Fulum Group Holdings Limited
富臨集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1443)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

HIGHLIGHTS

- Revenue was approximately HK$1,421.3 million (2025: approximately HK$1,702.1 million), representing a decrease of approximately 16.5%
- Gross profit margin[1] was at approximately 74.2% (2025: approximately 72.3%), representing an increase of approximately 1.9%
- Earnings before interest expense, tax, depreciation and amortisation were approximately HK$259.1 million (2025: approximately HK$309.7 million)
- Loss for the year attributable to owners of the Company was approximately HK$37.3 million (2025: loss for the year attributable to owners of the Company of approximately HK$66.4 million)
- Basic loss per share[2] was approximately HK$2.87 cents (2025: basic loss per share of approximately HK$5.11 cents)
- The Board does not recommend the payment of any dividend for the year ended 31 March 2026 (2025: nil)

1 *Gross profit equals revenue minus cost of inventories sold. Gross profit margin is calculated by dividing gross profit by revenue and multiplying the resulting value by 100%.*

2 *The calculation of the basic loss per share amounts is based on loss for the year attributable to owners of the Company of approximately HK$37,289,000 (2025: loss attributable to owners of the Company of approximately HK$66,371,000) and 1,300,000,000 (2025: 1,300,000,000) ordinary shares in issue during the year.*

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Fulum Group Holdings Limited (the "**Company**", together with its subsidiaries collectively, the "**Group**"), hereby announces the consolidated results of the Group for the year ended 31 March 2026, together with comparative figures for the year ended 31 March 2025, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*4*	**1,421,326**	1,702,059
Other income and gains, net	*6*	**9,741**	13,283
Cost of inventories sold		**(366,696)**	(471,695)
Staff costs		**(510,444)**	(609,200)
Property rentals and related expenses		**(49,671)**	(47,616)
Depreciation of right-of-use assets		**(223,248)**	(276,510)
Depreciation of property, plant and equipment		**(52,660)**	(66,051)
Fuel and utility expenses		**(75,657)**	(93,479)
Other expenses		**(170,628)**	(187,755)
Share of loss in a joint venture		**–**	(654)
Losses from impairment of non-financial assets		**(11,555)**	(12,832)
Losses from impairment of financial assets		**(2,499)**	(1,189)
Gain on disposal of subsidiaries		**15,222**	18,792
Finance costs	*7*	**(17,608)**	(25,331)
Loss before tax		**(34,377)**	(58,178)
Income tax expense	*8*	**(3,252)**	(8,194)
Loss for the year	*9*	**(37,629)**	(66,372)
Other comprehensive (expense)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(206)**	(146)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		**–**	1,498
		(206)	1,352
Total comprehensive expense for the year		**(37,835)**	(65,020)

	Notes	**2026** ***HK$'000***	2025 *HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(37,289)**	(66,371)
Non-controlling interests		**(340)**	(1)
		(37,629)	(66,372)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(37,495)**	(65,019)
Non-controlling interests		**(340)**	(1)
		(37,835)	(65,020)
Loss per share	*11*		
– Basic (HK$ cent)		**(2.87)**	(5.11)
– Diluted (HK$ cent)		**(2.87)**	(5.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Property, plant and equipment		**113,623**	168,840
Right-of-use assets		**281,243**	465,288
Deposits and other receivables		**34,942**	56,422
Deferred tax assets		**30,941**	33,944
		460,749	724,494
Current assets			
Inventories		**47,110**	68,825
Trade receivables	*12*	**24,382**	40,770
Prepayments, deposits and other receivables		**94,713**	92,915
Amount due from a joint venture		**12,324**	12,080
Cash and cash equivalents		**100,377**	74,639
		278,906	289,229
Current liabilities			
Trade payables	*13*	**76,561**	87,017
Other payables, accruals and deferred income		**127,229**	140,203
Interest-bearing bank borrowings		**228,992**	249,054
Lease liabilities		**120,709**	258,442
Provision		**2,423**	5,136
Tax payable		**6,923**	6,658
		562,837	746,510
Net current liabilities		**(283,931)**	(457,281)
TOTAL ASSETS LESS CURRENT LIABILITIES		**176,818**	267,213

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Non-current liabilities			
Accruals and deferred income		**4,338**	1,518
Lease liabilities		**80,500**	136,417
Provision		**4,323**	4,139
		89,161	142,074
NET ASSETS		**87,657**	125,139
Capital and reserves			
Share capital	*14*	**1,300**	1,300
Reserves		**89,278**	126,420
Equity attributable to owners of the Company		**90,578**	127,720
Non-controlling interests		**(2,921)**	(2,581)
TOTAL EQUITY		**87,657**	125,139

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Fulum Group Holdings Limited is an exempted company with limited liability incorporated in the Cayman Islands on 24 February 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 26/F, Capital Tower, 38 Wai Yip Street, Kowloon Bay, Hong Kong.

The Company is an investment holding company and the Company's subsidiaries are principally engaged in restaurant operations in Hong Kong and the People's Republic of China (the "**PRC**" or "**Mainland China**"). The shares of the Company (the "**Shares**") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 November 2014 (the "**Listing Date**") (the "**Listing**").

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

2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK$37,629,000 for the year ended 31 March 2026 and, as of that date, the Group had net current liabilities of approximately HK$283,931,000. These conditions indicate existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

As at 31 March 2026, the Group did not fulfill part of the financial covenants as required in the banking facilities agreement. Consequently, the related outstanding interest-bearing borrowings of HK$70,762,000 (the "Outstanding Borrowings") became repayable on demand. As at the date of approval of these consolidated financial statements, the bank has not requested the Group's repayment of the Outstanding Borrowings.

The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities as and when they fall due given that (i) the controlling shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due; (ii) the Group is negotiating with financial institutions for extending repayment schedule; and (iii) the Group is actively implementing cost-control measures to improve operating cash flows and its financial position and the directors of the Company believe that the performance of the Group will be significantly improved in the forthcoming year.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 April 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards (the "**HKAS**"); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE

An analysis of revenue is as follows:

	2026	2025
	HK$'000	*HK$'000*
"Fulum Chinese Cuisine" main brand	**694,848**	891,476
"Fulum Concept" main brand	**582,930**	672,775
"Food Court" main line	**57,798**	52,894
Central Kitchen	**39,180**	40,322
Revenue from contracts with customers	**1,374,756**	1,657,467
Rental income from "Food Court" main line	**46,570**	44,592
	1,421,326	1,702,059

Note:

As at 31 March 2026, the management reclassified the breakdown of revenue by line of business.

Disaggregation of revenue from contracts with customers:

	2026	2025
	HK$'000	*HK$'000*
Geographical markets		
Hong Kong	**1,417,012**	1,652,366
PRC	**4,314**	49,693
	1,421,326	1,702,059

	2026	2025
	HK$'000	*HK$'000*
Information about timing of revenue recognition		
At a point in time	**1,355,376**	1,640,234
Over time	**19,380**	17,233
	1,374,756	1,657,467
Rental income from "Food Court" main line	**46,570**	44,592
	1,421,326	1,702,059

Information about the Group's performance obligations is summarised below:

Restaurant income from "Fulum Chinese Cuisine" main brand & "Fulum Concept" main brand

Restaurant income from the main brands "Fulum Chinese Cuisine" and "Fulum Concept" refers to the restaurant operations offering traditional Chinese dining and a diverse range of international cuisines respectively.

The performance obligation is satisfied when the customer obtains control of the promised goods, being the point in time when the customer purchases the goods at the restaurants. Payment of the transaction price is due immediately at the point when the customer purchases the goods.

Central Kitchen

Central kitchen refers to the sales of food and other operating items. The performance obligation is satisfied when the customer obtains control of the promised goods, being the point in time when the customer purchases the goods at the shops or upon delivery of the goods. Payment is generally due at the point when the customer purchases the goods at shops or within 30 to 60 days from delivery.

"Food Court" main line

Restaurant income

The performance obligation is satisfied when the customer obtains control of the promised goods, being the point in time when the customer purchases the goods at the restaurants. Payment of the transaction price is due immediately at the point when the customer purchases the goods.

Rental income

Fixed rental income from the sub-lease of food courts, which is recognised on a straight-line basis over the lease term, and the variable portion of the rental income, which is computed based on a percentage of the food court tenant's gross sales recognised when such sales are earned.

Service income

Income from food court operation services, which is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors.

The Group is principally engaged in restaurant operations in Hong Kong and Mainland China. Information reported to the Group's management for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about geographical areas

The following tables present certain non-current asset information, by geographical areas.

	2026	2025
	HK$'000	*HK$'000*
Hong Kong	**394,866**	583,864
PRC	**–**	50,264
	394,866	634,128

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Information about major customers

During the years ended 31 March 2026 and 2025, none of the Group's individual customer contributed more than 10% to the total revenue of the Group.

6. OTHER INCOME AND GAINS, NET

	2026	2025
	HK$'000	*HK$'000*
Interest income	**183**	114
Licensing income	**522**	476
Sponsorship income	**1,339**	2,157
Gain on lease termination	**143**	6,889
Overprovision of reinstatement liabilities	**1,359**	1,250
Management fee income	**3,138**	860
Others	**3,057**	1,537
	9,741	13,283

7. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on bank loans	**9,326**	11,476
Interest on lease liabilities	**8,282**	13,855
	17,608	25,331

8. INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
– Current tax	**249**	283
Deferred tax:	**3,003**	7,911
	3,252	8,194

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

Taxes on profits assessable in Mainland China have been calculated at the rate of 25% (2025: 25%) during the year.

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

	2026	2025
	HK$'000	*HK$'000*
Loss before tax	**(34,377)**	(58,178)
Tax at the applicable income tax rate of 16.5% (2025: 16.5%)	**(5,672)**	(9,599)
Tax effect of income not taxable and expenses not deductible for tax purposes	**6,299**	1,610
Tax effect of temporary differences not recognised	**412**	196
Tax effect of tax losses not recognised	**6,095**	19,321
Utilisation of tax losses previously not recognised	**(3,882)**	(3,334)
	3,252	8,194

9. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2026	2025
	HK$'000	*HK$'000*
Auditor's remuneration	**1,900**	2,150
Cost of inventories sold	**366,696**	471,695
Expenses related to short-term leases	**5,428**	7,123
Expenses related to variable lease payments not included in lease liabilities	**6,763**	4,184
Gain on disposal of subsidiaries	**(15,222)**	(18,792)
Loss on disposal of property, plant and equipment	**–**	4,989
Impairment of property, plant and equipment	**8,803**	3,111
Impairment of right-of-use assets	**2,752**	9,721
Impairment of trade receivables and other receivables	**2,499**	1,189
Salaries, bonuses and other allowances	**493,730**	589,079
Retirement benefit scheme contributions (defined contribution schemes)	**16,361**	19,475
Share-based payments	**353**	646
Total staff costs	**510,444**	609,200

10. DIVIDENDS

The Board has resolved not to propose a final dividend for the year ended 31 March 2026 (2025: nil).

The proposed final dividend of HK$0.3 cents per share, totalling approximately HK$3,900,000, for the year of 2024 was paid on 21 October 2024.

11. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$37,289,000 (2025: HK$66,371,000) and the weighted average number of ordinary shares of 1,300,000,000 (2025: 1,300,000,000) in issue during the year.

Diluted loss per share

Diluted loss per share are the same as basic loss per share for the year ended 31 March 2026 and 2025 as the effects of all potential ordinary shares are anti-dilutive.

12. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Credit card receivables	**2,994**	8,328
Others	**36,735**	47,395
	39,729	55,723
Impairment	**(15,347)**	(14,953)
	24,382	40,770

The Group's trading terms with its customers are mainly on cash and credit card settlement while trading terms for sale of food are on credit with credit periods ranging from 30 to 60 days (2025: 30 to 60 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 1 month	**11,898**	24,643
1 to 3 months	**8,471**	12,942
3 to 12 months	**4,013**	3,185
	24,382	40,770

The movements in the loss allowance for impairment of trade receivables are as follows:

	2026	2025
	HK$'000	*HK$'000*
At beginning of year	**14,953**	13,764
Impairment losses	**394**	1,189
At end of year	**15,347**	14,953

13. TRADE PAYABLES

The trade payables are non-interest-bearing and generally have payment terms of 45 to 90 days (2025: 45 to 90 days). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 1 month	**28,871**	66,783
1 to 3 months	**35,182**	13,365
3 to 12 months	**4,133**	5,847
Over 12 months	**8,375**	1,022
	76,561	87,017

14. SHARE CAPITAL

	Number of shares	Amount equivalent to share capital *HK$'000*
Authorised:		
Shares of the Company with nominal value of HK$0.001 each		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	2,000,000,000	2,000
Issued and fully paid:		
At 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026	1,300,000,000	1,300

15. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

	2026 ***HK$'000***	2025 *HK$'000*
Bank guarantees given in lieu of rental and utility deposits	**9,703**	17,647

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately HK$37,629,000 for the year ended 31 March 2026, and as of that date, the Group had net current liabilities of HK$283,931,000. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the Financial Year, ongoing geopolitical tensions reverberated across transportation networks and supply chains, fueling sharp increases in energy and other operating costs. Although Hong Kong's economy continued its recovery trajectory, the local catering sector remained under pressure as raw material, logistics, and labor costs stayed stubbornly elevated. While visitor arrivals to Hong Kong increased, changing travel patterns among tourists, coupled with the growing normalization of northbound spending by Hong Kong residents during weekends and public holidays, compounded the challenges facing the local catering market.

Against the backdrop of a shift in local consumer behavior toward more rational spending and increasingly targeted experiential demands, the Group proactively optimized its restaurant network by streamlining underperforming outlets and establishing a presence in locations with stronger potential. We firmly believe that only by focusing resources on our core strengths can we sustain growth amid an intensely competitive market. Meanwhile, the Group drew on its solid cash flow to support strategic transformation, while accelerating digitalization and automation upgrades across all fronts. Together, these efforts are building powerful momentum for the Group's future high-quality growth.

Business Review

Looking back on the Financial Year, Hong Kong's catering market remained challenged by persistently high costs, evolving consumption patterns, and intensifying competition. Yet, as the market continues to evolve, new opportunities are emerging for restaurant groups with the capability to operate multiple brands, the agility to adapt to change, and the strength of a well-established supply chain foundation.

The Group remains cautiously optimistic about its future development and will continue to uphold a prudent operating philosophy, while further deepening brand diversification and strategic partnerships, and continuously refining its store and brand portfolio. At the same time, the Group will further strengthen cost management, enhance supply chain synergies, and accelerate the application of digitalization, thereby further enhancing operational efficiency and customer experience.

In the face of a challenging operating environment, the Group continued during the year to advance its business transformation with a prudent and pragmatic approach, proactively reviewing its restaurant and brand portfolio to better align with evolving market demand. The Group acted decisively to close certain persistently loss-making restaurants, or where appropriate to repurpose or reposition them, with the aim of enhancing overall profitability and improving the efficiency of resource allocation.

At the same time, the Group continued to strengthen cost control, refine operational processes, and elevate its digital management capabilities, resulting in an improvement in overall business performance compared with the previous year. In particular, performance in the second half of the year gradually stabilized, reflecting that the various business adjustment measures are progressively yielding results.

As at 31 March 2026, the Group operated a total of 82 restaurants in Hong Kong under its own brands, including 14 restaurants under the "Fulum Chinese Cuisine (富臨中餐)" main brand, 61 restaurants under the "Fulum Concept (富臨概念)" main brand, 7 self-operated restaurants operated under the "Food Court" main line in 5 foodcourts, 1 central kitchen, and 1 restaurant in Macau.

In terms of brand development, the cultivation of high-quality catering brands remains a core strategic direction of the Group. At the M+ Museum, the Group's "Agate (璞)" offers a distinctive interior design, an upscale venue, and a refined dining experience. This represents an active extension of the Group's "Fulum Chinese Cuisine (富臨中餐)" main brand through the introduction of an increasingly diverse range of dining options. The "Concept Line (概念線)" portfolio spans Korean-style izakaya, stylish casual café, authentic Thai cuisine, and refined Western dining, covering a full spectrum of price points and culinary offerings to meet customer demand. Through this initiative, the Group is committed to building a full-spectrum, all-day dining ecosystem across different price tiers, catering to customers across varying age groups and spending capacities. In addition, the Group continues to expand its food court business, introducing diversified restaurant brands from multiple regions, and is set to enter Harbour City in Tsim Sha Tsui during the next Financial Year. While strengthening its operational foundation, the Group is also proactively capturing new opportunities arising from market transformation.

Financial Review

During the year under review, the Group's revenue decrease by approximately 16.5% to approximately HK$1,421.3 million (2025: approximately HK$1,702.1 million) from last year.

The following table sets forth the breakdown of the Group's main revenue and percentage change by line of business for the financial years indicated:

	2026	2025	**Change**
	HK$'000	*HK$'000*	***%***
"Fulum Chinese Cuisine" main brand	**694,848**	891,476	**(22.1)**
"Fulum Concept" main brand	**582,930**	672,775	**(13.4)**
"Food court" main line	**104,368**	97,486	**7.1**
Central Kitchen	**39,180**	40,322	**(2.8)**

During the year under review, the Group's gross profit margin increased to 74.2% (2025: approximately 72.3%). The Group recorded a loss attributable to owners of the Company of approximately HK$37.3 million for the year ended 31 March 2026 when compared with a loss attributable to owners of the Company of approximately HK$66.4 million for the year ended 31 March 2025, in respect of which the decrease in loss was mainly due to ongoing streamlining process and cost control of the Group.

Prospects and Outlook

Looking ahead, while Hong Kong's catering market continues to present a range of challenges, management remains cautiously optimistic about the Group's prospects. The Group will continue to deepen brand diversification and strategic partnerships, further enriching its product offerings and customer experience. It will also continuously enhance operational efficiency and digital capabilities, while strengthening cost control, and explore the potential and development opportunities in overseas markets. The Group will closely monitor market conditions and consumer preferences, and make timely adjustments to the menus and store portfolios of its various brands, with the aim of driving business and revenue growth and delivering enhanced returns to shareholders.

Financial resources and liquidity

As at 31 March 2026, the Group's total assets decreased to approximately HK$739.7 million (2025: approximately HK$1,013.7 million). As at 31 March 2026, the Group recorded total equity of approximately HK$87.7 million (2025: approximately HK$125.1 million). The decrease in the total equity of the Group as at 31 March 2026 mainly resulted from loss attributable to owners of the Company of approximately HK$37.3 million for the year ended 31 March 2026.

As at 31 March 2026, the Group had approximately HK$100.4 million in cash and bank balances available (2025: approximately HK$74.6 million). The current ratio of the Group was approximately 0.50 (2025: approximately 0.39).

As at 31 March 2026, the Group's total borrowings amounted to approximately HK$229.0 million (2025: approximately HK$249.1 million), which mainly consisted of term loans in the amount of approximately HK$213.3 million (2025: approximately HK$233.4 million) and a revolving loan of approximately HK$15.7 million (2025: approximately HK$15.7 million). These borrowings were denominated in Hong Kong dollars, and the effective interest rates ranged from approximately 2.75% to 5.05% per annum.

Capital expenditure

The capital expenditure during the year under review was primarily related to expenditures on additions and renovation of property, plant and equipment and investment property for the Group's central kitchen and logistics center, new restaurants and maintenance of existing restaurants. The capital commitments were related to leasehold improvements and equipment for our restaurants.

Contingent liabilities

As at 31 March 2026, the Group had contingent liabilities not provided for in the consolidated financial statements in the amount of approximately HK$9.7 million in relation to bank guarantees given in lieu of rental and utility deposits (2025: approximately HK$17.6 million).

Foreign currency exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (to the extent that revenue or expenses are denominated in a currency that is different from the functional currency of the relevant subsidiaries of the Group). Majority of the Group's purchase during the year under review was denominated in the functional currency of the relevant subsidiaries.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Certain of the Group's bank balances are denominated in Renminbi ("**RMB**") which is not freely convertible into other currencies. However, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations of the PRC, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore no hedging arrangements were made. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

Human resources and remuneration policy

As at 31 March 2026, the Group had approximately 1,676 employees. The Group believes that hiring, motivating and retaining qualified employees are crucial to the Group's success as a restaurant operator. During the year under review, the Group conducted a series of standardised training and advancement programs for all the Group's staff, from serving staff, cashiers, floor managers, chefs, restaurant managers to district managers. These training programs intend to ensure that all new staff are equipped with the skills required for their positions. The Group's internal advancement programs can provide its staff with clear advancement guidelines and promote employee satisfaction. The Group offers competitive remuneration packages to its employees, including basic salary, allowances, insurance and commission/bonuses.

Indebtedness and charges on Group's assets

As at 31 March 2026, the Company had outstanding bank loans of approximately HK$229.0 million, of which approximately HK$70.8 million were secured, and approximately HK$158.2 million were unsecured. As at 31 March 2026, the Company had lease liabilities recognised on the application of HKFRS 16 "Leases" of approximately HK$201.2 million, of which approximately HK$120.7 million were due within one year and approximately HK$80.5 million were due after one year.

As at 31 March 2026, certain assets of the Group with a carrying amount in aggregate of HK$162.4 million (2025: HK$162.6 million) were pledged to secure its bank borrowings.

2026 Connected Tenancy Framework Agreement

On 30 December 2025, the Group entered into the 2026 Connected Tenancy Framework Agreement for various selected restaurant venues upon expiry of 2023 Connected Tenancy Framework Agreement. As one or more of the applicable percentage ratios for the Right-of-use Asset Caps is more than 100%, the entering into of the 2026 Connected Tenancy Framework Agreement constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The entering into the 2026 Connected Tenancy Framework Agreement was approved by independent shareholders on 24 March 2026. For details, please refer to the circular dated 25 February 2026.

Material acquisition or disposal of subsidiaries or associated companies

During the year under review, there was no material acquisition or disposal of subsidiaries or associated companies of the Company.

Dividends

The board does not recommend the payment of any dividend for the year ended 31 March 2026 (2025: nil).

Share Option Schemes

The Company has adopted a post-IPO share option scheme (the "**Share Option Scheme**") on 28 October 2014, pursuant to which, the Directors may grant options to eligible participants to subscribe for Shares at a price determined by the Board provided that the exercise price shall not be less than whichever is the highest of (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange daily quotations sheet on the offer date; and (iii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the offer date. The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and conveyed by the Board to the grantee at the time an offer is made. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on 13 November 2014. The Share Option Scheme expired on 12 November 2024.

Particulars of the movement of options granted under the Share Option Scheme during the year ended 31 March 2026 are as follows:

Directors

Name	Capacity	Date of Grant	Exercise Price	Outstanding as at 1 April 2025	Granted during the period	Lapsed during the period	Outstanding as at 31 March 2026
Mr. Yeung Wai	Beneficial Owner	18 August 2021	HK$0.2056	7,000,000	–	–	7,000,000
Mr. Yeung Yun Kei	Beneficial Owner	18 August 2021	HK$0.2056	7,000,000	–	–	7,000,000
Mr. Leung Siu Sun	Beneficial Owner	18 August 2021	HK$0.2056	7,000,000	–	–	7,000,000
Mr. Wu Kam On Keith	Beneficial Owner	18 August 2021	HK$0.2056	4,000,000	–	4,000,000	–
Mr. Yeung Ho Wang	Beneficial Owner	18 August 2021	HK$0.2056	4,000,000	–	–	4,000,000
Mr. Yeung Chun Nin	Beneficial Owner	30 November 2022	HK$0.216	1,087,500	–	–	1,087,500
Ex-Director (Note 4)	Beneficial Owner	18 August 2021	HK$0.2056	7,000,000	–	–	7,000,000
Mr. Wong Wai Leung Joseph	Beneficial Owner	18 August 2021	HK$0.2056	1,360,000	–	–	1,360,000
Mr. Chan Chun Bong Junbon	Beneficial Owner	18 August 2021	HK$0.2056	1,360,000	–	–	1,360,000

Employees

Date of Grant	Capacity	Exercise Price	Outstanding as at 1 April 2025	Granted during the period	Lapsed during the period	Outstanding as at 31 March 2026
18 August 2021	Beneficial Owner	HK$0.2056	34,277,500	–	3,280,000	30,997,500
22 March 2023	Beneficial Owner	HK$0.228	15,000,000	–	–	15,000,000

Notes:

1. As for the share options granted on 18 August 2021 (the "**2021 Date of Grant**"), the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 17 August 2021 was HK$0.205. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 24, 36 and 48 months, respectively, from the 2021 Date of Grant.

2. As for the share options granted on 30 November 2022 (the "**2022 Date of Grant**"), the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 29 November 2022 was HK$0.203. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 12, 24 and 36 months, respectively, from the 2022 Date of Grant.

3. As for the share options granted on 22 March 2023 (the "**2023 Date of Grant**"), the closing price of the shares quoted on the Stock Exchange immediately before the business day on which the options were granted i.e. 21 March 2023 was HK$0.19. The options are exercisable in 3 tranches of 33%, 33% and 34%, respectively, at any time after the expiration of 12, 24 and 36 months, respectively, from the 2023 Date of Grant.

4. Mr. Yeung Yun Chuen retired as an Executive Director with effect from 30 June 2022. In accordance with the Share Option Scheme, share options of 7,000,000 granted to him remain effective until the end of the exercise period.

5. If as a result of the exercise of the share options, the public float as required under the Listing Rules cannot be maintained, then the share options may only be exercised by the grantees to the extent allowable under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") so that after exercise of such share options, the public float requirements will not be violated.

6. Share options of 3,280,000 (Employees) and 4,000,000 (Directors), totaling 7,280,000 lapsed during the year ended 31 March 2026.

Corporate Governance Code

The Board periodically reviews the Group's corporate governance practices to ensure its continuous compliance with the code provisions of the corporate governance code (the "**CG Code**") (to the extent such provisions are applicable) as set out in Appendix C1 to the Listing Rules. Throughout the year ended 31 March 2026, the Board considered that the Company has complied with the code provisions set out in the CG Code.

As to the gender diversity required to be disclosed under the amended CG Code effective from 1 January 2022, the Board has been evaluating on appropriate plan for such diversity with reference to the relevant experiences and skills of the Board members, the Board compositions of market peers and the business development of the Group. The Board will continue to commit to maintaining a high standard of corporate governance practices to safeguard the interests of the shareholders of the Company, and to enhance corporate value and accountability. These objectives can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal controls, appropriate risk assessment procedures and transparency to all the Company's shareholders.

Model Code of Securities Transactions by Directors

The Company has adopted a code of conduct (the "**Code of Conduct**") regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Based on responses of specific enquiries made with the Directors, all of the Directors have confirmed that they have complied with required standards as set out in the Model Code and Code of Conduct throughout the year ended 31 March 2026 and up to the date of this announcement.

Purchases, sale or redemption of listed securities

During the year ended 31 March 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares has been held in public hands) as required under the Listing Rules during the year ended 31 March 2026 and up to the date of this announcement.

Events after the year under review

The Board is not aware of any material event affecting the Group since the end of the reporting period and up to the date of this announcement.

Audit Committee

The primary duties of audit committee of the Company (the "**Audit Committee**") are to make recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and material advice in respect of financial reporting and to oversee the audit process, risk management system and internal control procedures of the Group.

The Audit Committee comprises all three independent non-executive Directors, namely, Mr. Wong Wai Leung Joseph, Mr. Chan Chun Bong Junbon and Ms. Huang Li Mei with Mr. Wong Wai Leung Joseph, being the chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated statements for the year ended 31 March 2026. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Scope of work of ZHONGHUI ANDA CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 15 September 2026 to Friday, 18 September 2026, both days inclusive, during which period no transfer of Shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting. In order to be eligible to attend and vote at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Fast East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 September 2026.

Publication of annual results announcement and annual report

This annual results announcement is published on the Company's website (www.fulumgroup.com) and the Stock Exchange's website (www.hkexnews.hk). The annual report of the Company for the year ended 31 March 2026 containing all the information required under the Listing Rules will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course.

By order of the Board
Fulum Group Holdings Limited
YEUNG WAI
Chairman and Executive Director

Hong Kong, 26 June 2026

As at the date of this announcement, the Board comprises Mr. Yeung Wai (Chairman), Mr. Yeung Ho Wang (CEO), Mr. Yeung Yun Kei, Mr. Leung Siu Sun, and Mr. Yeung Chun Nin as executive Directors; and Mr. Wong Wai Leung Joseph, Mr. Chan Chun Bong Junbon and Ms. Huang Li Mei as independent non-executive Directors.