emergency response plans to address potential workplace incidents, including evacuation procedures, first aid protocols, and communication strategies for crisis situations.

7. Employee Engagement: The Group fosters a culture of safety by encouraging employee feedback and participation in health and safety initiatives. Employees are empowered to report hazards and contribute to safety improvements.

Compliance with Relevant Laws and Regulations

The Group is committed to complying with all relevant laws and regulations that impact occupational health and safety. This includes:

1. Occupational Safety and Health Ordinance: Compliance with the Ordinance ensures that the Group meets the legal requirements for workplace safety in Hong Kong. This encompasses obligations related to risk assessments, safety training, and reporting workplace injuries.

2. Labour Laws: The Group adheres to labor laws in both Hong Kong and Mainland China, ensuring fair treatment of employees, protection from exploitation, and the right to a safe working environment.

3. Fire Safety Regulations: The Group complies with fire safety regulations by conducting regular fire drills, ensuring that fire exits are accessible, and maintaining fire prevention equipment.

4. Environmental Health Regulations: The Group follows environmental health regulations that pertain to maintaining a safe and healthy workplace, including regulations governing the use of hazardous materials and waste disposal.

5. Continuous Monitoring and Reporting: The Group regularly reviews and updates its policies to align with any changes in legislation. Internal audits and compliance checks are conducted to ensure adherence to health and safety regulations, and any non-compliance issues are addressed promptly.

B2.1 Work-Related Fatalities

May 2024 – April 2025

	Person
Number of fatally injured workers	0
Employed workers	0
Fatalities rate	–

May 2023 – April 2024

	Person
Number of fatally injured workers	0
Employed workers	0
Fatalities rate	–

May 2022 – April 2023

	Person
Number of fatally injured workers	–
Employed workers	–
Fatalities rate	–

B2.2 Lost Days Due to Work Injury

	day(s)
Number of days lost due to injury/illness	0

Zero Lost Day

JC Fashion Group Limited is committed to maintaining a safe and healthy working environment for all employees. As a testament to this commitment, the Group has achieved zero lost days due to work injury during the reporting period. This reflects our continuous efforts in implementing rigorous safety protocols, providing comprehensive safety training, and fostering a safety-first culture across all operations. Prioritizing staff safety not only safeguards our employees but also supports sustainable operational performance and enhances overall organizational resilience.

B2.3 Occupational Health and Safety

Occupational Health and Safety Measures

The Group prioritizes the occupational health and safety of its employees by implementing a comprehensive framework that adheres to relevant regulations and promotes a safe working environment. Below is a description of the measures adopted, along with their implementation and monitoring processes:

1. Compliance with Regulations

   The Group adheres strictly to occupational health and safety regulations, including the Occupational Safety and Health Ordinance in Hong Kong and applicable laws in Mainland China. These regulations provide a foundation for creating a safe and healthy workplace.

2. Safety Policies and Training

   – Safety Policies: The Group has established clear safety policies that outline the responsibilities of employees and management in maintaining a safe work environment. These policies cover various aspects of workplace safety, including hazard identification, risk assessment, and emergency procedures.

   – Training Programs: Regular safety training sessions are conducted for all employees, focusing on safe work practices, emergency response protocols, and the proper use of safety equipment. New hires receive orientation training that includes health and safety topics.

3. Risk Assessment and Management

   – Regular Risk Assessments: The Group conducts thorough risk assessments to identify potential hazards in the workplace. This includes evaluating work processes, equipment, and environmental conditions.

   – Mitigation Measures: Based on the risk assessments, the Group implements appropriate control measures to mitigate identified risks. This may include engineering controls, administrative controls, and personal protective equipment (PPE).

4. Monitoring and Reporting

   – Incident Reporting System: The Group has a robust incident reporting system that encourages employees to report any accidents, near misses, or unsafe conditions. This system is critical for identifying trends and areas for improvement.

   – Regular Inspections: Safety inspections are conducted regularly to ensure compliance with safety policies and to identify potential hazards. These inspections are documented, and corrective actions are taken promptly.

   – Health Monitoring: The Group monitors employee health by providing access to health assessments and resources to promote well-being. Employees are encouraged to participate in health programs and initiatives.

5. Emergency Preparedness

   – Emergency Response Plans: The Group has developed emergency response plans to address various scenarios, including fire, natural disasters, and medical emergencies. These plans are regularly reviewed and updated.

   – Drills and Simulations: Regular emergency drills are conducted to ensure employees are familiar with evacuation procedures and emergency responses. Feedback from these drills is used to refine emergency plans.

6. Continuous Improvement

   – The Group is committed to continuous improvement in occupational health and safety practices. Regular feedback from employees, safety audits, and changes in regulations are taken into account to enhance safety measures.

By implementing these comprehensive occupational health and safety measures, the Group not only complies with legal requirements but also fosters a culture of safety and well-being among its employees. This commitment to health and safety reflects the Group's dedication to providing a safe and conducive working environment, ultimately enhancing productivity and employee satisfaction.

B3. DEVELOPMENT AND TRAINING

B3. General Disclosure

Policies on Improving Employees' Knowledge and Skills

The Group is committed to fostering a culture of continuous learning and professional development. Recognizing that the knowledge and skills of its employees are essential for the successful execution of their duties, the Group has implemented comprehensive training policies aimed at enhancing workforce capabilities. These policies are designed to ensure that all employees are equipped with the necessary skills and knowledge to perform their roles effectively and to adapt to the evolving demands of the apparel industry.

Key elements of the Group's training policies include:

1. Identification of Training Needs: The Group conducts regular assessments to identify skills gaps and training needs across various departments. This proactive approach allows for the development of targeted training programs that align with both individual career aspirations and organizational objectives.

2. Diverse Training Opportunities: The Group offers a variety of training options, including internal training sessions, external workshops, and vocational courses, ensuring that employees have access to a wide range of learning experiences. This diversity enables employees to choose training that best fits their learning styles and career goals.

3. Encouragement of Continuous Learning: Employees are encouraged to pursue continuous education and skill development through both formal and informal learning opportunities. The Group supports initiatives that promote lifelong learning and professional growth.

4. Performance Evaluation and Feedback: The Group integrates training outcomes into its performance evaluation process, providing employees with feedback on their development progress and areas for improvement. This feedback loop ensures that training is relevant and effective in enhancing job performance.

Description Of Training Activities

In the reporting year, the Group significantly enhanced its training programs, resulting in a notable increase in average training hours provided to employees. Below are key training activities undertaken during the year:

1. Internal Training Sessions: The Group organized a series of internal training workshops focused on skill development in areas such as product quality control, supply chain management, and customer service excellence. These sessions were conducted by experienced team members and aimed to equip employees with practical knowledge directly applicable to their roles.

2. External Workshops and Courses: Employees had the opportunity to participate in external workshops and vocational courses, funded by the Group. These programs covered various topics, including leadership development, digital marketing, and sustainable practices in fashion. Participation in these courses allowed employees to gain insights from industry experts and best practices from the broader market.

3. Mentorship Programs: The Group launched mentorship initiatives pairing junior employees with senior management. This program facilitated knowledge transfer, provided guidance on career development, and fostered a supportive learning environment within the organization.

4. Training for Compliance and Safety: To ensure adherence to occupational health and safety regulations, the Group conducted mandatory training on workplace safety practices. This training emphasized the importance of creating a safe working environment and included practical exercises to reinforce safety protocols.

5. Evaluation of Training Effectiveness: Following each training activity, the Group conducted evaluations to assess employee satisfaction and the effectiveness of the training content. Feedback was collected to inform future training initiatives and to ensure continuous improvement.

Overall, the Group's training policies and activities reflect a strong commitment to enhancing employees' knowledge and skills, thereby supporting their professional growth and the overall success of the organization.

B3.1 Employees Trained

The Percentage of Employees Trained – by Gender

Gender	Percentage
Male	100%
Female	100%

The Percentage of Employees Trained – by Employee Category

Employee Category	Percentage
Junior employees	100%
Middle level management	100%
Senior management	100%

B3.2 Average Training Hours

Average Hours of Training – by Gender

Gender	Total number of training hours provided	Average training hours per employee
Male	48	3.2
Female	48	1.371

Average Hours of Training – by Employee Category

Employee Category	Total number of training hours provided	Average training hours per employee
Junior employees	48	2
Middle level management	30	3.75
Senior management	24	1.5

B4. LABOUR STANDARDS

B4. General Disclosure

Policies

The Group has established comprehensive policies to combat child labor and forced labor, including:

– Stringent Recruitment Standards: Managed by the Human Resources and Administration Department, recruitment processes involve rigorous screening, verification of personal data, and strict adherence to ethical hiring criteria.

– Zero-Tolerance Policy: Immediate termination of labor contracts linked to child or forced labor, followed by thorough investigations and disciplinary actions against perpetrators or enablers.

- Employee Rights Protection: Emphasis on voluntary employment, prohibition of coercion or exploitation, and guarantees of fair compensation (monetary or compensatory rest) for extended overtime work.

- Proactive Safeguards: Regular audits and verification processes to ensure alignment with international labor standards and social accountability principles.

Compliance with Relevant Laws and Regulations

The Group demonstrates full compliance with labor laws and regulations governing child and forced labor through:

- Legal Adherence: Recruitment practices strictly follow national and international employment laws, including age verification and labor rights protections.

- Mandatory Screenings: Systematic checks during hiring to confirm applicants' eligibility and legal working status, ensuring no involvement of underage or coerced labor.

- Enforcement Mechanisms: Contract termination, investigations, and disciplinary measures for violations, reflecting alignment with legal frameworks and ethical standards.

- Unblemished Compliance Record: No reported incidents of child or forced labor during the Reporting Year, validating adherence to legal requirements and upholding the organization's commitment to integrity and social responsibility.

B4.1 Avoid Child And Forced Labour

The Group demonstrates a steadfast dedication to eliminating child labor and forced labor by implementing a robust framework of strict measures designed to uphold ethical labor standards and protect worker rights.

Guided by policies developed by the Human Resources and Administration Department, the recruitment process adheres to precise criteria to ensure transparency and compliance. Rigorous screening practices include detailed verification of applicants' personal information, ensuring alignment with labor regulations and confirming the absence of child or forced labor. These measures underscore the Group's commitment to ethical hiring and social accountability.

At the heart of the Group's principles is the protection of employee rights and well-being. Employment is strictly voluntary, and the organization firmly opposes any form of coercion or exploitation. In cases requiring extended overtime, the Group ensures appropriate compensation, whether through additional time off or fair payment, reflecting its emphasis on equitable treatment and a balanced work environment.

By maintaining these rigorous standards, the Group establishes a benchmark for ethical labor management in its industry. Its proactive approach to safeguarding worker dignity and rights positions it as a model of responsible corporate citizenship, championing sustainable and humane business practices globally.

B4.2 Steps Taken to Eliminate Such Practices

The Group maintains a strict zero-tolerance stance toward child labor and forced labor. Should such cases be identified within its operations, management will act swiftly by terminating all associated labor contracts immediately. Comprehensive investigations will follow to determine the scope of the issue and identify individuals involved in or enabling of such breaches. Those found responsible will face appropriate disciplinary actions. These decisive steps reinforce the Group's uncompromising position against workplace exploitation.

During the Reporting Year, the Group upheld an unblemished record with no reported cases of child or forced labor. This reflects its consistent commitment to ethical labor practices and fostering a safe, respectful workplace. The achievement highlights the organization's dedication to safeguarding employee rights and upholding its core values of integrity, accountability, and social responsibility.

B5. SUPPLY CHAIN MANAGEMENT

B5. General Disclosure

Policies

JC Fashion Group Limited is committed to responsible sourcing and sustainability. The Group enforces strict policies, including Supplier Selection Criteria, to oversee its supply chain, which expanded to 27 partners during the year.

Suppliers undergo annual evaluations, including factory inspections and third-party audits (e.g., SMETA), to ensure compliance with standards against child labor, forced labor, discrimination, unsafe conditions, and environmental violations. Non-compliant suppliers are removed or placed on corrective action plans, with persistent issues leading to termination.

The Group prioritizes environmentally sustainable procurement by selecting suppliers offering recyclable, low-pollution, and resource-efficient products. It emphasizes collaboration, training, and ongoing monitoring to promote eco-friendly practices. Contracts include specific sustainability commitments, ensuring continuous improvement.

Through these measures, JC Fashion aims to mitigate risks, promote ethical standards, and support environmental responsibility across its supply chain.

B5.1 Number & Region of Suppliers

Number of Suppliers by Geographical Region

Geographical Region	Amount	Unit
Mainland China	5	supplier
Hong Kong	8	supplier

B5.2 Practices Relating to Engaging Suppliers

The Group enforces rigorous oversight of its supply chain through established policies, including "Supplier Selection Criteria", which govern the vetting and continuous assessment of suppliers. Annual evaluations of suppliers' environmental and social performance are conducted, with a focus on quality and compliance. During the Reporting Year, the Group had 13 supplier network, comprising 8 in Hong Kong and 5 in mainland China.

A dedicated supply chain management team ensures adherence to quality and ethical standards through on-site factory inspections, product quality controls, and third-party assessments. Suppliers are evaluated against strict criteria, including prohibitions on child/forced labor, non-discrimination, safe working conditions, environmental compliance, and alignment with legal frameworks. Non-compliant suppliers are excluded or removed, with corrective actions mandated for lapses. The Group employs external auditors (e.g., SMETA) to verify ethical practices, continuing partnerships only if audits meet customer expectations.

For underperforming suppliers, the Group enforces corrective plans followed by re-evaluations. Persistent failures result in termination of collaboration. Environmentally sustainable procurement is prioritized, favoring suppliers offering recyclable, low-pollution, and resource-efficient products. Suppliers with harmful production practices are disqualified.

Selection of apparel suppliers also considers industry-specific factors: technical expertise, financial stability, operational efficiency, quality control systems, and ethical track records. This holistic approach ensures alignment with the Group's dual goals of responsible sourcing and advancing green production-consumption cycles.

B5.3 Environmental and Social Risks

The Group employs a comprehensive approach to identify environmental and social risks along its supply chain, ensuring that both ethical and sustainable practices are upheld. Below is a description of the practices used to identify these risks and how they are implemented and monitored:

1. Supplier Selection and Evaluation

Supplier Selection Criteria:

The Group has established stringent supplier selection criteria that emphasize environmental and social performance. Potential suppliers are assessed based on their adherence to ethical labor practices, environmental standards, and compliance with relevant laws.

Annual Evaluations:

The Group conducts regular evaluations of approved suppliers on an annual basis. This involves assessing suppliers' environmental and social impacts through audits and compliance checks to ensure they meet the Group's standards.

2. Risk Assessment Framework

The Group utilizes risk assessment tools to identify potential environmental and social risks associated with suppliers' operations. This includes evaluating factors such as labor practices, waste management, resource usage, and overall sustainability practices.

Stakeholder Engagement:

Engagement with stakeholders, including suppliers and industry experts, helps in identifying emerging risks and best practices. Feedback from stakeholders is integrated into the risk assessment framework to ensure comprehensive risk identification.

3. Corrective Action Plans

If a supplier is found to be non-compliant with environmental or social standards, the Group requires them to implement corrective action plans. The Group follows up to ensure that identified issues are addressed within a specified timeframe.

Continuous Improvement:

The Group encourages suppliers to adopt continuous improvement practices in their operations. This may include training and capacity-building efforts to enhance suppliers' sustainability practices.

4. Performance Monitoring

The Group establishes KPIs related to environmental and social performance for its suppliers. These KPIs are monitored regularly to assess supplier performance and identify areas for improvement.

Regular Reporting:

Suppliers are required to provide regular reports on their environmental and social practices. This documentation is reviewed by the Group to ensure ongoing compliance and to identify any potential risks.

B5.4 Promote Environmentally Preferable Products

To promote environmentally preferable products and services when selecting suppliers, The Group employs a robust framework of practices aimed at ensuring sustainability and ethical standards throughout its supply chain. The following practices are implemented and monitored:

1. Supplier Selection Criteria: The Group has established comprehensive written policies and guidelines, known as the Supplier Selection Criteria, which emphasize the importance of environmental responsibility. These criteria include evaluating suppliers based on their environmental impact, adherence to sustainable practices, and compliance with relevant environmental laws and regulations.

2. Preference for Eco-friendly Products: The Group prioritizes suppliers that offer products with reduced environmental footprints. This includes sourcing materials that are recyclable, made from sustainable resources, or produced with minimal pollution. During the procurement process, suppliers are assessed for their commitment to sustainable practices, such as using eco-friendly dyes and materials, reducing waste, and implementing energy-efficient production processes.

3. Collaboration and Communication: The Group engages in frequent communication with suppliers regarding environmental expectations and standards. This includes providing guidance on sustainable practices, sharing resources for improving environmental performance, and encouraging suppliers to adopt innovative solutions that minimize environmental impact.

4. Training and Capacity Building: The Group offers training and capacity-building initiatives for suppliers to enhance their understanding of environmental issues and best practices. This includes workshops, seminars, and resource-sharing opportunities that encourage suppliers to adopt environmentally friendly practices in their operations.

5. Monitoring and Reporting: The Group has established a systematic monitoring process to track suppliers' compliance with environmental standards. This involves regular reporting and feedback mechanisms, where suppliers are required to provide updates on their environmental practices and improvements. The Group reviews these reports to ensure ongoing adherence to sustainability criteria.

6. Sustainability Commitment in Contracts: Environmental considerations are integrated into supplier contracts, which outline specific sustainability obligations and performance expectations. Suppliers are required to commit to continuous improvement in their environmental practices as part of their contractual agreement with the Group.

By implementing these practices, JC Fashion Group Limited not only promotes environmentally preferable products and services but also fosters a culture of sustainability among its suppliers, contributing to the overall environmental stewardship of the apparel industry.

B6. PRODUCT RESPONSIBILITY

B6. General Disclosure

The lack of product recalls related to safety or health concerns during the Reporting Year demonstrates the Group's effective quality management systems, focus on customer needs, streamlined operations, and strong reputation in the sector. This achievement underscores the organization's proactive approach to maintaining product integrity and safety, which builds consumer confidence, enhances brand loyalty, and solidifies its role as a trusted and respected competitor in the market.

B6.1 Percentage of Total Products Sold or Shipped Subject to Recalls for Safety and Health Reasons

The Group maintained a flawless record of 0% product recalls linked to safety or health concerns during the Reporting Year. This achievement directly reflects stringent quality assurance protocols, customer-centric practices, and operational excellence. By prioritizing product integrity, the Group has strengthened stakeholder trust, reinforced brand reliability, and solidified its leadership as a responsible and dependable entity in the industry.

B6.2 Number of Products and Service-Related Complaints Received and How They are Dealt with

The lack of complaints regarding products or services throughout the Reporting Year highlights the Group's strong dedication to delivering safe, high-quality solutions. This accomplishment showcases the organization's proactive efforts to exceed customer standards and cultivate trust-based relationships. By maintaining flawless performance with no reported grievances, the Group solidifies its image as a trustworthy, client-focused leader in the sector. This consistency not only strengthens customer loyalty and brand credibility but also positions the organization as a benchmark for reliability and excellence in meeting stakeholder expectations.

B6.3 Observing and Protecting Intellectual Property Rights

In its apparel supply chain management operations, the Group prioritizes the protection of intellectual property (IP) rights. A deeply ingrained culture of respect for IP exists across the organization, with employees rigorously complying with legal standards to secure intellectual assets and trademarks.

The Group strictly adheres to IP-related legislation, particularly the detailed requirements of China's Trademark Law and Hong Kong's Trade Marks Ordinance, demonstrating its dedication to legal compliance and fostering ethical business practices. To reinforce this commitment, the organization has established comprehensive internal policies and protocols to protect both its own IP and that of its clients, ensuring proactive measures are in place to prevent misuse or infringement.

Special attention is given to handling sensitive materials such as product design sketches and technical documents, which often contain proprietary customer information. These materials are securely stored in controlled environments, with access restricted to only designated teams — such as merchandising and design staff — and pre-approved personnel.

By implementing these strict safeguards, the Group not only meets legal obligations but also promotes a culture of accountability and confidentiality within its supply chain operations. This approach underscores their ethical standards and dedication to maintaining client confidence while safeguarding valuable intellectual property in the competitive apparel industry.

B6.4 Quality Assurance Process and Recall Procedures

The Group has established a detailed "Quality Control Policy and Procedures" document, supported by a dedicated QA/QC Department, to systematically ensure product quality. As a design and procurement service provider, the Group enforces a rigorous pre-production protocol with approved suppliers. This includes securing customer approvals on design details, safety/material standards, sample specifications, and labeling requirements.

The QA/QC team oversees supplier selection and compliance with quality benchmarks. On-site inspectors evaluate raw materials, production stages, and final goods through sampling at supplier facilities, ensuring alignment with both internal standards and client expectations.

For product liability, the Group assumes responsibility for defect-related claims. Upon receiving a complaint, it investigates root causes — whether internal (e.g., oversight in QA/QC processes) or external (e.g., supplier errors). If internal negligence is confirmed, the Group initiates recalls, compensates clients, and reviews protocols. For supplier-related defects, it pursues claims against the responsible party, mitigating liability risks.

By integrating strict quality protocols, proactive inspections, and responsive complaint resolution, the Group reinforces its commitment to excellence, upholds customer trust, and strengthens its reputation as a reliable partner in delivering superior apparel products.

B6.5 Consumer Data Protection and Privacy Policies

The Group maintains a strict no-advertising policy to prioritize operational focus and efficiency. In safeguarding data privacy, all collected personal information is securely stored and used exclusively for business-related purposes.

Robust data protection guidelines are embedded in the Group's Staff Instructions, explicitly barring employees from sharing confidential company or customer data during or after their employment. Regular training sessions and internal communications emphasize the importance of information security, reinforcing compliance.

A zero-tolerance approach is enforced against confidentiality breaches, with violations leading to potential termination or legal consequences. The Group also mandates confidentiality agreements with authorized suppliers to prevent unauthorized sharing of customer data or product designs without prior consent.

An internal oversight team ensures adherence to these protocols. Notably, no customer data breaches or related complaints were reported during the Reporting Year, validating the effectiveness of these measures.

Additionally, the Group operates a direct feedback channel for stakeholders to voice concerns or grievances, ensuring swift resolution and reinforcing its commitment to transparency and accountability in all operations. This structured approach underscores the organization's dedication to data integrity, trust, and ethical engagement with clients and partners.

B7. ANTI-CORRUPTION

B7. General Disclosure

The Group is committed to upholding the highest standards of integrity and ethical conduct in all its business operations. To this end, it has established comprehensive policies and procedures aimed at preventing bribery, extortion, fraud, and money laundering. These policies are outlined within the Group's Staff Instructions and emphasize the importance of ethical behavior, transparency, and accountability among all employees and directors.

All personnel are required to adhere strictly to relevant laws and regulations in both Hong Kong and Mainland China. This includes compliance with the Prevention of Bribery Ordinance (Cap 201 of the Laws) and the Securities and Futures Ordinance in Hong Kong, as well as the Anti-Money Laundering and Counter-Terrorist Financing guidelines issued by the Securities and Futures Commission. In Mainland China, compliance with the Criminal Law of the People's Republic of China is also strictly enforced.

To reinforce this commitment, the Group provides regular, comprehensive anti-corruption training to directors and staff. These sessions cover key topics such as risk recognition, legal obligations, reporting procedures, and the importance of maintaining integrity. Employees are trained through workshops, online modules, and case studies, with periodic refresher courses to keep staff informed of evolving regulations and best practices.

The Group has implemented clear reporting mechanisms that enable staff to report concerns or violations confidentially and without fear of retaliation. All reports are thoroughly investigated in a fair and impartial manner, with escalation procedures in place for issues involving management or relevant departments.

By maintaining a robust framework of policies, training, and compliance measures, the Group endeavors to foster a culture of integrity and ethical business practices. This commitment not only aligns with applicable legal requirements but also reinforces the Group's reputation as a responsible and trustworthy organization committed to combating bribery, extortion, fraud, and money laundering.

B7.1 Concluded Legal Cases Regarding Corrupt Practices

No Cases Regarding Corrupt Practices

During the Reporting Year, the Group remained free from any legal issues related to bribery, extortion, fraud, or money laundering. There were no lawsuits or legal proceedings initiated against the Group concerning corrupt practices during this period. This outstanding record highlights the Group's strong dedication to maintaining the highest ethical standards and conducting business with integrity and transparency. By avoiding legal conflicts tied to illegal activities, the Group reinforces its commitment to ethical practices and sets a commendable example within the industry. This approach not only bolsters the Group's reputation as a trustworthy and responsible organization but also showcases its firm resolve to operate in full compliance with legal and ethical standards.

B7.2 Preventive Measures and Whistle-Blowing Procedures

The Group is fully dedicated to adhering to legal and regulatory standards aimed at preventing bribery, extortion, fraud, and money laundering in both Hong Kong and Mainland China. This commitment involves compliance with key laws such as the Prevention of Bribery Ordinance (Cap 201 of the Laws) in Hong Kong, the Securities and Futures Ordinance, and the Anti-Money Laundering and Counter-Terrorist Financing guidelines issued by the Securities and Futures Commission. In Mainland China, strict adherence to the Criminal Law of the People's Republic of China is equally essential.

To ensure compliance and protect the Group's interests, employees are required to follow these laws and regulations diligently to prevent any involvement in illicit activities. The Group has established specific policies and guidelines within its Staff Instructions that specify expected employee conduct regarding these issues. Upon joining the organization, employees must commit to refraining from any actions that could lead to corruption.

For instance, if an employee receives a gift or monetary benefit exceeding HK$500 from a supplier or related party, they are obliged to report it immediately to the administration department. The Group strictly forbids accepting gifts above this threshold to maintain ethical standards.

Furthermore, any concerns or reports of non-compliance with these policies can be directed to the personnel and administration department. If the issue involves the department itself, employees are instructed to escalate it to the general manager. The Group commits to conducting thorough, fair, and impartial investigations of all reports.

Through a robust compliance framework and clear reporting channels, the Group strives to cultivate a culture of integrity, transparency, and accountability among its staff, thereby protecting its reputation and operational integrity in Hong Kong, Mainland China, and beyond.

B7.3 Anti-Corruption Training

The Group provides comprehensive anti-corruption training to all directors and staff to promote awareness and understanding of ethical business practices. This training program covers key topics such as recognizing and preventing bribery, extortion, fraud, and money laundering, as well as understanding relevant legal and regulatory requirements in Hong Kong and Mainland China.

The training sessions are designed to equip employees with the knowledge to identify potential risks and ensure compliance with the Group's policies and applicable laws. Participants learn about the importance of maintaining integrity, the proper procedures for reporting suspicious activities, and the consequences of non-compliance.

Delivered through a combination of workshops, online modules, and case studies, the anti-corruption training emphasizes the Group's commitment to fostering a culture of transparency and ethical conduct. Regular refresher sessions are also conducted to keep staff updated on new regulations and reinforce the importance of ethical behavior in all business dealings.

B8. COMMUNITY INVESTMENT

B8. General Disclosure

The Group will endeavor to prioritize structured engagement with local communities to align operations with their needs and interests. Key policies include:

1. ***Needs Assessment***

   Conduct regular consultations, surveys, and partnerships with local stakeholders to identify priorities.

2. ***Strategic Focus Areas***

   Invest in five pillars to address community needs and operational impacts:

   – Education: Scholarships, skills training, infrastructure.

   – Health: Healthcare access, mental health support, preventive care.

   – Environment: Reforestation, clean energy, waste management.

   – Inclusion: Equity programs, diversity initiatives, barrier removal.

   – Development: Infrastructure, cultural spaces, community hubs.

3. ***Inclusive Collaboration***

   Partner with local organizations and marginalized groups to co-design projects.

4. ***Accountability***

   – Publish annual impact reports with measurable outcomes.

   – Monitor initiatives via KPIs and adapt based on feedback.

5. ***Ethical Standards***

   – Embed ESG principles into decision-making.

   – Proactively mitigate negative operational impacts on communities.

This policy ensures activities advance community well-being while fostering sustainable, equitable growth.

B8.1 Focus Areas of Contribution

The Group acknowledges the significant impact that investing in local communities can have in supporting marginalized populations, strengthening community bonds, and promoting a society rooted in fairness and empathy. Unfortunately, over the last year, the Group did not dedicate targeted efforts or funding to initiatives aimed at broader societal benefit.

Moving forward, the Group intends to prioritize community investments that address potential negative impacts of its activities on local populations. By actively participating in initiatives focused on local needs, the Group aims to contribute constructively to the well-being of communities in its operational areas, ensuring lasting positive outcomes.

B8.2 Resources Contributed to the Focus Area

Moving forward, the Group will progressively prioritize five strategic focus areas for community investment to generate shared value and advance positive social and environmental outcomes. These pillars include:

1. Education: Funding educational programs — including scholarships, school infrastructure improvements, mentorship opportunities, and vocational training — to equip individuals with skills and knowledge, fostering sustainable socio-economic growth.

2. Health and Well-being: Backing initiatives that expand healthcare accessibility, advance disease prevention, provide mental health resources, and enhance holistic wellness to support healthier populations and stronger communities.

3. Environmental Conservation: Prioritizing ecological preservation efforts such as reforestation projects, clean energy adoption, responsible resource management, and biodiversity protection to safeguard natural ecosystems and bolster climate resilience.

4. Social Inclusion and Diversity: Championing diversity-focused programs that ensure equitable participation, dismantle systemic barriers, and cultivate inclusive environments where diverse voices are valued and empowered.

5. Community Development: Strengthening community foundations through investments in essential infrastructure, public amenities, cultural preservation, and collaborative spaces to nurture community cohesion and civic pride.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The Group is principally engaged in supply of apparel products to online fashion retailers and fashion retailers, the provision of consultation services, and the provision of institutional catering to private institution.

RESULTS AND DIVIDEND

Details of the audited consolidated results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report.

The Board does not recommend the payment of a final dividend for the Year (30 April 2024: Nil).

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the Year, the key factors affecting its results and financial position, and the information on the compliance with laws and regulations, environmental policy and relationships with stakeholders are set out in the section headed "Management Discussion and Analysis" of this annual report. Furthermore, a fair review of, and an indication of likely future development in the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Save as disclosed in this annual report, since the end of the Year, no important event affecting the Group has occurred.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong for the Year.

The Group also complies with the requirements under the Companies Act (revised) of the Cayman Islands, the Listing Rules and the SFO for the disclosure of information and corporate governance.

REPORT OF THE DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of principal risks including currency risk, interest rate risk, credit risk and liquidity risk. The risk management policies and practices of the Group are shown in note 32 to the consolidated financial statements.

Other risks facing by the Group are set out in the section headed "Principal Risks and Uncertainties" of Management Discussion and Analysis and "Risks relating to the business of the Group" of the announcement relating to the Transfer of Listing dated 11 March 2020.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the latest five financial years of this annual report. This summary does not form part of the consolidated financial statements.

SUBSIDIARIES

Details (including the principal activities) of the Company's subsidiaries as at 30 April 2025 are set out in note 36 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

CHARITABLE DONATIONS

The Group did not make any charitable and other donations during the Year and the year ended 30 April 2025.

DISTRIBUTABLE RESERVES

As at 30 April 2025, the Company did not have any reserves available for distribution, calculated in accordance with the Companies Act (revised) of the Cayman Islands (30 April 2024: Nil). Such amount represented share premium after setting off accumulated losses of the Company, which may be distributable provided that immediately following the date on which the dividend is proposed to distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Island, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in note 28 to the consolidated financial statements.

DIRECTORS

During the Year and thereafter up to the date of this report, the Directors are named as follows:

Executive Directors
Mr. Choi King Ting, Charles
(Chairman and Chief Executive Officer)
Mr. Choi Ching Shing
Ms. Li Li Mei *(appointed on 31 December 2024)*

Independent non-executive Directors
Mr. Lai Kwok Hung, Alex
Mr. Yeung Chuen Chow, Thomas
Mr. Cüneyt Bülent Bilâloğlu

Pursuant to article 109 of the Article, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules as at the date of this report and considers all the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group of this annual report.

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with all executive Directors for a term of three years. The contracts shall be continuing thereafter unless and until terminated by either party thereto giving to the other not less than six months written notice.

In addition, the Company has entered into letter of appointments with independent non-executive Directors for a term of three years.

No Directors proposed for re-election at the 2025 annual general meeting have service contracts, which are not determinable by the Company within one year without payment of compensation, other than statutory compensation.

TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the business of the Group to which the Company, or its holding company, or any of its subsidiaries was a party and in which a director or a connected entity of a director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year, nor was there any transaction, arrangements or contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries for the Year. There was also no contract of significance between the Company or one of the subsidiaries and the controlling shareholders or any of its subsidiaries.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Year.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors on a named basis during the Year are set out in note 10 to the consolidated financial statements.

REMUNERATION POLICY

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company provides a comprehensive benefit package for all employees as well as career development opportunities. This includes retirement schemes, medical insurance, other insurances, in-house training, on-the job training, external seminars and programs organised by professional bodies and educational institutions.

PERMITTED INDEMNITY PROVISION

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group.

Pursuant to the Articles, the Directors shall be indemnified and secured harmless out of the assets of the Company from all actions, costs, charges, losses, damages and expenses, which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 April 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 13 of Appendix D2 to the Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Shares held	Percentage of shareholding in the Company's issued share capital
Mr. Charles Choi (Note 1)	Interest in controlled corporation	23,000,000(L)	71.88%
	Beneficial owner	970,000(L)	3.03%
	Total	23,970,000	74.91%
Mr. Lai Kwok Hung, Alex	Beneficial owner	10,000(L)	0.03%

Notes:

1. Mr. Charles Choi directly owns 100% of JC Fashion International Group Limited ("JC International"), which in turn holds 71.88% of the issued share capital of the Company. Mr. Charles Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO.

2. The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 30 April 2025, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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 and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rule 13 of Appendix D2 to the Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company or any other associated corporations" above, at no time during the Year were any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or any of their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 30 April 2025, the following persons (not being Directors or chief executive of the Company) will have or be deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholder	Nature of interests	Number of Shares held	Percentage of shareholding in the Company's issued share capital
JC International (Note 1)	Beneficial owner	23,000,000(L) (Note 2)	71.88%

Notes:

1. Mr. Charles Choi directly owns 100% of JC International, which in turn holds 71.88% of the issued share capital of the Company. Mr. Charles Choi is deemed, or taken to be interested in, all the Shares held by JC International for the purpose of the SFO.

2. The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 30 April 2025, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER

Our Directors believe that our Group is capable of carrying on our business independently of our Controlling Shareholder in view of the Group has maintained independence on management independence, operational independence and financial independence since the Listing Date of the Company. Details of the independence from the controlling shareholders are set out in the section headed "Relationship with the Controlling Shareholders" of the Prospectus.

SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 30 April 2025, no other person is individually or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales for the Year generated from the Group's major customers is as follows:

– The largest customer	29.3%
– Five largest customers	82.2%

The percentage of suppliers for the Year attributable to the Group's major suppliers is as follows:

– The largest supplier	34.0%
– Five largest suppliers	85.6%

None of the Directors, their close associates (as defined in the Listing Rules) or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had any beneficial interest in any of the Group's five largest customers or its five largest suppliers for the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year and up to the date of this annual report, the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the Year and up to the date of this report, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under the Listing Rules.

NON-COMPETITION UNDERTAKING

Each of the covenants of the deed of non-competition dated 21 February 2017 ("Non-Competition Undertakings"), Mr Charles Choi and JC International ("Covenants"), has made annual declarations to the Company that during the years ended 30 April 2024 and 2025, they have complied with the terms of the Non-Competition Undertakings. Details of the Non-Competition Undertakings are set out in the section headed "Relationship with our Controlling Shareholders" of the Prospectus.

The independent non-executive Directors have reviewed the status of compliance by each of the Covenants with the undertakings in the Non-Competition Undertakings and as far as the independent non-executive Directors can ascertain, the undertakings have been fully complied with and enforced during the years ended 30 April 2024 and 2025. The executive Directors and the independent non-executive Directors also confirm that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has set up an Audit and Risk Management Committee on 21 February 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and section D3 of the CG Code. The duties of the Audit and Risk Management Committee are to review relationship with the Company's external auditors, review the Company's financial information, oversee the Company's financial reporting system and internal control procedures and oversee the Company's continuing connected transactions. The Audit and Risk Management Committee comprises all three independent non-executive Directors, namely Mr. Lai Kwok Hung, Alex, who is the chairman of the Audit and Risk Management Committee, Mr. Yeung Chuen Chow, Thomas and Mr. Cüneyt Bülent Bilâloğlu. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit and Risk Management Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 34 to the consolidated financial statements in this annual report. None of these related party transactions constituted a connected transaction as defined under the Listing Rules for the Year.

SUFFICIENCY OF PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital are held by the public at all times throughout the Year and thereafter up to the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holdings of the Shares.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to implementing good corporate governance practices. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after the Year and up to the date of this report.

INDEPENDENT AUDITORS

D & PARTNERS CPA LIMITED was appointed as the auditor of the Company by the Board with effect from 4 December 2020 to fill the causal vacancy following the resignation of Deloitte Touche Tohmatsu. Save for the above, there was no other change in the auditor of the Company since the Company listed on GEM on 21 March 2017.

The financial statements for the Year have been audited by D & PARTNERS CPA LIMITED. D & PARTNERS CPA LIMITED will retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint D & PARTNERS CPA LIMITED as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Choi King Ting, Charles
Chairman, Executive Director
and Chief Executive Officer

Hong Kong, 29 July 2025

INDEPENDENT AUDITOR'S REPORT

D & PARTNERS
CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS OF SG GROUP HOLDINGS LIMITED
樺欣控股有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of SG Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 99 to 173, which comprise the consolidated statement of financial position as at 30 April 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 30 April 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on supply of apparel products	
We identified the recognition of revenue pertaining to the supply of apparel products to fashion retailers as a key audit matter due to the significance of the amount contributed to total revenue as disclosed in the consolidated statement of profit or loss and other comprehensive income. The judgement on the point of revenue recognition by the management is significant. Revenue from the supply of apparel products is recognised when the customer obtains the control of the apparel products, being when the apparel products are delivered to the customers at the designated location and the control has passed to the customers. The accounting policy for revenue recognition is disclosed in note 5 to the consolidated financial statements. The Group recognised revenue from the supply of apparel products of HK$142,604,000 (2024: HK$121,042,000) for the year ended 30 April 2025, which is disclosed in note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition on supply of apparel products included: • Obtaining an understanding of the Group's revenue business process on supply of apparel products and the key controls over revenue recognition on supply of apparel products performed by the management; • Testing the key controls over revenue recognition from contracts with customers on supply of apparel products; • Sampling the contracts with customers on supply of apparel products and evaluating the content of the contracts with reference to Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers"; • Applying analytical procedures technique to identify any unusual patterns of revenue on supply of apparel products for the year and, inquiring of management and evaluating the management's response to any unusual patterns identified pertaining to revenue on supply of apparel products identified; and • Agreeing the details of a sample of revenue transactions on supply of apparel products to the corresponding supporting documents such as invoices, bills of lading and acknowledgements of receipt.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables	
We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period. As at 30 April 2025, the Group's net trade receivables amounting to approximately HK$39,383,000 (2024: approximately HK$11,564,000) which represented approximately 34% (2024: 11%) of total assets of the Group. As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables individually. The provision rates are based on external credit ratings considering the individual debtor's historical default rate, adjusted with considering forward-looking information that is reasonable and supportable available without undue costs or effort that are specific to each debtor. As disclosed in note 33 to the consolidated financial statements, the Group had impairment loss recognised on trade receivables of approximately HK$2,126,000 (2024: HK$1,381,000) for the year ended 30 April 2025.	Our procedures in relation to impairment assessment of trade receivables included: • Understanding key controls on how the management estimates the loss allowance for trade receivables; • Testing the accuracy of information used by management in determining credit loss allowance, including trade receivables ageing analysis as at 30 April 2025, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents; • Discussing with the management and assessing the reasonableness of the management's basis and judgement in determining credit loss allowance on trade receivables as at 30 April 2025, including their identification of credit impaired trade receivables and the basis of estimated loss rates applied in each category (with reference to historical default rates and forward-looking information); and • Evaluating the disclosures regarding the impairment assessment of trade receivables in note 33 to the consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment, intangible assets and right-of-use assets	
We identified the impairment of property, plant and equipment, intangible assets and right-of-use assets as a key audit matter because of its significance to the consolidated financial statements and high degree of management judgement involved in determining the recoverable amounts. As disclosed in notes 15, 18 and 16 to the consolidated financial statements, the carrying amounts of property, plant and equipment was HK$13,528,000 (2024: HK$15,944,000), the carrying amount of intangible assets was HK$514,000 (2024: HK$1,982,000) and the carrying amount of right-of-use assets was HK$1,230,000 (2024: HK$2,280,000) as at 30 April 2025. The calculation of the recoverable amount requires the management of the Group to estimate the higher of fair value less costs of disposal and value in use of those assets. Management reviewed the recoverable amounts of the property, plant and equipment, intangible assets and right-of-use assets at the end of the reporting period by estimating the respective fair value less costs of disposal and value in use of these assets to determine the impairment amount required to write down these assets to their recoverable amounts. As disclosed in note 7 to the consolidated financial statements, no impairment loss was provided for property, plant and equipment (2024: Nil), no impairment loss was provided for intangible assets and right-of-use assets for the year ended 30 April 2025.	Our procedures in relation to impairment of property, plant and equipment, intangible assets and right-of-use assets included: • Understanding how the management performs the impairment assessment in respect of the property, plant and equipment, intangible assets and right-of-use assets; • Evaluating the management's assessment in estimating recoverable amount of the property, plant and equipment, intangible assets and right-of-use assets; • Testing and checking the accuracy of the calculation of recoverable amount of the property, plant and equipment, intangible assets and right-of-use assets; and • Comparing the Group's cash flow forecast with the historical financial information upon which the cash flow forecast is based.

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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards applied.

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lau, Ming Tak Simeon.

D & PARTNERS CPA LIMITED
Certified Public Accountants
Lau, Ming Tak Simeon
Practising Certificate Number: P07579
Hong Kong

29 July 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2025

	NOTES	2025 HK$'000	2024 HK$'000
Revenue	5	**153,766**	122,905
Cost of sales and services		**(123,419)**	(104,586)
Gross profit		**30,347**	18,319
Other income	6	**1,077**	1,294
Other gains and losses	7	**(1,336)**	(2,768)
Impairment loss recognised on trade receivables		**(2,126)**	(1,381)
Administrative expenses		**(16,676)**	(17,176)
Selling and distribution expenses		**(17,062)**	(15,408)
Finance costs	8	**(479)**	(239)
Loss before tax	9	**(6,255)**	(17,359)
Income tax credit	12	**214**	212
Loss for the year		**(6,041)**	(17,147)
OTHER COMPREHENSIVE EXPENSE INCOME FOR THE YEAR			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(193)**	(484)
Other comprehensive expense for the year		**(193)**	(484)
Total comprehensive expense for the year		**(6,234)**	(17,631)
Loss per share			
– basic and diluted (Hong Kong dollars)	14	**(0.189)**	(0.536)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	15	**13,528**	15,944
Right-of-use assets	16	**1,230**	2,280
Investment properties	17	**4,760**	6,456
Intangible assets	18	**514**	1,982
Financial instrument at fair value through other comprehensive income ("FVTOCI")	21	**–**	–
		20,032	26,662
Current assets			
Inventories	19	**476**	45
Trade and other receivables	20	**65,494**	39,888
Tax recoverables		**15**	946
Financial assets at fair value through profit or loss ("FVTPL")	22	**36**	4,326
Bank balances and cash	23	**30,439**	32,430
		96,460	77,635
Current liabilities			
Contract liabilities	24	**2,189**	518
Trade and other payables	24	**16,977**	7,586
Lease liabilities	25	**853**	1,038
Bank borrowings	27	**2,726**	4,094
Other borrowings	27	**10,000**	–
Tax payables		**127**	113
		32,872	13,349
Net current assets		**63,588**	64,286
Total assets less current liabilities		**83,620**	90,948
Non-current liabilities			
Lease liabilities	25	**415**	1,266
Deferred tax liabilities	26	**95**	338
		510	1,604
Net assets		**83,110**	89,344

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2025

	NOTE	**2025** **HK$'000**	2024 HK$'000
Capital and reserves			
Share capital	28	**320**	320
Reserves		**82,790**	89,024
Total equity		**83,110**	89,344

The consolidated financial statements on pages 106 to 173 were approved and authorised for issue by the Board of Directors on 29 July 2025 and are signed on its behalf by:

Mr. Choi King Ting Charles
DIRECTOR

Mr. Choi Ching Shing
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2025

	Share capital HK$'000	Share premium HK$'000	Statutory reserve HK$'000 (Note)	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 May 2023	320	39,201	456	(2,925)	404	69,519	106,975
Loss and total comprehensive expense for the year	–	–	–	–	(484)	(17,147)	(17,631)
At 30 April 2024	320	39,201	456	(2,925)	(80)	52,372	89,344
Loss and total comprehensive expense for the year	–	–	–	–	(193)	(6,041)	(6,234)
At 30 April 2025	320	39,201	456	(2,925)	(273)	46,331	83,110

Note: Amount represents statutory reserve of the subsidiary of the Company established in the People's Republic of China (the "PRC"). According to the relevant laws in the PRC, the subsidiary is required to transfer at least 10% of its net profit after tax, as determined under the relevant accounting principles and financial regulations applicable to enterprises established in the PRC, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2025

	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(6,255)**	(17,359)
Adjustments for:		
Depreciation of property, plant and equipment	**2,359**	1,602
Depreciation of right-of-use assets	**1,051**	502
Depreciation of investment properties	**144**	144
Amortisation of intangible assets	**1,468**	1,635
Finance costs	**479**	239
Impairment loss on trade receivables	**2,126**	1,381
Change in fair value of financial assets at FVTPL	**10**	1,203
Net realised loss in fair value of financial assets at FVTPL	**453**	1,624
Interest income	**(23)**	(376)
Write off on property, plant and equipment	**76**	–
Impairment loss recognised on investment properties	**1,552**	–
Operating cash flows before movements in working capital	**3,440**	(9,405)
(Increase) decrease in inventories	**(431)**	1,738
(Increase) decrease in trade and other receivables	**(27,734)**	20,501
Increase (decrease) in trade and other payables	**9,400**	(9,999)
Increase in contract liabilities	**1,671**	313
Cash (used in) generated from operations	**(13,654)**	3,148
Hong Kong Profits Tax refunded (paid)	**916**	(1,669)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	**(12,738)**	1,479
INVESTING ACTIVITIES		
Interest received	**23**	376
Purchase of property, plant and equipment	**(30)**	(4,104)
Proceeds from disposal of financial assets at FVTPL	**3,827**	3,965
NET CASH GENERATED FROM INVESTING ACTIVITIES	**3,820**	237

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2025

	2025 HK$'000	2024 HK$'000
FINANCING ACTIVITIES		
Other borrowings raised	**10,000**	–
Repayments of lease liabilities	**(1,036)**	(475)
Interest paid	**(479)**	(239)
Repayment of bank borrowings	**(1,368)**	(2,294)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	**7,117**	(3,008)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,801)**	(1,292)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**32,430**	34,165
Effect of foreign exchange rate changes	**(190)**	(443)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**30,439**	32,430

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

1. GENERAL

SG Group Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 8 October 2015. The ordinary shares of the Company was listed on GEM of The Stock Exchange of Hong Kong Limited in 2017. On 20 March 2020, the ordinary shares of the Company transferred and listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the directors, the immediate and ultimate holding company is JC Fashion International Group Limited which was incorporated in the British Virgin Islands ("BVI"). Its ultimate controlling party is Mr. Choi King Ting Charles ("Mr. Charles Choi") who is also a director and the chief executive of the Company.

The registered office of the Company is situated at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The address of the head office and the principal place of business of the Company is Unit B, 9/F., Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the supply of apparel products with design and sourcing services to fashion retailers and the provision of consultation services.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is different from the functional currency of the Company, being United States dollars ("US$"). The directors of the Company consider that presenting the financial information in HK$ is preferable as the principal place of business of the Company and its principal subsidiaries are in Hong Kong.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs 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 May 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs 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[3]
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[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or 1 January 2025.
3 Effective for annual periods beginning on or 1 January 2026.
4 Effective for annual periods beginning on or 1 January 2027.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact of the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

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.

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.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 5 and 24.

Property, plant and equipment

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, 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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Borrowing costs

Borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the year in which they are incurred.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

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

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In 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;
- 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 Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 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 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.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as a lessor (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Government grants

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

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

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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign 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 expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Exchange differences relating to the retranslation of the Group's net assets in US$ to the Group's presentation currency (i.e. HK$) are recognised directly in other comprehensive income and accumulated in exchange reserve. Such exchange differences accumulated in the exchange reserve are not reclassified to profit or loss subsequently.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets with finite useful lives 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 intangible 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property, plant and equipment and intangible 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 first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset 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 in the consolidated statement of financial position 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. 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 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.

3. 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.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

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.

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

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other gains and losses" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and bank balances) which are subject to impairment 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 always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, 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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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.

(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 1 year (2024: 1 year) past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

(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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (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 adjusted by 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.

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.

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

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

3. 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.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into 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 the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

Financial liabilities at amortised cost

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition 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.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and government-managed retirement benefit schemes, which are defined contribution retirement benefit plans, are recognised as an expense when employees have rendered service entitling them to the contributions.

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 the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 base 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 assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

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 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.

The carrying amount of deferred tax assets is reviewed at the end of the 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 rate (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 resulting 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.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgement, apart from those involving estimations (see below), that the directors of the Company 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.

Revenue recognition from sales of apparel products at a point in time

Under HKFRS 15, control of the asset is transferred over time when 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. Significant judgment is required in determining whether the terms of the Group's contracts with customers in relation to apparel products create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those relevant contracts. Based on the assessment of the Group's management, the apparel products have alternative use which do not create an enforceable right to payment for the Group. Accordingly, the sales of apparel products are considered to be performance obligation satisfied at a point in time.

Key source of estimation uncertainty

The following is the key source of estimation uncertainty at the end of the reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year from the end of the reporting period.

Provision of ECL for trade receivables

The Group uses individual assessment to calculate ECL for the trade receivables. The provision rates are based on external credit ratings considering the individual debtor's historical default rate, adjusted after considering forward-looking information that is reasonable and supportable available without undue costs or effort that are specific to each debtor. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. As at 30 April 2025, the carrying amount of trade receivables is HK$39,383,000 (2024: HK$11,564,000) and impairment loss of HK$5,004,000 (2024: HK$2,878,000). The information about the ECL is disclosed in note 33.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCE OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value measurement of financial instruments

In the absence of current prices in active market for similar unlisted equity interests, the Group determines the fair values by using discounted cash flow valuation technique with input not based on observable market data and other available information.

The carrying amounts of the unlisted investments as at 30 April 2025 was HK$Nil (2024: HK$Nil), further details of which are set out in note 21.

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

Property, plant and equipment, intangible assets and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) 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 (3) 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 belongs, 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. Where the actual future cash flows are less than expected, a material impairment loss may arise. The fair value less costs of disposal of certain assets have been determined from market available information.

As at 30 April 2025, the carrying amounts of property, plant and equipment, intangible assets and right-of-use assets subject to impairment assessment were HK$13,528,000, HK$514,000 and HK$1,230,000 (2024: HK$15,944,000, HK$1,982,000 and HK$2,280,000) respectively, after taking into account the impairment losses of HK$Nil (2024: HK$Nil) was recognised in respect of property, plant and equipment, no impairment loss was recognised for intangible assets and no impairment loss was recognised for right-of-use assets. Details of the impairment of property, plant and equipment, intangible assets and right-of-use assets are disclosed in notes 15, 18 and 16 respectively.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on supply of apparel products and provision of institutional catering.

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision makers (the "CODM"), which are used to make strategic decisions for the purposes of resource allocation and assessment of segment performance. The Group mainly sells apparel products with designing and sourcing services to fast fashion clothing retailers and newly provide institutional catering this year.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The details of the Group's each reportable segment is as follows:

Supply of Apparel Products – Traditional	Supply of branded label apparel products with designing and sourcing services to fashion retailers.
Supply of Apparel Products – New Retail	Supply of both branded label and influencer collaboration label apparel products with designing and sourcing services to fashion retailers.
Provision of institutional catering	Provision of institutional catering to private institution

This operating segments also represent the Group's reportable segments.

Segment revenue and results

For the year ended 30 April 2025

	Supply of Apparel Products – Traditional HK$'000	Supply of Apparel Products – New Retail HK$'000	Institutional catering HK$'000	Total HK$'000
Segment revenue				
Supply of Apparel Products				
Womenswear	76,744	44,769	–	121,513
Childrenswear	20,441	–	–	20,441
Menswear	–	650	–	650
	97,185	45,419	–	142,604
Institutional catering	–	–	11,162	11,162
	97,185	45,419	11,162	153,766
Segment profit (loss)	933	(5,765)	1,691	(3,141)
Unallocated income				194
Unallocated gains and losses				(1,201)
Unallocated expenses				(2,107)
Unallocated finance costs				–
Loss before tax				(6,255)

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 30 April 2024

	Supply of Apparel Products – Traditional HK$'000	Supply of Apparel Products – New Retail HK$'000	Institutional catering HK$'000	Total HK$'000
Segment revenue				
Supply of Apparel Products				
Womenswear	54,072	28,188	–	82,260
Childrenswear	15,241	–	–	15,241
Menswear	22,519	1,022	–	23,541
	91,832	29,210	–	121,042
Institutional catering	–	–	1,863	1,863
	91,832	29,210	1,863	122,905
Segment loss	(3,801)	(8,256)	(457)	(12,514)
Unallocated income				663
Unallocated gains and losses				(2,974)
Unallocated expenses				(2,534)
Unallocated finance costs				–
Loss before tax				(17,359)

Segment loss represents the loss from each segment without allocation of unallocated income and expenses mainly including certain depreciation on property, plant and equipment, depreciation on investment properties, change in fair value of financial assets at FVTPL, general office expenses, certain finance costs, and net foreign exchange gains. This is consistent with the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for both years.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue by type of products

	2025 HK$'000	2024 HK$'000
At a point in time:		
Supply of apparel products		
Womenswear	**121,513**	82,260
Childrenswear	**20,441**	15,241
Menswear	**650**	23,541
Institutional catering	**11,162**	1,863
	153,766	122,905

Revenue from the supply apparel products is recognised at a point in time, when control of the goods has transferred, being when the goods have been shipped to the designated location (delivery) and the control has passed to the customers.

Revenue from provision of institutional catering is recognised at a point in time when services have been provided to customers.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

Geographical information

Information about the Group's revenue from external customers is presented based on the geographic locations of where the customers received the goods and provision of services is detailed below:

	2025 HK$'000	2024 HK$'000
Revenue from external customers		
United States of America	**50,671**	49,401
United Kingdom (the "UK")	**75,573**	37,700
Canada	**–**	23,496
Germany	**15,578**	9,990
Hong Kong	**11,162**	1,863
Ireland	**–**	374
Others	**782**	81
	153,766	122,905

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

The following is an analysis of the carrying amounts of the Group's non-current assets (including property, plant and equipment, right-of-use assets, investment properties and intangible assets), analysed by the geographical area in which the assets are located:

	2025	2024
	HK$'000	HK$'000
Hong Kong	**16,631**	20,381
The PRC	**3,294**	5,552
The UK	**107**	729
	20,032	26,662

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue for the reporting period is set out below:

	2025	2024
	HK$'000	HK$'000
Customer A[1]	**–**	59,500
Customer B[1]	**45,043**	25,849
Customer C[1]	**20,711**	13,676
Customer D[1]	**39,908**	–
Customer E[1]	**15,665**	–

[1] Revenue generated from supply of apparel products segment.

Supply of Apparel Products – Traditional

Revenue arising from sales of branded label apparel products with designing and sourcing services to fashion retailers is recognised at a point in time when the customer obtains the control of the goods has been transferred to the customer at the point of deliver to customer.

Supply of Apparel Products – New Retail

Revenue arising from sales of both branded label and influencer collaboration label apparel products with designing and sourcing services to fashion retailers is recognised at a point in time when the customer obtains the control of the goods has been transferred to the customer at the point of deliver to customer.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue from provision of institutional catering

The Group recognises revenue from the provision of institutional catering to private institution. Revenue from provision of institutional catering is recognised at the point in time when services have been provided to customers. A receivable is recognised by the Group when the services are rendered to the customers at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Contract liabilities

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

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Sale with a right of return/exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);

(b) a refund liability/contract liability; and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

6. OTHER INCOME

	2025 HK$'000	2024 HK$'000
Dividend income	**18**	74
Government grants (Note)	**347**	230
Interest income	**23**	376
Rental income	**175**	187
Sample income	**295**	237
Others	**219**	190
	1,077	1,294

Note: During the current year, the Group recognised government grants HK$347,000 of which HK$321,000 (2024: HK$197,000) relates to Greater Bay Area Youth Employment Scheme and HK$26,000 (2024: HK$33,000) relates to SME Export Marketing Fund provided by the Hong Kong Government.

7. OTHER GAINS AND LOSSES

	2025 HK$'000	2024 HK$'000
Net exchange gains	**755**	59
Net unrealised loss on financial assets at FVTPL	**(10)**	(1,203)
Net realised loss on financial assets at FVTPL	**(453)**	(1,624)
Write off on property, plant and equipment	**(76)**	–
Impairment loss recognised on investment properties	**(1,552)**	–
	(1,336)	(2,768)

8. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on:		
Bank borrowings	**124**	187
Other borrowings	**280**	–
Lease liabilities	**75**	52
	479	239

9. LOSS BEFORE TAX

	2025 HK$'000	2024 HK$'000
Loss before tax has been arrived at after charging:		
Directors' remuneration (note 10)	**1,578**	1,448
Other staff costs	**11,940**	9,065
	13,518	10,513
Retirement benefit schemes contributions for other staffs	**767**	665
Total staff costs	**14,285**	11,178
Depreciation of property, plant and equipment	**2,359**	1,602
Depreciation of right-of-use assets	**1,051**	502
Depreciation of investment properties	**144**	144
Amortisation of intangible assets	**1,468**	1,635
Write off on property, plant and equipment	**76**	–
Impairment loss recognised on investment properties	**1,552**	–
Rental expenses in respect of short-term leases	**180**	1,145
Auditor's remuneration	**500**	500
Marketing expenses	**503**	3,392
Testing charges	**1,054**	868
Transportation	**3,890**	1,606
Cost of inventories recognised as expenses	**107,706**	99,068

10. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE

Mr. Charles Choi is a director and the chief executive of the Company and his emoluments are disclosed below include the service rendered by him as the chief executive.

Mr. Choi Ching Shing Benny ("Mr. Benny Choi"), who is the sibling of Mr. Charles Choi, is an executive director of the Company. Mr. Benny Choi was also a director of the operating subsidiaries of the Group during the year ended 30 April 2025.

10. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE (CONTINUED)

Directors and Chief Executive

Below details are the emoluments including fees, salaries and allowances and retirement benefit schemes contributions paid by the group entities to the directors of the Company and the chief executive of the Company during the year.

	Fees HK$'000	Salaries and allowances HK$'000	Performance bonus HK$'000	Retirement benefit schemes contributions HK$'000	Total HK$'000
For the year ended 30 April 2025					
Executive directors					
Mr. Charles Choi	**–**	**936**	**–**	**30**	**966**
Mr. Benny Choi	**–**	**120**	**–**	**6**	**126**
Ms. Li Li Mei (appointed on 31 December 2024)	**–**	**120**	**–**	**6**	**126**
	–	**1,176**	**–**	**42**	**1,218**
Independent non-executive directors					
Mr. Lai Kwok Hung, Alex	**120**	**–**	**–**	**–**	**120**
Mr. Yeung Chuen Chow, Thomas	**120**	**–**	**–**	**–**	**120**
Mr. Cüneyt Bülent Bilâloğlu	**120**	**–**	**–**	**–**	**120**
	360	**–**	**–**	**–**	**360**
	360	**1,176**	**–**	**42**	**1,578**
For the year ended 30 April 2024					
Executive directors					
Mr. Charles Choi	–	936	–	26	962
Mr. Benny Choi	–	120	–	6	126
	–	1,056	–	32	1,088
Independent non-executive directors					
Mr. Lai Kwok Hung, Alex	120	–	–	–	120
Mr. Yeung Chuen Chow, Thomas	120	–	–	–	120
Mr. Cüneyt Bülent Bilâloğlu	120	–	–	–	120
	360	–	–	–	360
	360	1,056	–	32	1,448

10. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE (CONTINUED)

Directors and Chief Executive (Continued)

The executive directors' emoluments shown above are for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above are for their services as directors of the Company.

None of the directors waived or agreed to waive any emoluments during the years ended 30 April 2025 and 2024.

11. EMPLOYEES' EMOLUMENTS

Employees

Included in the five individuals with the highest emoluments in the Group is Mr. Charles Choi whose emoluments are included in the disclosure in note 10 above. The accumulated emoluments of the remaining four (2024: four) highest paid individuals are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and allowances	**2,180**	1,830
Retirement benefit schemes contributions	**69**	52
	2,249	1,882

The number of the five highest paid individuals, whose emolument fell within the following bands is as follows:

	2025 **Number of** **employees**	2024 Number of employees
Nil to HK$1,000,000	**4**	5
HK$1,000,001 to HK$1,500,000	**1**	–

During the year, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX CREDIT

	2025	2024
	HK$'000	HK$'000
Current tax		
Hong Kong Profits Tax	**15**	–
UK Corporate Tax	**14**	29
Underprovision in prior years:		
Hong Kong	**–**	4
	29	33
Deferred tax credit (note 26)	**(243)**	(245)
	(214)	(212)

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million 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 is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the year. No provision for EIT is made for the years ended 30 April 2025 and 2024 as the Group has no assessable profit arising in the PRC or the assessable profits are wholly absorbed by tax losses brought forward from prior years.

The UK Corporate Tax is calculated at 19% of the taxable profits of subsidiary established in the UK.

12. INCOME TAX CREDIT (CONTINUED)

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

	2025 HK$'000	2024 HK$'000
Loss before tax	**(6,255)**	(17,359)
Tax at Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	**(1,032)**	(2,864)
Tax effect of expenses not deductible for tax purposes	**331**	805
Tax effect of income not taxable for tax purposes	**(231)**	(6)
Tax effect of tax losses not recognised	**1,142**	1,987
Tax effect of utilisation of tax losses not previously recognised	**(776)**	(33)
Tax effect of deductible temporary difference not recognised	**452**	40
Utilisation of deductible temporary differences previously not recognised	**(3)**	(3)
Tax effect of different rate of subsidiaries operating in other jurisdictions	**(79)**	(142)
Tax concession	**(16)**	–
Tax reduction	**(2)**	–
Underprovision in prior years	**–**	4
Income tax credit	**(214)**	(212)

Details of deferred taxation are set out in note 26.

13. DIVIDEND

No dividend was paid or proposed for the ordinary shareholders of the Company during the year ended 30 April 2025 (2024: Nil), nor has any dividend been proposed since the end of the reporting period.

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	2025 HK$'000	2024 HK$'000
Loss:		
Loss for the purpose of calculating basic loss per share (loss for the year)	**(6,041)**	(17,147)
	'000	'000
Weighted average number of shares:		
Number of ordinary shares for the purpose of calculating basic loss per share	**32,000**	32,000

No diluted loss per share for both years was presented as there were no potential ordinary shares in issue for both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Owned properties HK$'000	Fixture and furniture HK$'000	Leasehold improvement HK$'000	Catering equipment HK$'000	Total HK$'000
COST					
At 1 May 2023	15,544	2,754	5,914	–	24,212
Additions	–	48	3,972	84	4,104
Exchange realignment	–	(131)	(5)	–	(136)
At 30 April 2024	15,544	2,671	9,881	84	28,180
Additions	–	17	–	13	30
Write off	–	–	–	(97)	(97)
Exchange realignment	–	(31)	(1)	–	(32)
At 30 April 2025	15,544	2,657	9,880	–	28,081
DEPRECIATION AND IMPAIRMENT					
At 1 May 2023	6,707	1,668	2,340	–	10,715
Provided for the year	361	338	898	5	1,602
Exchange realignment	–	(78)	(3)	–	(81)
At 30 April 2024	7,068	1,928	3,235	5	12,236
Provided for the year	362	336	1,645	16	2,359
Eliminated on write off	–	–	–	(21)	(21)
Exchange realignment	–	(20)	(1)	–	(21)
At 30 April 2025	7,430	2,244	4,879	–	14,553
CARRYING VALUES					
At 30 April 2025	8,114	413	5,001	–	13,528
At 30 April 2024	8,476	743	6,646	79	15,944

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives, using the straight-line method and at the following rates per annum:

Owned properties	2% to 3.5% or over the lease term, whichever is shorter
Fixture and furniture	20%
Leasehold improvement	over the shorter of the term of the lease
Catering equipment	20%

Impairment assessment

For the year ended 30 April 2025 and 2024, the Group has performed impairment assessment on property, plant and equipment, intangible assets and right-of-use assets. Certain subsidiaries were loss making during the year due to the economic downturn. Impairment assessment is performed on subsidiaries with operating losses which is considered as an impairment indicator for the years ended 30 April 2025 and 2024.

The management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, intangible assets with finite useful lives and right-of-use assets with carrying amounts of HK$13,528,000, HK$514,000 and HK$1,230,000 (2024: HK$15,944,000, HK$1,982,000 and HK$2,280,000) respectively. The recoverable amount of owned properties and related leasehold improvement, are estimated individually.

The recoverable amounts of the owned properties and related leasehold improvement have been determined based on their fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets 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. The relevant assets were impaired to their recoverable amount of HK$Nil (2024: HK$Nil), which is their carrying values at year end and the impairment of HK$Nil (2024: HK$Nil) has been recognised in profit or loss within the relevant functions to which these assets relate during the year.

In addition, the Group estimates the recoverable amount of the cash-generating unit of supply of apparel products to which the asset belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of cash-generating units ("CGU") have been determined based on a value in use calculation. The Group engaged independent qualified valuer to assist in determining the value in use of the relevant CGU. That calculation uses cash flow projections based on financial budgets approved by the management of the respective subsidiary covering the following 5 years with a pre-tax discount rate is 12.1% (2024: 14.3%) as at 30 April 2025. The annual growth rate used is 2.5% (2024: 2.7%), which is based on the human resources capacity and future business plan. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash-generating units' past performance and management expectations for the market development.

Based on the result of the assessment, the carrying amounts of the CGU has not been reduced since the management of the Group determined that the recoverable amounts of CGU are higher than their carrying amounts based on the value-in-use calculation.

16. RIGHT-OF-USE ASSETS

	Leased properties HK$'000
As at 30 April 2025	
Carrying amount	1,230
As at 30 April 2024	
Carrying amount	2,280
For the year ended 30 April 2025	
Depreciation charge	(1,051)
For the year ended 30 April 2024	
Depreciation charge	(502)

	2025 HK$'000	2024 HK$'000
Expenses related to short-term leases	**180**	1,145
Additions to right-of-use assets	**–**	2,777
Total cash outflow for leases (Note 1)	**1,291**	1,672

Note 1: Amounts include payments of principal and interest portion of lease liabilities and short-term lease payments.

The Group leases various properties for its operations. Lease contracts were entered into for fixed term of 2 to 10 years. Lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for properties. As at 30 April 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Details of lease maturity analysis of lease liabilities is set out in note 33.

Restrictions or covenants on leases

In addition, lease liabilities of HK$1,268,000 (2024: HK$2,304,000) are recognised with related right-of-use assets of HK$1,230,000 (2024: HK$2,280,000) as at 30 April 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

	Leasehold properties HK$'000
COST	
At 1 May 2023, at 30 April 2024 and 2025	8,000
DEPRECIATION AND IMPAIRMENT	
At 1 May 2023	1,400
Charge for the year	144
At 30 April 2024	1,544
Charge for the year	144
Impairment loss recognised in profit or loss	1,552
At 30 April 2025	3,240
CARRYING VALUES	
At 30 April 2025	4,760
At 30 April 2024	6,456

The above item of investment properties is depreciated on a straight-line basis at 2% or over lease term, whichever is shorter per annum.

The fair value of the investment properties (including land portion) at 30 April 2025 and 2024, which has been determined by the directors of the Company by reference to recent market prices for similar properties approximated to the carrying amount of the investment properties.

In estimating the fair value of the properties, the highest and best use of the property is its current use.

Details of the Group's investment properties and information about the fair value hierarchy and valuation technique are as follows:

Description	Carrying value at April 30		Fair value at level 3 at April 30		Valuation technique	Major unobservable input
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000		
Car park slots in Royal Terrace	**4,760**	6,456	**4,760**	6,600	Market approach	Adjusting factors, mainly taking into account the time, location and floor level, between the comparables

18. INTANGIBLE ASSETS

	Computer software HK$'000	Online showroom HK$'000	Brand names HK$'000	Total HK$'000
COST				
At 1 May 2023, 30 April 2024 and 2025	4,703	3,470	814	8,987
AMORTISATION				
At 1 May 2023	2,430	2,126	814	5,370
Charge for the year	941	694	–	1,635
At 30 April 2024	3,371	2,820	814	7,005
Charge for the year	941	527	–	1,468
At 30 April 2025	4,312	3,347	814	8,473
CARRYING VALUES				
At 30 April 2025	391	123	–	514
At 30 April 2024	1,332	650	–	1,982

In the opinion of the directors, the computer software, online showroom and brand names which have finite useful lives are amortised on a straight-line basis over 5 years.

19. INVENTORIES

	2025 HK$'000	2024 HK$'000
Apparel product		
– Goods in transit	**476**	–
Food and beverage	**–**	45
	476	45

20. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**44,387**	14,442
Less: allowance for credit losses	**(5,004)**	(2,878)
	39,383	11,564
Other receivables		
– Deposits and prepayments	**2,127**	3,131
– Prepayment to suppliers	**20,906**	22,212
– Value-added tax receivables	**1,805**	1,965
– Others	**1,273**	1,016
	26,111	28,324
Total trade and other receivables	**65,494**	39,888

For customers with good credit quality and payment history, the Group allows credit periods of no longer than 90 days (2024: 90 days). For other customers, the Group requests an advance deposit payment and demands for full settlement upon delivery of the goods.

The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date at the end of the reporting period, which approximates the revenue recognition dates:

	2025 HK$'000	2024 HK$'000
Within 60 days	**26,640**	8,354
61 to 180 days	**12,391**	2,501
181 to 365 days	**35**	523
Over 365 days	**317**	186
	39,383	11,564

Included in the Group's trade receivables balance are debtors with aggregate carrying amounts of approximately HK$4,781,000 (2024: approximately HK$3,063,000), which are past due at the end of the reporting period for which the Group has not provided for impairment loss because there has not been a significant change in credit quality and taking into account of forward looking information and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

As at 30 April 2025, the Group has HK$475,000 (2024: HK$709,000) of trade receivables past due over 90 days but not impaired. The Group does not consider such balances are defaulted due to long and on-going business relationship, good repayment record, good credit quality and forward looking information of these customers.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Details of impairment assessment of trade and other receivables are set out in note 33.

Trade and other receivables that are denominated in foreign currencies, currencies other than the functional currencies of relevant group entities:

	2025 **HK$'000**	2024 HK$'000
Great British Pound ("GBP")	**2,828**	2,479
HK$	**3,801**	2,752
Renminbi ("RMB")	**77**	77

21. FINANCIAL INSTRUMENT AT FVTOCI

	2025 **HK$'000**	2024 HK$'000
Unlisted equity investment (Note)	**–**	–

Note: The unlisted equity interest of 19.5% represented the Group's investment in a private company established in British Virgin Islands, which is a investment holding company.

The above unlisted investment is not held for trading. The directors of the Company have elected to designate the investment in equity instrument at FVTOCI. For the year ended 30 April 2025, no fair value loss (2024: HK$Nil) was recognised to other comprehensive income. Detail of the fair value measurement is disclosed in note 33.

22. FINANCIAL ASSETS AT FVTPL

	2025 **HK$'000**	2024 HK$'000
Hong Kong listed equity securities held for trading (Note 1)	**36**	4,326
Analysed for reporting purpose as:		
Current assets	**36**	4,326

Note 1: The fair values of listed securities are based on the bid prices quoted in active markets in Hong Kong.

23. BANK BALANCES AND CASH

Bank balances carried interest at prevailing market rates based on daily bank deposits rates for both years.

Details of impairment assessment of bank balance are set out in note 33.

Bank balances that are denominated in foreign currencies, currencies other than the functional currencies of relevant group entities:

	2025 HK$'000	2024 HK$'000
HK$	**18,486**	26,988
GBP	**1,170**	855
Renminbi ("RMB")	**29**	30
EUR	**7**	6

24. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Trade payables	**12,284**	2,557
Other payables	**2,247**	1,483
Accrued expenses	**2,446**	3,546
Total trade and other payables	**16,977**	7,586

The credit period of trade payables ranges from 30 to 90 days for both years.

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period.

	2025 HK$'000	2024 HK$'000
Within 60 days	**11,919**	1,682
61 to 180 days	**224**	725
181 to 365 days	**64**	133
Over 365 days	**77**	17
	12,284	2,557

24. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Trade and other payables that are denominated in foreign currencies, currencies other than the functional currencies of relevant group entities:

	2025 HK$'000	2024 HK$'000
HK$	**1,744**	1,133
Renminbi ("RMB")	**2,117**	–
GBP	**582**	–

The following is the analysis of contract liabilities.

	2025 HK$'000	2024 HK$'000
Receipt in advance for apparel products contracts	**2,189**	518

Contract liabilities are classified as current as they are expected to be settled within the Group's normal operating cycle.

Contract liabilities represent deposits received and receipt in advance from customers for apparel contracts. Contract liabilities as at the end of each reporting period are recognised as revenue in the subsequent year.

When the Group receives a deposit before the production activity commences, this gives rise to contract liabilities at the start of production until the revenue recognised when the customer obtains the control of the apparel products. The Group typically receives 30% deposit on acceptance of customers' order.

	2025 HK$'000	2024 HK$'000
Balance at the beginning of the year	**518**	205
Billing in advance for contracts for apparel products	**2,060**	397
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**(389)**	(84)
Balance at the end of the year	**2,189**	518

25. LEASE LIABILITIES

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Within one year	853	1,038
Within a period of more than one year but not more than two years	415	851
Within a period of more than two years but not more than five years	–	415
	1,268	2,304
Less: Amount due for settlement within 12 months shown under current liabilities	853	1,038
Amount due for settlement after 12 months shown under non-current liabilities	415	1,266

Details of lease information are set out in note 16.

Details of maturity analysis of lease liabilities are set out in note 33.

26. DEFERRED TAX LIABILITIES

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK$'000	2024 HK$'000
Deferred tax liabilities	95	338

26. DEFERRED TAX LIABILITIES (CONTINUED)

The following is the major deferred tax liabilities recognised and movements thereon during the current and prior years.

	Accelerated tax accounting depreciation HK$'000	ECL provision HK$'000	Total HK$'000
At 1 May 2023	(619)	36	(583)
Credited (charged) to profit or loss	281	(36)	245
At 30 April 2024	(338)	–	(338)
Credited to profit or loss	243	–	243
At 30 April 2025	(95)	–	(95)

At the end of the reporting period, the Group has unused tax losses of HK$23,964,000 (2024: HK$23,405,000) available for offset against future profits.

No deferred tax asset has been recognised in respect of HK$23,964,000 (2024: HK$23,405,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses of HK$19,662,000 (2024: HK$20,048,000), may be carried forward indefinitely, and the remaining may be carried forward for one to five years.

At the end of the reporting period, the Group has deductible temporary differences of HK$3,002,000 (2024: HK$278,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

27. BANK AND OTHER BORROWINGS

	2025 HK$'000	2024 HK$'000
Bank borrowings	**2,726**	4,094
Other borrowings	**10,000**	–
	12,726	4,094
Secured	**10,000**	–
Unsecured	**2,726**	4,094
	12,726	4,094
The carrying amounts of the above borrowings are repayable (Note):		
Within one year	**10,244**	1,610
In more than one year but not exceeding two years	**2,482**	2,484
	12,726	4,094
Amounts shown under current liabilities with repayment on demand clause	**12,726**	4,094

Note:

The amounts due are based on scheduled repayment dates set out in the loan agreements.

The bank borrowings were personal guaranteed by Mr. Choi King Ting, Charles, the executive director of the Group. The effective interest rates (which is also equal to contracted interest rate) on the Company's borrowings is 3.63% (2024: 3.63%) per annum.

The other borrowings were pledged by the Group's owned properties and investment properties. Details of pledged of assets are set out in note 30.

The bank and other borrowings that are denominated in currencies other than the functional currency of the Company are set out below:

	2025 HK$'000	2024 HK$'000
HK$	**12,726**	4,094

28. SHARE CAPITAL OF THE COMPANY

Details of movements of authorised and issued capital of the Company are as follows:

	Number of shares	Share capital HK$
Ordinary share of HK$0.01 each		
Authorised:		
At 1 May 2023, 30 April 2024 and 30 April 2025	200,000,000	2,000,000
Issued and fully paid:		
At 1 May 2023, 30 April 2024 and 30 April 2025	32,000,000	320,000

There is no movement for both years.

29. OPERATING LEASING ARRANGEMENTS

The Group as lessor

All of the leasehold properties held for rental purposes have committed lessees for one year.

Minimum lease payments receivable on leases are as follows:

	2025 HK$'000	2024 HK$'000
Within one year	**107**	94

30. PLEDGE OF ASSETS

During the year ended 30 April 2025, the Group has pledged HK$8,114,000 in owned properties classified under property, plant and equipment, along with HK$4,760,000 in investment properties as collateral for other borrowings. (2024: no assets was pledged).

31. RETIREMENT BENEFITS PLAN

The Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group contributes 5% (2024: 5%) of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme.

The employees employed in the PRC and the UK are members of the state-managed retirement benefits schemes operated by PRC and UK government. The PRC and UK subsidiaries are required to contribute a certain percentage of their basis payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contribution under the schemes.

The total cost of HK$809,000 (2024: HK$697,000) charged to profit or loss represents contributions paid or payable to the above schemes by the Group at the rates specified in the rules of plans.

Obligation to pay Long Service Payment ("LSP") under Hong Kong Employment Ordinance (Chapter 57)

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

Last month's wages (before termination of employment) × 2/3 × years of service.

Last month's wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee ("the Offsetting Arrangement"). The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year. Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last month's wages immediately preceding the Transition Date and the years of service up to that date.

32. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt and equity attributable to the owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025	2024
	HK$'000	HK$'000
Financial assets		
Fair value through profit or loss	**36**	4,326
Financial instrument at FVTOCI	**–**	–
Amortised cost	**72,496**	45,256
	72,532	49,582
Financial liabilities		
Amortised cost	**26,677**	7,887
Lease liabilities	**1,268**	2,304

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, financial instrument at FVTOCI, financial assets at FVTPL, bank balances and cash, trade and other payables, lease liabilities, bank borrowings and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and 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 on a timely and effective manner.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk which arise from lease liabilities. The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances, unlisted investment and variable rate bank borrowings due to the fluctuation of the prevailing market interest rate. The Group currently does not have a policy on hedging interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

No sensitivity analysis on interest rate risk on bank deposits is presented as the directors of the Company consider the sensitivity on interest rate risk on bank deposits is insignificant.

The Group is mainly exposed to cash flow interest rate risk in relation to bank borrowings as at 30 April 2025 and 2024. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

For the year ended 30 April 2025 and 2024, the Group's exposure to interest rate risk on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate arising from the Group's floating rate bank borrowings.

Equity price risk

The Group is exposed to equity price risk through its investment in equity securities measured at FVTPL and unlisted equity investment measured at FVTOCI for the year end 30 April 2025 and 2024. The Group's equity price risk is concentrated on equity instruments quoted on the Stock Exchange and unlisted equity investment quoted by valuation techniques. The management manages the exposure to price risk by maintaining a portfolio of investments with different risk and return profiles.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at 30 April 2025 and 2024. For sensitivity analysis purpose, the sensitivity rate at 10% is applied as a result of the volatile financial market. If the price of the respective financial assets at FVTPL had been 10% lower, the Group's profit after taxation would decrease by HK$3,000 (2024: HK$361,000) for the year ended 30 April 2025.

If the price of the unlisted equity securities at FVTOCI had been 10% (2024: 10%) higher/lower, the investment revaluation reserve would increase/decrease by HK$Nil (2024: HK$Nil).

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
HK$	**19,695**	31,877	**1,867**	5,228
GBP	**3,876**	3,212	**–**	–
RMB	**29**	30	**–**	–
EUR	**7**	6	**–**	–

The directors of the Company consider that the exposure of HK$ against US$ is limited as HK$ is pegged to US$ and the Group has arranged forward contracts to limit the currency risk of GBP against US$ to keep the net exposure to foreign currency risk to an acceptable level, and the exposure to other foreign currencies is not significant.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

The sensitivity analysis below details the Group's sensitivity to 10% (2024: 10%) increase and decrease in the exchange rate of GBP against the functional currencies of the corresponding group entities. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign currency rate. A positive number indicates an increase in post-tax profit when GBP strengthen 10% (2024: 10%) against the functional currencies of the corresponding group entities. For a 10% weakening of GBP, there would be an equal but opposite impact on the post-tax profit.

	2025 **HK$'000**	2024 HK$'000
GBP	**324**	268

In management's opinion, the sensitivity analysis is unrepresentative of the foreign exchange risk inherent in the financial assets and financial liabilities as the year end exposure does not reflect the exposure during the year.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligations by the counterparties is arising from the carrying amount of respective recognised financial assets as stated in the consolidated statement of financial position of the Group.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables

As at 30 April 2025, the Group has concentration of credit risk as 34% (2024: 22%) and 78% (2024: 73%) of the total trade receivable was due from the Group's largest debtor and the top five largest debtors respectively. Taking into accounts the creditworthiness of the customers, the credit risk measures and the historical levels of default, the directors consider that such concentration of credit risk would not result in significant credit default exposure to the Group.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

As part of the Group's credit risk management, the Group performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the Group applied internal credit rating for its customers, the Group's trade receivables are assessed by reference to the past default experience and current past due exposure on each debtor. The expected loss rate is ranged from 0.11% to 100% (2024: 0.10% to 100%).

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables
Good	The counterparty has a low risk of default and usually does not have any past-due amounts	Lifetime ECL — not credit-impaired
Low risk	Debtor frequently repays after due dates but usually settles in full	Lifetime ECL — not credit-impaired
Watch list	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is 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

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The table below details the credit risk exposures of the Group's trade receivables, which are subject to ECL assessment:

2025	Internal credit rating	12m or lifetime ECL	Gross carrying amount HK$'000
Financial assets at amortised cost			
Trade receivables	Good	Lifetime ECL (not credit-impaired)	16,151
	Low risk	Lifetime ECL (not credit-impaired)	2,871
	Watch list	Lifetime ECL (not credit-impaired)	21,178
	Loss	Lifetime ECL (credit-impaired)	4,187

2024	Internal credit rating	12m or lifetime ECL	Gross carrying amount HK$'000
Financial assets at amortised cost			
Trade receivables	Good	Lifetime ECL (not credit-impaired)	4,717
	Low risk	Lifetime ECL (not credit-impaired)	2,990
	Watch list	Lifetime ECL (not credit-impaired)	2,811
	Loss	Lifetime ECL (credit-impaired)	3,924

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation 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. Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of HK$4,115,000 (2024: HK$2,917,000) and HK$121,000 (2024: HK$1,006,000) respectively as at 30 April 2025 were assessed individually.

	2025		2024	
Gross carrying amount	**Average loss rate**	**Account receivables HKD'000**	Average loss rate	Account receivables HKD'000
Current (not past due)	**0.64%**	**34,826**	0.34%	8,528
1 - 60 days past due	**1.70%**	**4,127**	31.09%	2,774
61 - 180 days past due	**40.96%**	**636**	22.04%	703
181 - 365 days past due	**45.18%**	**635**	56.65%	1,299
More than 365 days past due	**100.00%**	**4,163**	96.38%	1,138
		44,387		14,442

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

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

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 May 2023	483	1,014	1,497
Changes due to financial instruments recognised as at 1 May 2023:			
– Transfer to credit-impaired	(1)	1	–
– Impairment loss recognised	11	50	61
– Impairment loss reversed	(454)	(8)	(462)
New financial assets originated	222	1,560	1,782
As at 30 April 2024	261	2,617	2,878
Changes due to financial instruments recognised as at 1 May 2024:			
– Transfer to credit-impaired	(133)	133	–
– Impairment loss recognised	302	1,443	1,745
– Impairment loss reversed	(67)	(6)	(73)
New financial assets originated	454	–	454
As at 30 April 2025	817	4,187	5,004

The Group does not hold any collateral over these balances.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables

For other receivables amounted to HK$1,474,000 (2024: HK$1,262,000), in order to minimise the credit risk, directors continuously monitor the settlement status and the level of exposure to ensure that follow-up action is taken to recover overdue debts. In determining the 12m ECL for other receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The Group has considered the consistently low historical default rate in connection with payments and forward-looking information and thus no loss allowance was recognised.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings ranged from A3 to Aa2 (2024: from A3 to Aa2) assigned by international credit-rating agencies.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management of the Group, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by arranging factoring arrangement to accelerate collection of receivables, maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate %	On demand or less than 6 months HK$'000	6 months to 1 year HK$'000	1 to 2 years HK$'000	More than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
As at 30 April 2025							
Trade and other payables	–	13,951	–	–	–	13,951	13,951
Bank borrowings	3.63	2,726	–	–	–	2,726	2,726
Other borrowings	12.00	10,000	–	–	–	10,000	10,000
		26,677	–	–	–	26,677	26,677
Lease liabilities	4.20	469	420	420	–	1,309	1,268

	Weighted average interest rate %	On demand or less than 6 months HK$'000	6 months to 1 year HK$'000	1 to 2 years HK$'000	More than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
As at 30 April 2024							
Trade and other payables	–	3,793	–	–	–	3,793	3,793
Bank borrowings	3.63	4,269	–	–	–	4,269	4,094
		8,062	–	–	–	8,062	7,887
Lease liabilities	4.20	277	837	886	420	2,420	2,304

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 30 April 2024, the aggregate carrying amounts of these bank loans amounted to HK$2,726,000 (2024: HK$4,094,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be fully repaid two years (2024: two) 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 borrowings with a repayment on demand clause based on scheduled repayments

	Weighted average interest rate %	less than 1 year HK$'000	1 to 2 years HK$'000	More than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts HK$'000
30 April 2025	**3.63**	**326**	**2,516**	**–**	**2,842**	**2,726**
30 April 2024	3.63	1,743	2,526	–	4,269	4,094

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value measurement of financial instruments

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

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

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the financial assets that are not measured on a recurring basis

The fair value of financial assets not measured at fair value on a recurring basis is estimated using discounted cash flow method.

The carrying amounts of the financial assets not measured at fair value on a recurring basis approximate their fair values as at 30 April 2025 and 2024.

The following tables give information about how the fair values of financial assets measured at fair value are determined including their fair value hierarchy, valuation technique(s) and key inputs used.

Financial assets	Fair value as at		Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)
	2025 HKD	2024 HKD			
1. Listed equity securities classified as equity instruments at FVTPL	**36**	4,326	Level 1	The fair value of the equity securities is estimated by the price quotation available on the Hong Kong Stock Exchange.	N/A
2. Unlisted equity investment classified as equity instrument at FVTOCI	**–**	–	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Discount rate, taking into account weighted average cost of capital determined using a Capital Asset Pricing Model at 15% (2024: 15%) (Note 2) Discount for lack of marketability and control of 15.7% and 25.1%, respectively (2024: 15.7% and 25.1% respectively) (Note 1)
	36	4,326			

* The fair value as at initial recognition is approximately to the fair value as at report date.

Note 1: An increase in the discount for lack marketability and control used in isolation would result in an decrease in the fair value measurement of the private equity investment, vice versa.

Note 2: An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the private equity investments respectively, and vice versa.

These were no transfers between level 1, 2 and 3 during both years.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurement of financial asset

	2025 HK$'000	2024 HK$'000
Unlisted equity investment classified as equity instrument at FVTOCI		
At 1 May	**–**	–
Loss on fair value change	**–**	–
At 30 April	**–**	–

Except for the financial assets that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

34. RELATED PARTY DISCLOSURES

(i) Other than as disclosed elsewhere in these consolidated financial statements, the Group has no transactions and balances with related parties:

(ii) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2025 HK$'000	2024 HK$'000
Salaries and allowances	**2,816**	2,368
Retirement benefit schemes contributions	**90**	74
	2,906	2,442

Further details of the directors' emoluments are included in note 10.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings HK$'000	**Other borrowings** HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
At 1 May 2023	6,388	–	–	6,388
Financing cash flows	(2,294)	–	(528)	(2,822)
New leases entered	–	–	2,774	2,774
Interest expenses	–	–	52	52
Exchange adjustments	–	–	6	6
At 30 April 2024	4,094	–	2,304	6,398
Financing cash flows	(1,368)	10,000	(1,112)	7,520
Interest expenses	–	–	75	75
Exchange adjustments	–	–	1	1
At 30 April 2025	2,726	10,000	1,268	13,994

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Group's principal subsidiaries at the end of the reporting period are set out below.

Name of subsidiary	Place and date of incorporation/ operations	Issued and fully paid share capital/ registered capital	Attributable equity interest held by the Company 2025	2024	Principal activities
Indirectly held					
JC Fashion Group Limited	Hong Kong 1 April 2010	Ordinary shares HK$10,000	**100%**	100%	Supply of apparel products with design and sourcing services to fashion retailers and consultation service
JC Design & Consultancy Company Limited	Hong Kong 17 November 2014	Ordinary share HK$1	**100%**	100%	Property investment
JC Fashion (UK) Company Limited	The UK 29 May 2014	Ordinary share GBP1	**100%**	100%	Operation of a showroom and provide consultation services
旺利多時裝(深圳)有限公司* JC Fashion (Shenzhen) Limited	The PRC 6 April 2017	Registered capital HK$8,000,000	**100%**	100%	Sourcing and quality assurance services
JC Fashion (Overseas) Development Company Limited	Hong Kong 29 August 2017	Ordinary share HK$1	**100%**	100%	Supply of apparel products with design and sourcing services to fashion retailers and provision of institutional catering to private institution
JC Capital Development Company Limited	BVI 9 October 2017	Ordinary share US$1	**100%**	100%	Investment holding
A Dim Sum Story (HK) Limited	Hong Kong 17 October 2017	Ordinary share HK$1	**100%**	100%	Investment holding
LOST INK LIMITED	Hong Kong 25 April 2019	Ordinary share HK$1	**100%**	100%	Supply of apparel products with design and sourcing services to fashion retailers
Labelrail (UK) Company Limited	The UK 25 July 2023	Ordinary share GBP1	**100%**	100%	Operation of a showroom

* The Company is a wholly foreign owned enterprise established in the PRC.

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

None of the subsidiaries had issued any debt securities at the end of the reporting period.

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investment in a subsidiary	**22,593**	22,593
Amount due from a subsidiary	**16,406**	16,406
	38,999	38,999
Current assets		
Bank balances	**108**	113
Current liabilities		
Accruals	**107**	107
Amount due to subsidiaries	**19,280**	18,113
	19,387	18,220
Net current liabilities	**(19,279)**	(18,107)
Net assets	**19,720**	20,892
Capital and reserves		
Share capital (note 28)	**320**	320
Reserves	**19,400**	20,572
Total equity	**19,720**	20,892

Movement in the Company's reserves

	Share premium HK$'000	Capital reserve HK$'000 (Note)	Accumulated loss HK$'000	Total HK$'000
At 1 May 2023	39,201	22,593	(39,914)	21,880
Loss and total comprehensive expense for the year	–	–	(1,308)	(1,308)
At 30 April 2024	39,201	22,593	(41,222)	20,572
Loss and total comprehensive expense for the year	–	–	(1,172)	(1,172)
At 30 April 2025	39,201	22,593	(42,394)	19,400

Note: Deemed contribution is arisen from acquisition of the entire interest in JC FASHION GROUP LIMITED ("JC BVI"), a subsidiary of the Company, and represents the excess of the net asset value of JC BVI at the date of acquisition over the par value of the shares allotted by the Company.

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the latest five financial years, as extracted from the audited consolidated financial statements and the Prospectus, is set out below:

Results

	Year ended 30 April				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**153,766**	122,905	149,362	168,888	120,932
(LOSS) PROFIT BEFORE TAX	**(6,255)**	(17,359)	(16,517)	1,230	1,051
INCOME TAX CREDIT (EXPENSE)	**214**	212	90	(739)	(1,139)
(LOSS) PROFIT FOR THE YEAR	**(6,041)**	(17,147)	(16,427)	491	(88)

Assets and Liabilities

	As at 30 April				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**116,492**	104,297	132,623	150,956	155,233
TOTAL LIABILITIES	**(33,382)**	(14,953)	(25,648)	(24,762)	(29,273)
NET ASSETS	**83,110**	89,344	106,975	126,194	125,960