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Most Kwai Chung Limited

毛 記 葵 涌 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

	Year ended 31 March	
	2026	2025
Revenue	**HK$92.0 million**	HK$93.6 million
Gross profit	**HK$40.9 million**	HK$43.3 million
Net profit	**HK$1.6 million**	HK$6.4 million
Basic and diluted earnings per share	**HK0.60 cents**	HK2.27 cents

RESULTS

The board (the "Board") of directors (the "Directors") of Most Kwai Chung Limited (the "Company") announces the consolidated audited results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 March 2026 (the "Year"), together with the comparative figures for the previous financial year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**92,006**	93,590
Cost of sales		**(51,060)**	(50,265)
Gross profit		**40,946**	43,325
Other income and other gain		**1,002**	373
Gain on step acquisition on a subsidiary		**–**	1,499
Selling and distribution expenses		**(16,046)**	(17,021)
Administrative expenses		**(25,187)**	(22,608)
Impairment loss on property, plant and equipment		**(500)**	–
Reversal of/(provision for) impairment losses on trade receivables, net	*7*	**983**	(312)
Operating profit		**1,198**	5,256
Finance income		**650**	1,227
Finance costs		**(58)**	(128)
Finance income, net		**592**	1,099
Share of profit of associates, net		**–**	62
Share of (loss)/profit of a joint venture		**(52)**	67
Profit before income tax		**1,738**	6,484
Income tax expense	*5*	**(129)**	(100)
Profit and total comprehensive income for the year		**1,609**	6,384
Attributable to:			
Owners of the Company		**1,616**	6,126
Non-controlling interests		**(7)**	258
		1,609	6,384
Basic and diluted earnings per share for profit attributable to owners of the Company (Hong Kong cents)	*6*	**0.60**	2.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2026	2025
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**533**	1,515
Right-of-use assets		**279**	1,078
Goodwill		**4,187**	4,187
Deposits		**–**	162
Interest in a joint venture		**–**	112
		4,999	7,054
Current assets			
Inventories		**281**	469
Trade receivables	*7*	**11,065**	16,083
Prepayments, deposits and other receivables		**3,616**	4,204
Current income tax recoverable		**15**	71
Cash and cash equivalents		**50,177**	43,913
		65,154	64,740
Total assets		**70,153**	71,794
EQUITY			
Capital and reserves			
Share capital		**2,700**	2,700
Reserves		**50,556**	48,940
Equity attributable to owners of the Company		**53,256**	51,640
Non-controlling interests		**2,240**	2,289
Total equity		**55,496**	53,929

	Note	As at 31 March 2026 HK$'000	2025 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		**–**	107
Defined benefit plan obligations		**293**	180
		293	287
Current liabilities			
Trade payables	*8*	**2,515**	4,102
Lease liabilities		**391**	1,106
Amount due to an associate		**509**	1,489
Other payables and accruals		**4,737**	4,565
Contract liabilities		**6,167**	6,273
Current income tax liabilities		**45**	43
		14,364	17,578
Total liabilities		**14,657**	17,865
Total equity and liabilities		**70,153**	71,794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1 GENERAL INFORMATION

Most Kwai Chung Limited (the "Company") was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability under the Companies Act (as revised from time to time) of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is located at Unit 8, 16/F, Block B, Tung Chun Industrial Building, 11–13 Tai Yuen Street, Kwai Chung, New Territories, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group (as defined below) is principally engaged in the provision of digital media services, print media services and other media, innovative trend business and other professional services.

Prior to 12 March 2026, the ultimate holding company of the Group is Blackpaper Limited ("Blackpaper BVI"), a company incorporated in the British Virgin Islands with limited liability. Blackpaper BVI is owned as to 50% by each of Mr. Iu Kar Ho ("Mr. Iu") and Mr. Luk Ka Chun ("Mr. Luk"). Since 12 March 2026, the ultimate holding company of the Group has been changed to Brave Steed Legacy Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Dr. Ma Liyang, who is also the chairman and an executive director of the Company.

These consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

3 NEW AND AMENDMENTS TO STANDARDS ADOPTED BY THE GROUP

(a) Amendments to HKFRS Accounting Standards adopted by the Group

The Group has applied the following amendments to an HKFRS Accounting Standard for the first time for their annual reporting period commencing on 1 April 2025:

Amendments to HKAS 21	Lack of Exchangeability

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amendments to HKFRS Accounting Standards not yet adopted

The following new and amendments to the HKFRS Accounting Standards that have been published are not mandatory for the year ended 31 March 2026 and have not been early adopted by the Group:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — Dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

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

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

HKFRS 18 "Presentation and Disclosure in Financial Statements"

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used for making strategic decisions. The CODM is identified as executive directors of the Company. The executive directors reviewed the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the Group's operation from a business perspective and determines that the Group has three reportable operating segments as follows:

Digital media services

Digital media services represent the provision of media management services and one-stop advertising solution packages under which the deliverables to customers are distributed on digital media platforms managed by the Group, third parties' TV channels, the Internet and physical advertising spaces, subject to the needs of the customers.

Print media services

Print media services represent the sale of books published by the Group.

Other media, innovative trend business and other professional services ("OM and other services")

Other media, innovative trend business and other professional services income represent income generated from (i) displaying customers' advertisements and promoting their brands in events organised by the Group; (ii) sale of tickets for these events and merchandise; (iii) artistes management business, under which the Group's contracted artistes appear in advertisements and events organised by the Group, as well as for third party customers; and (iv) matching, dating and marriage consultancy income.

The CODM assesses the performance of the operating segments based on a measure of revenue and results before income tax. The segment information provided to the CODM for the reportable segments is as follows:

	2026			
	Digital media services *HK$'000*	**Print media services** *HK$'000*	**OM and other services** *HK$'000*	**Total** *HK$'000*
Revenue	**75,009**	**199**	**30,803**	**106,011**
Inter-segment transactions	**(3,349)**	**–**	**(10,656)**	**(14,005)**
Revenue from external customers	**71,660**	**199**	**20,147**	**92,006**
Segment profit/(loss) before income tax	**2,101**	**(721)**	**(428)**	**952**
Unallocated centrally incurred expenses				**(744)**
Gain on disposal of a joint venture				**10**
Waiver of amount due to an associate				**980**
Finance income, net				**592**
Share of loss of a joint venture				**(52)**
Income tax expense				**(129)**
Profit for the year				**1,609**
Other information:				
Depreciation of property, plant and equipment	**83**	**264**	**330**	**677**
Depreciation of right-of-use assets	**1,107**	**–**	**807**	**1,914**
Impairment loss on property, plant and equipment	**–**	**–**	**500**	**500**
Finance costs related to leases liabilities	**30**	**–**	**28**	**58**

	2025			
	Digital media services *HK$'000*	Print media services *HK$'000*	OM and other services *HK$'000*	Total *HK$'000*
Revenue	73,016	302	31,093	104,411
Inter-segment transactions	(2,657)	–	(8,164)	(10,821)
Revenue from external customers	70,359	302	22,929	93,590
Segment profit/(loss) before income tax	3,945	(1,216)	1,485	4,214
Unallocated centrally incurred expenses				(457)
Gain on step acquisition on a subsidiary				1,499
Finance income, net				1,099
Share of profit of associates, net				62
Share of profit of a joint venture				67
Income tax expense				(100)
Profit for the year				6,384
Other information:				
Depreciation of property, plant and equipment	71	298	289	658
Depreciation of right-of-use assets	1,076	–	800	1,876
Finance costs related to leases liabilities	74	–	54	128

Inter-segment transactions are charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about major customers:

There is no single external customer who contributed 10% or more than 10% of the revenue of the Group during the years ended 31 March 2026 and 2025.

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by the timing of revenue recognition is as follows:

	2026 *HK$'000*	2025 *HK$'000*
At a point of time:		
Media services income	**78,731**	80,380
Sales of books and merchandise	**1,242**	2,833
OM and other services income	**7,630**	6,855
	87,603	90,068
Over time:		
Media services income	**3,002**	1,929
OM and other services income	**1,401**	1,593
	4,403	3,522
	92,006	93,590

(a) Changes in contract liabilities

Contract liabilities for receipts in advance from customers have decreased by HK$106,000 (2025: increased by HK$637,000) from the prior year. The decrease in 2026 was mainly due to the fulfilment of the performance obligation of digital media services, and OM and other services during the year. The increase in 2025 was mainly due to new customers commitment from digital media services, and OM and other services.

The Group typically receives the full amount of the agreed consideration as a deposit from customers upon signing the service contract. This deposit is recognised as a contract liability until the related media services, and OM and other services are rendered.

(b) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2026 *HK$'000*	2025 *HK$'000*
Media services, and OM and other services income contracts	**6,273**	5,636

All media services, and OM and other services income contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5 INCOME TAX EXPENSE

	2026	2025
	HK$'000	*HK$'000*
Current income tax expense — Hong Kong	**129**	100

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong standard rate of income tax as follows:

	2026	2025
	HK$'000	*HK$'000*
Profit before income tax	**1,738**	6,484
Tax calculated at 16.5% (2025: 16.5%)	**286**	1,069
Tax effect of:		
— Income not subject to tax	**(470)**	(449)
— Expenses not deductible for tax purposes	**54**	67
— Share of results of associates	**–**	(10)
— Share of results of a joint venture	**9**	(11)
— Tax losses not recognised	**670**	340
— Tax losses utilised	**(291)**	(805)
— Tax concession under two-tiered profits rates regime	**(129)**	(101)
Income tax	**129**	100

For the tax assessment year ended 31 March 2026 and 2025, Hong Kong Profits Tax of a subsidiary is levied at 8.25% on the estimated assessable profits arising in or derived from Hong Kong for the year below HK$2,000,000, and thereafter at 16.5%.

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	2026	2025
Profit attributable to owners of the Company during the year *(HK$'000)*	**1,616**	6,126
Weighted average number of ordinary shares in issue	**270,000,000**	270,000,000
Basic earnings per share (Hong Kong cents)	**0.60**	2.27

The diluted earnings per share is the same as the basic earnings per share for both 2026 and 2025 as there were no potential shares in issue for both 2026 and 2025.

7 TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**11,371**	17,372
Less: provision for impairment of trade receivables	**(306)**	(1,289)
	11,065	16,083

Credit terms ranging between 30 and 90 days were granted to our customers. The ageing analysis of trade receivables, based on invoice date, was as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 2 months	**7,187**	11,636
2 to 4 months	**1,179**	1,327
4 to 6 months	**1,060**	3,185
Over 6 months	**1,945**	1,224
	11,371	17,372

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the ageing derived based on days past due.

Movement in the provision for impairment of trade receivables that are assessed for impairment are as follows:

	HK$'000
As at 1 April 2024	977
Provision of impairment recognised during the year, net	312
As at 31 March 2025 and 1 April 2025	1,289
Reversal of impairment loss recognised during the year, net	(983)
As at 31 March 2026	306

The maximum exposure to credit risk is the carrying amounts of trade receivables. The Group does not hold any collateral as security.

8 TRADE PAYABLES

The ageing analysis of trade payables, based on invoice date, was as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 1 month	**2,115**	3,793
1 to 2 months	**287**	230
2 to 3 months	**–**	21
Over 3 months	**113**	58
	2,515	4,102

9 DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2026 (2025: HK$nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group provides integrated advertising and media services to customers which can be categorised into (i) digital media services under which the Group provides a one-stop advertising solution package to the customers, with different types of advertisements including video, online banner, newsfeed and advertorial, through various distribution channels including digital media platforms (which include (a) the respective fan pages of “100 Most” (100毛), “TVMost” (毛記電視) and the Group’s contracted artistes on third party social media platforms and (b) TVMost’s website and mobile application operated by the Group) (the “Digital Media Platforms”), third parties’ TV channels, the Internet, and physical advertising spaces; (ii) print media services which include the sale of book publications; and (iii) other media, innovative trend business and other professional services (“OM and other services”) income represent income generated from (a) displaying customers’ advertisements and promoting their brands in events organised by the Group; (b) sale of tickets of these events and merchandise; (c) artistes management business, under which the Group’s contracted artistes appear in advertisements and events organised by the Group, as well as third party customers; and (d) matching, dating and marriage consultancy income. Under the current circumstances, the Group expects the prospects of the advertising and media industry to be steadily recovering for the coming year. The Group aims to further promote its brand awareness and strengthen the variety and content of the events organised by the Group in the future.

Digital Media Services

Digital media services represent the provision of media management services and one-stop advertising solution packages under which the deliverables to the customers are distributed on the Digital Media Platforms managed by the Group and other platforms, such as third parties’ TV channels, the Internet and physical advertising spaces, subject to the needs of the customers.

Revenue from the digital media services increased from approximately HK$70.4 million for the year ended 31 March 2025 to approximately HK$71.7 million for the Year, representing an increase of 1.8%. Segment profit before income tax was approximately HK$3.9 million and HK$2.1 million for the year ended 31 March 2025 and 2026, respectively. During the Year, the decrease in segment profit before income tax were mainly due to increase in staff cost. The Group will continue its efforts in capturing more business opportunities in the digital media services segment brought by the digitalisation in the market.

Print Media Services

Print media services segment comprises sales of books published by the Group.

Revenue from the print media services was approximately HK$0.3 million and HK$0.2 million for the years ended 31 March 2025 and 2026 respectively. Segment loss before income tax was approximately HK$1.2 million and HK$0.7 million for the years ended 31 March 2025 and 2026 respectively.

OM and Other Services

OM and other services income represent income generated from (a) displaying customers' advertisements and promoting their brands in events organised by the Group; (b) sale of tickets for these events and merchandise; (c) artistes management business, under which the Group's contracted artistes appear in advertisements and events organised by the Group, as well as for third party customers; and (d) matching, dating and marriage consultancy income.

Revenue from the OM and other services was approximately HK$22.9 million and HK$20.1 million for the years ended 31 March 2025 and 2026 respectively. During the Year, the decrease in revenue from the OM and other services was mainly due to the decrease in revenue derived from sales of books and merchandise during the Year. Segment loss before income tax was approximately HK$0.4 million for the year and segment profit before income tax was approximately HK$1.5 million for the year ended 31 March 2025. The turnaround from segment profit before income tax into segment loss before income tax was mainly due to inventories shrinkage and impairment loss on property, plant and equipment.

Outlook and Future Prospects

In 2026, Brave Steed Legacy Limited (the "Offeror") completed its acquisition of the controlling shareholding in the Company, which has opened up new strategic horizons for our future development. Looking ahead, we will adhere to a two-pronged strategy: first, to strengthen our existing businesses, and second, to pioneer new opportunities.

In terms of our existing businesses, as social media continues to penetrate deeply in Hong Kong, platforms such as Facebook, Instagram, YouTube, and Patreon have become core battlegrounds for advertising and brand building. Hong Kong marketers and enterprises are continuously increasing their investment in digital channels. We will continue to leverage our established strengths in digital media services, while further diversifying our marketing channels across a wider range of online and offline platforms. We will offer more varied programming content to enhance brand awareness and core competitiveness. At the same time, we will prudently evaluate opportunities to expand into e-commerce business, with the aim of further increasing revenue and profitability.

Concurrently, we will no longer confine ourselves to the positioning of a single media service provider. As a unique window connecting China and the world, Hong Kong's capital market status and international resources provide us with a broad platform for development. We will seek appropriate opportunities to develop new businesses, with the goal of transforming the Company into a high-quality listed company with greater international vision and a more diversified business structure.

In the face of a rapidly evolving market, we will stay closely aligned with industry trends to ensure our services remain highly competitive, while actively assessing opportunities in overseas markets and emerging industries. We believe that, rooted in Hong Kong, with a global outlook and a deep sense of national pride, we will stride boldly across the world — steadfastly maintaining our local foundation while courageously venturing into new territories. This is the core path to our sustainable development in the future.

Reference is made to the composite document (the "Composite Document") jointly published by the Company and the Offeror dated 2 April 2026.

As disclosed in the section headed "Letter from Kingston Securities — Intention of the Offeror regarding the Group" of the Composite Document, the Offeror intends to continue the existing principal business of the Group immediately following completion of its acquisition of 65% of all issued shares in the Company on 12 March 2026. However, the Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business opportunities suitable for the Group and/or seek to expand the geographical coverage or type of services of the principal business of the Group.

Financial Review

Revenue

Revenue of the Group decreased by approximately HK$1.6 million or 1.7% from approximately HK$93.6 million for the year ended 31 March 2025 to approximately HK$92.0 million for the Year. The decrease was mainly attributable to the decrease in sales of books and merchandise from OM and other services segment.

Cost of Sales

The Group's cost of sales comprises direct cost incurred for the digital media services (mainly include staff costs and costs of production), print media services (mainly include staff costs, cost of inventories, royalties and other production costs) and OM and other services (mainly include staff costs, costs of production and other costs incurred during the organisation of events). The cost of sales increased to approximately HK$51.1 million for the Year from approximately HK$50.3 million for the year ended 31 March 2025, representing an increase of approximately HK$0.8 million or 1.6% during the Year which was resulted from the increment in staff costs arising from a special bonus distributed to staff.

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately HK$2.4 million or 5.5% from approximately HK$43.3 million for the year ended 31 March 2025 to approximately HK$40.9 million for the Year. The overall gross profit margin of the Group was approximately 46% and 45% for the years ended 31 March 2025 and 2026, respectively. The slight decrease was mainly attributable to the decrease in revenue derived from provision of matching, dating and marriage consultancy services and sale of tickets of live action role-playing game and performance events organised by the Group in OM and other services segment and slight increase in cost of sales.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of staff costs, advertising and promotion expenses and others. Selling and distribution expenses of the Group were approximately HK$17.0 million and approximately HK$16.0 million for the years ended 31 March 2025 and 2026 respectively, representing a decrease by approximately HK$1.0 million or 5.9% which was mainly attributable to the decrease in revenue in the Year.

Administrative Expenses

Administrative expenses of the Group increased from approximately HK$22.6 million for the year ended 31 March 2025 to approximately HK$25.2 million for the Year, representing an increase by approximately HK$2.6 million or 11.5%. The increase was mainly due to an increase in staff cost and rental expenses.

Profit before Income Tax

During the years ended 31 March 2025 and 2026, the profit before income tax was approximately HK$6.5 million and approximately HK$1.7 million, respectively. During the Year, decrease in profit before income tax was mainly attributable to the combined effects of (i) the fair value gain from the step acquisition in relation to the acquisition of 31% of the issued share capital of To Be Honest Limited (details of which were set out in the announcement of the Company dated 11 July 2024) during the year ended 31 March 2025 while the Group had no similar gain during the Year; and (ii) increase in staff cost arising from a special bonus distributed to staff, mitigated by a reversal of impairment losses on trade receivables net and waiver of amount due to an associate.

Income Tax Expense

The income tax expense was approximately HK$0.1 million for the year ended 31 March 2026 (2025: HK$0.1 million).

Liquidity and Financial Resources

During the Year, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2025 and 2026, the Group had net current assets of approximately HK$47.2 million and HK$50.8 million, respectively, including cash and cash equivalents of approximately HK$43.9 million and HK$50.2 million respectively. The Group's current ratio (current assets divided by current liabilities) increased from approximately 3.7 as at 31 March 2025 to approximately 4.5 as at 31 March 2026. Such increase was mainly due to decrease in trade payables, lease liabilities and amounts due to associates and increase in cash and cash equivalents for the Year.

The Group's gearing ratio was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 31 March 2026, the Group's gearing ratio was nil (2025: nil).

Treasury Policies

The Group adopts prudent treasury policies. The Group has been monitoring its procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group's management regularly reviews the recoverable amount of each individual trade receivable by taking into account the market conditions, customers' profiles and contractual terms to ensure that adequate provision of impairment is made for irrecoverable amounts. On top of 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.

Capital Structure

As at 31 March 2026, the Company had 270,000,000 Shares in issue. There has been no change in the capital structure of the Group since the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The share capital of the Company only comprises ordinary shares.

Material Acquisitions or Disposal of Subsidiaries, Associates or Joint Ventures

The Group did not make any material acquisitions or disposal of subsidiaries, associates, or joint ventures during the Year.

Significant Investments Held

The Group did not hold any significant investment during the Year.

Future Plans for Material Investments and Capital Assets

Save as those disclosed under the section headed "Letter from Kingston Securities — Intention of the Offeror regarding the Group" of the Composite Document and the section headed "Business Review — Outlook and Future Prospects" of this announcement, 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 31 March 2026.

Foreign Exchange Exposure

During the Year, the Group operated in Hong Kong and all of the Group's transactions and cash and cash equivalents were denominated in Hong Kong dollars. The Directors consider that the Group was not subject to foreign exchange risk. Currently, the Group does not have a foreign currency hedging policy, but the Group's management continuously monitors its foreign exchange exposure.

Pledge of Assets

As at 31 March 2026, none of the Group's assets were pledged.

Employees and Remuneration Policies

The total number of full-time employees were 90 and 83 as at 31 March 2025 and 2026, respectively. The Group's employee benefit expenses mainly include salaries, discretionary bonuses, commissions, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2025 and 2026, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK$35.2 million and HK$40.2 million, respectively.

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group in that particular year and general market conditions.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2025: nil).

CLOSURE OF REGISTER OF MEMBERS

To determine the entitlement to attend and vote at the annual general meeting of the Company ("AGM") to be held on Friday, 31 July 2026, the register of members of the Company will be closed from Tuesday, 28 July 2026 to Friday, 31 July 2026, both dates inclusive, during which period no transfer of Shares will be effected. The record date for the annual general meeting is Tuesday, 28 July 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 27 July 2026.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 12 March 2026, the Offeror completed an acquisition of 175,500,000 issued shares in the Company (representing 65% of the entire issued share capital of the Company) and became the controlling shareholder of the Company. Following the acquisition, the Offeror and parties acting in concert with it held 65% of the entire issued share capital of the Company and obtained control over the Company.

Subsequent to the end of the Year and pursuant to the Takeovers Code, the Offeror made a mandatory unconditional cash offer on 2 April 2026 to acquire the remaining issued shares in the Company. The offer was closed on 23 April 2026 and resulted in further acquisition of 112,005 shares of the Company, representing approximately 0.04% of the entire issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and complied with all the applicable code provisions (the "Code Provisions") as set out under the Corporate Governance Code (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Company has complied with all the Code Provisions of the CG Code throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as a code of conduct of the Company for Directors' securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code and they have all confirmed that they had fully complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 in part 2 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. Yuan Yuan (chairman of the Audit Committee), Dr. Chen Yang and Ms. Yuan Fan.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the Year.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

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, Baker Tilly Hong Kong Limited ("Baker Tilly"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements as issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.mostkwaichung.com. The annual report of the Company will be dispatched to the shareholders of the Company and published on above websites in due course.

By order of the Board of
MOST KWAI CHUNG LIMITED
毛記葵涌有限公司
Cheng Taohong
Executive director

Hong Kong, 26 June 2026

As at the date of this announcement, the Board comprises Dr. Ma Liyang (Chairman) and Ms. Cheng Taohong, being the executive Directors; and Dr. Chen Yang, Dr. Yuan Yuan and Ms. Yuan Fan, being the independent non-executive Directors.