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QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1348)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

- Total revenue from continuing operations for the year ended 31 March 2026 (the “**Current Year**”) was approximately HK\$26.6 million, representing a decrease of approximately HK\$25.4 million or 48.9% from approximately HK\$52.1 million for the year ended 31 March 2025 (the “**Previous Year**”).
- Revenue from the Toys Division for the Current Year was approximately HK\$25.9 million decreased by approximately HK\$26.2 million or 50.3% from the Previous Year of approximately HK\$52.1 million.
- Gross profit from the Toys division for the Current Year was approximately HK\$1.5 million, representing a decrease of approximately HK\$2.1 million or 58.3% from approximately HK\$3.6 million for the Previous Year.
- The Group’s net loss from continuing operations for the Current Year amounted to approximately HK\$19.9 million, as compared to a net loss from continuing operations of approximately HK\$6.5 million for the Previous Year, representing an increase by approximately HK\$13.4 million or 207.5%. Such increase in net loss from continuing operations was mainly due to:
 - a decrease in revenue from the Toys Division of approximately HK\$26.2 million in the Current Year;

* *For identification purpose only*

- a decrease in other income, gains and losses of approximately HK\$3.8 million, which was primarily attributable to (i) the absence of a gain on disposal of property, plant and equipment of approximately HK\$3.1 million recorded in the Previous Year; and (ii) a decrease in interest income from bank deposits of approximately HK\$0.9 million, from approximately HK\$1.5 million for the Previous Year to approximately HK\$0.6 million for the Current Year;
- an increase in administrative expenses of about HK\$7.0 million as a result of (i) an increase in legal and professional fee of approximately HK\$2.6 million primarily due to disposal of the Group's subsidiaries during the Current Year; and (ii) a lease amortisation of approximately HK\$2.8 million recorded in the Current Year (Previous Year: nil) arising from the amortisation of right-of-use assets following changes in the Group's lease portfolio after the disposal of subsidiaries in August 2025; and
- an impairment loss on right-of-use assets of approximately HK\$1.6 million recognised during the Current Year.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2026.

The board (the “**Board**”) of directors (the “**Directors**”) of Quali-Smart Holdings Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2026 together with the comparative audited figures for the preceding financial year in this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | <i>Notes</i> | Year ended 31 March | |
|---|--------------|-------------------------|---------------------------------------|
| | | 2026 <i>HK\$’000</i> | 2025 <i>HK\$’000</i> (Restated) |
| Continuing Operations | | | |
| Revenue | 4, 5 | 26,633 | 52,079 |
| Other revenue and gain or loss | 6 | 1,404 | 5,192 |
| Cost of sales for manufacturing and sales of toys division, and trading of medical equipment | | (25,126) | (48,454) |
| Selling expenses for manufacturing and sales of toys division, and trading of medical equipment | | (1,569) | (1,420) |
| Impairment loss on right-of-use assets | | (1,560) | – |
| Administrative expenses | | (16,107) | (9,061) |
| Finance costs | 8 | (3,539) | (4,796) |
| Loss before income tax expense | 7 | (19,864) | (6,460) |
| Income tax credit | 10 | – | – |
| Loss for the year from continuing operations | | (19,864) | (6,460) |

| | | Year ended 31 March | |
|---|----|----------------------------|-----------------|
| | | 2026 | 2025 |
| | | HK\$'000 | <i>HK\$'000</i> |
| | | (Restated) | |
| | | <i>Notes</i> | |
| Discontinued Operations | | | |
| Loss for the year from discontinued operations | 9 | <u>(5,090)</u> | <u>(11,411)</u> |
| Loss and total comprehensive expenses for the year | | <u>(24,954)</u> | <u>(17,871)</u> |
| Loss and total comprehensive expenses for the year: | | | |
| Attributable to equity holders of the Company: | | | |
| – Continuing operations | | <u>(19,864)</u> | (6,460) |
| – Discontinued operations | | <u>(5,161)</u> | <u>(11,412)</u> |
| | | (25,025) | (17,872) |
| Attributable to non-controlling interests | | | |
| – Discontinued operations | | <u>71</u> | <u>1</u> |
| | | <u>(24,954)</u> | <u>(17,871)</u> |
| Loss per share from continuing and discontinued operations | | | |
| – Basic and diluted (HK cents) | 12 | <u>(1.70)</u> | <u>(1.21)</u> |
| Loss per share from continuing operations | | | |
| – Basic and diluted (HK cents) | 12 | <u>(1.35)</u> | <u>(0.44)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | At 31 March | |
|--|--------------|--------------------|-----------------|
| | <i>Notes</i> | 2026 | 2025 |
| | | HK\$'000 | HK\$'000 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | – | 391 |
| Right-of-use assets | | – | 5,131 |
| Statutory deposit for financial service business | | – | 369 |
| Deposits | | 35 | 35 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 35 | 5,926 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Inventories | 13 | 2,568 | 3,271 |
| Trade receivables | 14 | 572 | 2,358 |
| Prepayments, deposits and other receivables | | 1,795 | 5,452 |
| Tax receivables | | 354 | 354 |
| Cash and bank balances held on behalf of customers | | – | 63,265 |
| Time deposits | | 8,000 | 58,467 |
| Cash and cash equivalents | | 14,437 | 25,561 |
| | | <hr/> | <hr/> |
| Total current assets | | 27,726 | 158,728 |
| | | <hr/> | <hr/> |
| CURRENT LIABILITIES | | | |
| Trade payables | 15 | 2,778 | 66,125 |
| Accruals and other payables | | 1,379 | 3,072 |
| Convertible notes | 17 | 8,784 | – |
| Lease liabilities | | 1,459 | 3,799 |
| Amounts due to non-controlling interests | | – | 13,041 |
| Tax payables | | 38 | – |
| | | <hr/> | <hr/> |
| Total current liabilities | | 14,438 | 86,037 |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 13,288 | 72,691 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 13,323 | 78,617 |
| | | <hr/> | <hr/> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| | | At 31 March | |
|--------------------------------------|--------------|-----------------|-----------------|
| | <i>Notes</i> | 2026 | 2025 |
| | | HK\$'000 | HK\$'000 |
| NON-CURRENT LIABILITIES | | | |
| Promissory notes | 16 | – | 31,000 |
| Convertible notes | 17 | – | 7,295 |
| Lease liabilities | | – | 1,455 |
| Deferred tax liabilities | | – | 178 |
| Provision for long services payments | | 110 | 392 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 110 | 40,320 |
| | | <hr/> | <hr/> |
| NET ASSETS | | | |
| | | 13,213 | 38,297 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| EQUITY | | | |
| Share capital | 18 | 287 | 287 |
| Reserves | 19 | 12,926 | 37,951 |
| | | <hr/> | <hr/> |
| | | 13,213 | 38,238 |
| Non-controlling interests | | – | 59 |
| | | <hr/> | <hr/> |
| Total equity | | 13,213 | 38,297 |
| | | <hr/> <hr/> | <hr/> <hr/> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital <i>HK\$'000</i> | Share premium <i>HK\$'000</i> | Other reserve <i>HK\$'000</i> | Share option reserve <i>HK\$'000</i> | Convertible notes equity reserve <i>HK\$'000</i> | Accumulated losses <i>HK\$'000</i> | Total <i>HK\$'000</i> | Non- controlling interest <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--|---|--|--------------------------|--|--------------------------|
| At 1 April 2024 | 287 | 418,769 | 1,000 | 27,501 | 3,662 | (395,109) | 56,110 | 58 | 56,168 |
| Lapse of share options | - | - | - | (417) | - | 417 | - | - | - |
| Loss and total comprehensive expenses for the year | - | - | - | - | - | (17,872) | (17,872) | 1 | (17,871) |
| At 31 March 2025 and 1 April 2025 | 287 | 418,769 | 1,000 | 27,084 | 3,662 | (412,564) | 38,238 | 59 | 38,297 |
| Lapse of share options | - | - | - | (27,084) | - | 27,084 | - | - | - |
| Loss and total comprehensive expenses for the year | - | - | - | - | - | (25,025) | (25,025) | 71 | (24,954) |
| Total comprehensive expenses for the year | 287 | 418,769 | 1,000 | - | 3,662 | (410,505) | 13,213 | 130 | 13,343 |
| Disposal of subsidiary | - | - | - | - | - | - | - | (130) | (130) |
| At 31 March 2026 | 287 | 418,769 | 1,000 | - | 3,662 | (410,505) | 13,213 | - | 13,213 |

NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Quali-Smart Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 14 March 2012 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Workshop C on 19th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, Hong Kong. The ordinary shares in the capital of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2. CHANGES IN ACCOUNTING POLICIES

Amendments to standards and interpretations that are mandatorily effective for the current year

The Group has adopted the following amendments to standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time for the current year’s financial statements.

| | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

Amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. As no lack of exchangeability is noted by the Group, the amendments did not have any impact on the Group’s financial statements.

New and amendments to standards issued but not yet effective

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

| | |
|--|--|
| HKFRS 18 | Presentation and Disclosure in Financial Statements ² |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosure ² |
| 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 |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 21 | Translation to a Hyper Inflationary Presentation Currency ² |

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

2. CHANGES IN ACCOUNTING POLICIES (Continued)

New and amendments to standards issued but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18 was issued by the HKICPA in July 2024 which supersedes HKAS 1 Presentation of Financial Statements and will result in major consequential amendments to HKFRSs including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items presented in the consolidated financial statements, it is expected to have a significant impact on the presentation and disclosures of certain items. These changes include categorisation and aggregation in the consolidated statement of profit or loss, aggregation or disaggregation and labelling of financial information, and disclosure of management-defined performance measures.

Adoption of other new and amendments to HKFRS Accounting Standards is not expected to have material impact on the Group’s financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

Items included in the financial statements of each of the Company’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision maker (the “**CODM**”) considers the business primarily on the assessment of operating performance in each operating unit, which is the basis upon which the Group is organised. Each operating unit is distinguished based on types of goods or services delivered or provided. From February 2026, the Group commenced the business of trading of medical equipment, which was considered as a new reportable segment by the CODM while the Company has ceased the financial service business, which constituted discontinued operations, during the current year. Prior year segment disclosures have been represented to conform with the current year’s presentation accordingly.

4. OPERATING SEGMENT INFORMATION (Continued)

The following summary describes the operations in each of the Group's reportable segments:

Continuing Operations

- Trading of medical equipment; and
- Manufacturing and sales of toys;

Discontinued Operations

- Securities brokerage, securities margin financing, and asset management services (“**Financial Services**”).

(a) Reportable segments

The Group had disposed of its entire 100% interest in certain subsidiaries which were engaged in Financial Services and were considered by the management as separate major line of business of the Group. Accordingly, the entire Financial Services segment was accounted for as discontinued operations.

Management assesses the performance of the operating segments based on the measurement of segment results which represent the net of revenues, other revenue, costs and expenditures directly attributable to each operating segment. Central administrative cost is not allocated to the operating segments as they are not included in the measurement of the segment results that are used by the chief operating decision-marker for assessment of segment performance. The following is an analysis of the Group's revenue and results by reporting segment for the year:

Segment revenue and results

| | Continuing Operations | | Discontinued Operations | Total HK\$'000 |
|---|--|---|-----------------------------------|-------------------|
| | Trading of medical equipment HK\$'000 | Manufacturing and sales of toys HK\$'000 | Financial Services HK\$'000 | |
| For the year ended 31 March 2026 | | | | |
| External revenue | 773 | 25,860 | 5,344 | 31,977 |
| Cost of sales/financial services (Note (b)) | (749) | (24,377) | – | (25,126) |
| Segment profit/(loss) | 6 | (5,330) | (3,710) | (9,034) |
| Impairment loss on right-of-use assets | | | | (1,560) |
| Central administrative cost (Note (a)) | | | | (10,741) |
| Finance cost | | | | (3,619) |
| Loss before income tax expense | | | | (24,954) |

4. OPERATING SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

Segment revenue and results (Continued)

| | Continuing Operations | Discontinued Operations | |
|--|--|--|--------------------------|
| | Manufacturing and sales of toys <i>HK\$'000</i> | Financial services <i>HK\$'000</i> | Total <i>HK\$'000</i> |
| For the year ended 31 March 2025 | | | |
| (restated) | | | |
| External revenue | 52,079 | 19,854 | 71,933 |
| Cost of sales/financial services (<i>note (b)</i>) | (48,454) | (21,802) | (70,256) |
| Segment profit/(loss) | 357 | (10,424) | (10,067) |
| Central administrative cost (<i>note (a)</i>) | | | (2,703) |
| Finance cost | | | (5,101) |
| Loss before income tax expense | | | (17,871) |

Notes:

- (a) Central administrative cost mainly includes directors' remuneration and legal and professional fees.
- (b) Cost of financial services was grouped into administrative expenses of the consolidated statement of profit or loss and other comprehensive income.

Segment profit/(loss) represents the profit or (loss) earned by each segment without allocation of corporates income and central administrative cost. This is the information reported to the chief operating decision-maker for the purpose of resource allocation and performance assessment.

4. OPERATING SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

Segment assets

All assets other than deposits, cash and cash equivalents and time deposits (2025: other than cash and cash equivalents and time deposits) are allocated to reportable segments.

| | At 31 March | |
|---------------------------------|---------------|----------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Trading of medical equipment | 44 | – |
| Manufacturing and sales of toys | 3,831 | 8,474 |
| Financial services | – | 72,152 |
| | <hr/> | <hr/> |
| Total segment assets | 3,875 | 80,626 |
| Unallocated | 23,886 | 84,028 |
| | <hr/> | <hr/> |
| Consolidated assets | <u>27,761</u> | <u>164,654</u> |

Segment liabilities

All liabilities other than lease liabilities, accruals of corporate expenses, convertible notes (2025: other than accruals of corporate expenses, promissory notes, convertible notes, deferred tax liabilities and amounts due to non-controlling interests) are allocated to reportable segments.

| | At 31 March | |
|---------------------------------|---------------|----------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Trading of medical equipment | 368 | – |
| Manufacturing and sales of toys | 2,528 | 3,109 |
| Financial services | – | 70,529 |
| | <hr/> | <hr/> |
| Total segment liabilities | 2,896 | 73,638 |
| Unallocated | 11,652 | 52,719 |
| | <hr/> | <hr/> |
| Consolidated liabilities | <u>14,548</u> | <u>126,357</u> |

4. OPERATING SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

Other segment information

Amounts included in the measurement of segment profit/(loss) or segment assets:

For the year ended 31 March 2026

| | Continuing Operations | | Discontinued Operations | Unallocated HK\$'000 | Total HK\$'000 |
|--|--|---|-----------------------------------|-------------------------|-------------------|
| | Trading of medical equipment HK\$'000 | Manufacturing and sales of toys HK\$'000 | Financial services HK\$'000 | | |
| Depreciation of property, plant and equipment | - | (288) | (80) | - | (368) |
| Depreciation of right-of-use assets | - | - | (939) | (2,808) | (3,747) |
| Selling expenses | - | (1,569) | - | - | (1,569) |
| Interest expenses | - | - | (80) | (3,539) | (3,619) |
| Impairment loss on right-of-use assets | - | - | - | (1,560) | (1,560) |

For the year ended 31 March 2025 (restated)

| | Continuing Operations | Discontinued Operations | Total HK\$'000 |
|---|---|-----------------------------------|-------------------|
| | Manufacturing and sales of toys HK\$'000 | Financial services HK\$'000 | |
| Additions to property, plant and equipment | - | 20 | 20 |
| Depreciation of property, plant and equipment | (3,092) | (116) | (3,208) |
| Depreciation of right-of-use assets | - | (4,014) | (4,014) |
| Selling expenses | (1,420) | - | (1,420) |
| Interest expenses | - | (305) | (305) |
| Impairment loss recognised on trade receivable | - | (4,452) | (4,452) |

4. OPERATING SEGMENT INFORMATION (Continued)

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's specified non-current assets. The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets other than statutory deposit for financial services business and deposits (the "specified non-current assets") is based on the physical location of the assets in the case of property, plant and equipment and right-of-use assets.

(i) Revenue from external customers

| | Continuing Operations | | Discontinued Operations | |
|--|-----------------------|------------|-------------------------|------------|
| | Year ended 31 March | | | |
| | 2026 | 2025 | 2026 | 2025 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | (restated) | | (restated) |
| North America (<i>note 1</i>) | 24,691 | 41,690 | – | – |
| Western Europe | | | | |
| – United Kingdom | 366 | 1,721 | – | – |
| – France | 18 | 318 | – | – |
| – Others (<i>note 2</i>) | 261 | 3,972 | – | – |
| PRC and Taiwan | 1,297 | 916 | – | – |
| Central America, Caribbean and Mexico | – | 1,158 | – | – |
| Australia, New Zealand and Pacific Islands | – | 508 | – | – |
| Others (<i>note 3</i>) | – | 1,796 | 5,344 | 19,854 |
| Total | 26,633 | 52,079 | 5,344 | 19,854 |

Note 1: North America includes United States of America and Canada.

Note 2: Others include Germany, Belgium, Italy, Czech Republic, Spain and Netherlands

Note 3: Others include Hong Kong, Africa, India, Japan, Korea, Israel, Saudi Arabia, Southeast Asia and South America

4. OPERATING SEGMENT INFORMATION (Continued)

(b) Geographical information (Continued)

(ii) Specified non-current assets

| | At 31 March | |
|-------------------------|------------------|------------------|
| | 2026 HK\$'000 | 2025 HK\$'000 |
| Mainland China, the PRC | – | 288 |
| Hong Kong | – | 5,234 |
| | <hr/> | <hr/> |
| Total | – | 5,522 |
| | <hr/> <hr/> | <hr/> <hr/> |

(c) Information about major customers

Revenue from major customers from manufacturing and sales of toys, each of whom amounted to 10% or more of the Group's revenue, is set out below:

| | Year ended 31 March | |
|------------|---------------------|------------------|
| | 2026 HK\$'000 | 2025 HK\$'000 |
| Customer A | 16,665 | N/A ¹ |
| Customer B | 8,448 | 15,660 |
| Customer C | N/A ¹ | 34,832 |
| | <hr/> | <hr/> |
| Total | 25,113 | 50,492 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes:

1. The corresponding revenue did not contribute over 10% of the total revenue of the Group.
2. All of the above revenue were derived from manufacturing and sales of toys segment.

4. OPERATING SEGMENT INFORMATION (Continued)

(d) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by timing over revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

| | Continuing Operations | | | | Discontinued Operations | | | |
|--|--------------------------------------|----------|---|---------------|----------------------------|---------------|---------------|---------------|
| | Trading of medical equipment segment | | Manufacturing and sales of toys segment | | Financial services segment | | Total | |
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Timing of revenue recognition under HKFRS 15 | | | | | | | | |
| - At a point in time | 773 | - | 25,860 | 52,079 | 2,049 | 4,284 | 28,682 | 56,363 |
| - Over time | - | - | - | - | 3,295 | 15,570 | 3,295 | 15,570 |
| Total | <u>773</u> | <u>-</u> | <u>25,860</u> | <u>52,079</u> | <u>5,344</u> | <u>19,854</u> | <u>31,977</u> | <u>71,933</u> |

5. REVENUE

Revenue represents the net invoiced value of goods sold from manufacturing and sales of toys, and trading of medical equipment after allowances for returns and trade discounts. An analysis of revenue is as follows:

| | Year ended 31 March | |
|---------------------------------|---------------------|---------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| | | (restated) |
| Continuing Operations | | |
| Manufacturing and sales of toys | 25,860 | 52,079 |
| Trading of medical equipment | <u>773</u> | <u>-</u> |
| | <u>26,633</u> | <u>52,079</u> |

6. OTHER REVENUE AND GAINS OR LOSS

| | Year ended 31 March | |
|---|---------------------|------------------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 (restated) |
| <u>Continuing Operations</u> | | |
| Other income | | |
| Interest income from bank deposits | 643 | 1,544 |
| Moulding income | 67 | – |
| Others | 137 | – |
| | <u>847</u> | <u>1,544</u> |
| Other gains or loss | | |
| Exchange gains, net | 124 | 35 |
| Gain on disposal of property, plant and equipment | – | 3,100 |
| Others | 433 | 513 |
| | <u>557</u> | <u>3,648</u> |
| | <u><u>1,404</u></u> | <u><u>5,192</u></u> |

7. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax expense is arrived at after charging:

| | Year ended 31 March | |
|---|---------------------|--------------------------------|
| | 2026 HK\$'000 | 2025 HK\$'000 (restated) |
| <u>Continuing Operations</u> | | |
| Cost of inventories sold | 25,126 | 48,454 |
| Depreciation of property, plant and equipment | 288 | 3,092 |
| Depreciation of right-of-use assets | 2,808 | – |
| Employee benefits expenses | | |
| Directors' remuneration | – | 2,299 |
| Wages and salaries | 6,403 | 5,756 |
| Contribution to defined contribution plan | 99 | 103 |
| | <u>34,724</u> | <u>59,704</u> |
| Auditor's remuneration | 852 | 802 |
| Expense relating to short-term leases | 1,228 | 428 |
| Impairment losses recognised on trade receivables | – | 4,452 |
| Impairment loss on right-of-use assets | 1,560 | – |

8. FINANCE COSTS

| | Year ended 31 March | |
|--|---------------------|--------------------------------|
| | 2026 HK\$'000 | 2025 HK\$'000 (restated) |
| <u>Continuing Operations</u> | | |
| Interest on: | | |
| – Convertible notes (<i>note 17</i>) | 2,029 | 1,696 |
| – Promissory notes | 1,404 | 3,100 |
| – Lease liabilities | 106 | – |
| | <u>3,539</u> | <u>4,796</u> |

9. DISCONTINUED OPERATIONS

The Group disposed of its entire equity interest in Crosby Group on 31 August 2025. Crosby Group was principally engaged in the provision of securities brokerage, securities margin financing, and asset management services (“**Financial Services**”). The disposal of Crosby Group is accounted for as discontinued operations.

The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the discontinued operations. The respective profit or loss for the years ended 31 March 2026 and 2025 from Crosby Group is set out below.

(a) Results of the discontinued operations included in the consolidated statement of profit or loss and other comprehensive income

| | Year ended 31 March | |
|---|--------------------------|--------------------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Discontinued Operations | | |
| Revenue | 5,344 | 19,854 |
| Other revenue and gain or (loss) | (102) | 8,989 |
| Administrative expenses | (9,843) | (35,497) |
| Impairment losses recognised on trade receivables | – | (4,452) |
| Finance costs | (80) | (305) |
| | <u> </u> | <u> </u> |
| Loss before income tax expense | (4,681) | (11,411) |
| Income tax | – | – |
| | <u> </u> | <u> </u> |
| Loss and total comprehensive loss for the year | <u> </u> | <u> </u> |
| | (4,681) | (11,411) |

The loss for the year ended 31 March 2026 and 2025 from the discontinued operations is set out below:

| | Year ended 31 March | |
|---|--------------------------|--------------------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Loss of discontinued operation for the year | (4,681) | (11,411) |
| Loss on disposal of discontinued operations | (409) | – |
| | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> |
| | (5,090) | (11,411) |

9. DISCONTINUED OPERATIONS (Continued)

(a) Results of the discontinued operations included in the consolidated statement of profit or loss and other comprehensive income (Continued)

Loss for the year from discontinued operations includes the following:

| | Year ended 31 March | |
|--|----------------------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Loss before tax has been arrived at after charging: | | |
| Depreciation of property, plant and equipment | 80 | 116 |
| Depreciation of right-of-use assets | 939 | 4,014 |
| Employee benefits expenses | | |
| Directors' remuneration | – | 3,018 |
| Wages and salaries | 6,119 | 17,025 |
| Contribution to defined contribution plans | – | 432 |
| Other benefits | – | 40 |
| | <u>7,138</u> | <u>24,645</u> |
| Auditor's remuneration | 103 | 261 |
| Expense relating to short-term leases | 311 | 1,674 |
| Impairment losses recognised on trade receivables | – | 4,452 |
| | <u>103</u> | <u>6,387</u> |

(b) An analysis of the cash flows of the discontinued operations is as follows:

| | Year ended 31 March | |
|---|----------------------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Net cash outflows from operating activities | (3) | (3,804) |
| Net cash inflows/(outflows) from investing activities | 1 | (8) |
| Net cash outflows from financing activities | – | (4,284) |
| | <u>(2)</u> | <u>(8,096)</u> |

(c) Related party transactions

| | Year ended 31 March | |
|---|----------------------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Rental expenses paid to | | |
| – Company with common controlling shareholder | 252 | 428 |
| | <u>252</u> | <u>428</u> |

10. INCOME TAX CREDIT

For the year ended 31 March 2026, Hong Kong Profits Tax of one of the subsidiaries was calculated at 8.25% (2025: 8.25%) of the first HK\$2,000,000 estimated assessable profit and 16.5% (2025: 16.5%) of the remaining estimated assessable profit. The Hong Kong Profits Tax for the remaining group entities was calculated at 16.5% (2025: 16.5%) of their estimated assessable profits for the year ended 31 March 2026.

The PRC Enterprise Income Tax was calculated at the statutory income tax rate of 25% on the estimated assessable profits.

Taxation on profits generated outside Hong Kong had been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries/places in which the Group operates.

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

| | Year ended 31 March | |
|--|---------------------|----------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| | | (restated) |
| <u>Continuing Operations</u> | | |
| Loss before income tax expense | <u>(19,864)</u> | <u>(6,460)</u> |
| Tax at the applicable tax rate of 16.5% (2025: 16.5%) | (3,278) | (1,066) |
| Tax effect of revenue not taxable for tax purposes | (127) | (259) |
| Tax effect of expenses not deductible for tax purposes | 2,847 | 815 |
| Tax effect of tax loss not recognised | <u>558</u> | <u>510</u> |
| Income tax credit | <u>–</u> | <u>–</u> |

No deferred tax asset has been recognised in respect of the estimated unused tax losses of HK\$259,389,000 (2025: HK\$258,919,000) due to the unpredictability of future profit streams. The unused tax losses can be carried forward indefinitely.

11. DIVIDENDS

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

12. LOSS PER SHARE

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

| | Year ended 31 March | |
|--|----------------------|----------------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Loss | | |
| Loss for the year attributable to equity holders of the Company | | |
| – Continuing operations | (19,864) | (6,460) |
| – Discontinued operations | (5,161) | (11,412) |
| | <u>(25,025)</u> | <u>(17,872)</u> |
| Continuing and discontinued operations | <u>(25,025)</u> | <u>(17,872)</u> |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | <u>1,474,232,000</u> | <u>1,474,232,000</u> |
| Basic loss per share (HK cents) | | |
| – Continuing operations | (1.35) | (0.44) |
| – Continuing and discontinued operations | <u>(1.70)</u> | <u>(1.21)</u> |

Diluted loss per share is the same as basic loss per share for both years ended 31 March 2026 and 2025 as the impact of the potential dilutive ordinary shares outstanding including the convertible notes and outstanding options under the share option scheme have an anti-dilutive effect on the basic loss per share. No share options were outstanding at 31 March 2026 as they have lapsed during the year ended 31 March 2026.

13. INVENTORIES

| | At 31 March | |
|----------------|--------------|--------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Raw materials | 2,550 | 2,849 |
| Finished goods | <u>18</u> | <u>422</u> |
| | <u>2,568</u> | <u>3,271</u> |

14. TRADE RECEIVABLES

| | At 31 March | |
|---|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trading of medical equipment segment | 44 | – |
| Manufacturing and sales of toys segment | 528 | 744 |
| Financial service segment | – | 1,614 |
| | <u>572</u> | <u>2,358</u> |

Trade receivables from trading of medical equipment segment

The credit period on trading of medical equipment ranges 30–90 days from the invoice date. An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and before impairment loss, is as follows:

| | At 31 March | |
|--------------------|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current to 30 days | <u>44</u> | <u>–</u> |

The ageing analysis of trade receivables as of the end of reporting period, based on past due dates and net of loss allowance, is as follows:

| | At 31 March | |
|--------------|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Not past due | <u>44</u> | <u>–</u> |

Trade receivables from manufacturing and sales of toys segment

The credit period on sales of toys ranges 30–90 days from the invoice date. An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and before impairment loss, is as follows:

| | At 31 March | |
|--------------------|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current to 30 days | 528 | 691 |
| 31 to 60 days | <u>–</u> | <u>53</u> |
| | <u>528</u> | <u>744</u> |

14. TRADE RECEIVABLES (Continued)

Trade receivables from manufacturing and sales of toys segment (Continued)

The ageing analysis of trade receivables as of the end of reporting period, based on past due dates and net of loss allowance, is as follows:

| | At 31 March | |
|----------------------------|-------------|------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Not past due | 528 | 691 |
| Less than 1 month past due | — | 53 |
| | <u>528</u> | <u>744</u> |

Trade receivables from financial service segment

| | At 31 March | |
|---|-------------|--------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Arising from the ordinary course of business of securities brokerage: | | |
| – Cash clients (<i>note (a)</i>) | — | 103 |
| Arising from the ordinary course of business of provision of: | | |
| – Management and performance fee | — | 1,511 |
| | <u>—</u> | <u>1,614</u> |

Ageing analysis of trade receivables of the financial service segment based on due date and net of loss allowance is as follows:

| | At 31 March | |
|-------------------------------|-------------|----------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Neither past due nor impaired | — | 1,614 |

Note:

- (a) The settlement terms of trade receivables arising from the ordinary course of business of dealing in securities from cash clients and clearing house are one or two days after the respective trade date.

15. TRADE PAYABLES

| | At 31 March | |
|---|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Trading of medical equipment | 330 | – |
| Manufacturing and sales of toys segment | 2,448 | 2,757 |
| Financial service segment | – | 63,368 |
| | <u>2,778</u> | <u>66,125</u> |

Trade payables from trading of medical equipment segment

The Group normally obtains credit terms ranging from 5 to 30 days from its suppliers. Trade payables are interest-free.

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

| | At 31 March | |
|--------------------|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current to 30 days | <u>330</u> | <u>–</u> |

Trade payables from manufacturing and sales of toys segment

The Group normally obtains credit terms ranging from 15 to 60 days from its suppliers. Trade payables are interest-free.

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

| | At 31 March | |
|--------------------|-----------------|-----------------|
| | 2026 | 2025 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current to 30 days | 2,430 | 2,747 |
| 31 to 60 days | <u>18</u> | <u>10</u> |
| | <u>2,448</u> | <u>2,757</u> |

15. TRADE PAYABLES (Continued)

Trade payables from financial service segment

| | At 31 March | |
|---|-------------|---------------|
| | 2026 | 2025 |
| | HK\$'000 | HK\$'000 |
| Accounts payable arising from the ordinary course of business of securities brokerage and margin financing: | | |
| – Cash clients | – | 63,264 |
| – Brokers and clearing house | – | 104 |
| | <u>–</u> | <u>63,368</u> |
| | <u>–</u> | <u>63,368</u> |

The settlement terms of trade payable attributable to the business of securities brokerage were one to two days after the respective trade date.

As at 31 March 2025, included in trade payable was an amount of approximately HK\$63,264,000 payable to clients and other institutions in respect of trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities.

16. PROMISSORY NOTES PAYABLE

On 16 May 2023, the Group entered into an agreement with Benefit Global Limited, an independent third party pursuant to which the Group issued a promissory note (the “**2023 PN**”) with a principal amount of HK\$31.0 million. The 2023 PN is unsecured and denominated in HK\$. The 2023 PN was bearing interest at fixed rate of 10% per annum and is repayable on 16 May 2026. The Company may at any time before the maturity date redeem the 2023 PN (in whole or in part) at 100% of the principal amount of the 2023 PN together with any accrued but unpaid interest (the early redemption option). The exercise price of the early redemption option is approximately equal to the amortised cost of the 2023 PN. Therefore, the early redemption option is not separately accounted for because it is considered to be closely related to the host debt.

17. CONVERTIBLE NOTES

On 16 May 2023, the Company issued unsecured convertible notes (the “2023 CN”) with principal amount of HK\$9,000,000 and the 2023 PN in the principal amount of HK\$31.0 million to Benefit Global Limited, an independent third party, for redeeming the convertible note issued in 2020. The 2023 CN bears interest at 6% per annum and carry a right to convert the principal amount into shares of US\$0.000025 each in the share capital of the Company at a conversion price of HK\$0.081 per share during the period from 16 May 2023 to 16 May 2026. The Company may at any time before the maturity date redeem the 2023 CN (in whole or in part) at 100% of the principal amount of the 2023 CN together with any accrued but unpaid interest (the early redemption option). Any amount of the 2023 CN which remains outstanding on the maturity date will be redeemed at their then outstanding principal amount together with any accrued but unpaid interest.

2023 CN contains two components, liability component and equity component. Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, with the issuer early redemption option. The exercise price of the early redemption option is approximately equal to the amortised cost of the convertible note before separating the equity component. Therefore, the early redemption option is not separately accounted for because it is considered to be closely related to the host debt. Equity component represents the conversion options, which is determined by deducting the fair value of the liability component from the proceeds of issue of the 2023 CN as a whole. The effective interest rate of the liability component is 25.53% per annum.

During the years ended 31 March 2026 and 2025, none of the 2023 CN was converted into ordinary shares of the Company.

The 2023 CN recognised in the consolidated statement of financial position at initial recognition is as follows:

| | <i>HK\$'000</i> |
|--|---------------------|
| Fair value of the 2023 CN at 16 May 2023 | 9,000 |
| Equity component | <u>(3,662)</u> |
| Fair value of liability component on initial recognition | <u><u>5,338</u></u> |

17. CONVERTIBLE NOTES (Continued)

The movements of the liability component of 2023 CN for the year are set out below:

| | At 31 March | |
|--------------------|-------------------------|-------------------------|
| | 2026 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> |
| At 1 April | 7,295 | 6,138 |
| Interest expense | 2,029 | 1,696 |
| Interest paid | (540) | (539) |
| At 31 March | 8,784 | 7,295 |
| Current: | 8,784 | – |
| Non-Current: | – | 7,295 |
| At 31 March | 8,784 | 7,295 |

18. SHARE CAPITAL

The authorised and the issued ordinary share capital during the year are as follows:

| | 2026 | | 2025 | |
|--------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | <i>Number of shares</i> | <i>HK\$'000</i> | <i>Number of shares</i> | <i>HK\$'000</i> |
| Authorised: | | | | |
| Ordinary shares of US\$0.000025 each | | | | |
| At 1 April and 31 March | 6,000,000,000 | 1,168 | 6,000,000,000 | 1,168 |
| Issued and fully paid: | | | | |
| Ordinary shares of US\$0.000025 each | | | | |
| At 1 April and 31 March | 1,474,232,000 | 287 | 1,474,232,000 | 287 |

19. RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

20. EQUITY SETTLED SHARE-BASED PAYMENTS

The Company adopted a share option scheme pursuant to a resolution in writing passed by the Shareholders on 3 January 2013 (the “**Share Option Scheme**”) for the purpose to grant share options to selected participants as incentives or rewards for their contribution to the Group. Eligible participants of the Share Option Scheme include directors of the Company or any of its subsidiaries, including non-executive directors and independent non-executive directors, other employees of the Group and consultants. As at 31 March 2025, there was no remaining life of the Share Option Scheme.

Pursuant to the Share Option Scheme, shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue at the time dealings in the shares of the Company first commence on the Stock Exchange. The Company may renew this 10% limit with shareholders’ approval provided that each such renewal may not exceed 10% of the shares of the Company in issue as at the date of the shareholders’ meeting.

The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company in issue from time to time.

Unless approved by the Shareholders of the Company, the total number of shares of the Company issued and to be issued upon the exercise of options granted to each eligible participant (including exercised and unexercised options) under the Share Option Scheme or any other share option schemes adopted by the Company in any 12-month period must not exceed 1% of the shares of the Company in issue.

20. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

Set out below are details of movements of the outstanding share options granted under the Share Option Scheme during the year ended 31 March 2026:

| | Exercise price (note 1) | Number of share options | | | Date of grant of share options | Exercisable periods of share options |
|-------------------------------------|----------------------------|--|---------------------------|-----------------------------|--------------------------------|--------------------------------------|
| | | Balance as at 1 April 2025 (note 1) | Forfeited during the year | Balance as at 31 March 2026 | | |
| Executive Directors | | | | | | |
| – Lau Ho Ming, Peter (note 2) | HK\$1.02 | 4,000,000 | (4,000,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| – Poon Pak Ki, Eric | HK\$1.02 | 5,400,000 | (5,400,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 7,500,000 | (7,500,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Chu, Raymond (note 3) | HK\$0.748 | 12,847,800 | (12,847,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Hau Yiu Por | HK\$1.02 | 5,400,000 | (5,400,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 6,800,000 | (6,800,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Tang Yuen Ching Irene (note 4) | HK\$1.02 | 600,000 | (600,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 600,000 | (600,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Non-executive Directors | | | | | | |
| – Li Man Yee, Stella (note 2) | HK\$1.02 | 1,400,000 | (1,400,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |

20. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

Set out below are details of movements of the outstanding share options granted under the Share Option Scheme during the year ended 31 March 2026 (Continued):

| | Exercise price <i>(note 1)</i> | Number of share options | | | Date of grant of share options | Exercisable periods of share options |
|--|-----------------------------------|---|---------------------------|-----------------------------|--------------------------------|--------------------------------------|
| | | Balance as at 1 April 2025 <i>(note 1)</i> | Forfeited during the year | Balance as at 31 March 2026 | | |
| Independent Non-executive Directors | | | | | | |
| – Leung Po Wing, Bowen Joseph <i>(note 4)</i> | HK\$1.02 | 1,400,000 | (1,400,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 1,400,000 | (1,400,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Chan Siu Wing, Raymond <i>(note 4)</i> | HK\$1.02 | 1,400,000 | (1,400,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 1,400,000 | (1,400,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Wong Wah On, Edward <i>(note 4)</i> | HK\$0.748 | 1,400,000 | (1,400,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Employees <i>(note 4)</i> | | | | | | |
| | HK\$1.02 | 1,200,000 | (1,200,000) | – | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 12,896,000 | (12,896,000) | – | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Total | | <u>65,643,800</u> | <u>(65,643,800)</u> | <u>–</u> | | |

20. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

Set out below are details of movements of the outstanding share options granted under the Share Option Scheme during the year ended 31 March 2025:

| | Exercise price (note 1) | Number of share options | | | Date of grant of share options | Exercisable periods of share options |
|-------------------------------------|----------------------------|--|---------------------------|-----------------------------|--------------------------------|--------------------------------------|
| | | Balance as at 1 April 2024 (note 1) | Forfeited during the year | Balance as at 31 March 2025 | | |
| Executive Directors | | | | | | |
| – Lau Ho Ming, Peter (note 2) | HK\$1.02 | 4,000,000 | – | 4,000,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| – Poon Pak Ki, Eric | HK\$1.02 | 5,400,000 | – | 5,400,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 7,500,000 | – | 7,500,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Chu, Raymond (note 3) | HK\$0.748 | 12,847,800 | – | 12,847,800 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Hau Yiu Por (note 4) | HK\$1.02 | 5,400,000 | – | 5,400,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 6,800,000 | – | 6,800,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Tang Yuen Ching Irene (note 4) | HK\$1.02 | 600,000 | – | 600,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 600,000 | – | 600,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Non-executive Directors | | | | | | |
| – Li Man Yee, Stella (note 2) | HK\$1.02 | 1,400,000 | – | 1,400,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |

20. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

Set out below are details of movements of the outstanding share options granted under the Share Option Scheme during the year ended 31 March 2025 (Continued):

| | Exercise price (note 1) | Number of share options | | | Date of grant of share options | Exercisable periods of share options |
|--|----------------------------|--|---------------------------|-----------------------------|--------------------------------|--------------------------------------|
| | | Balance as at 1 April 2024 (note 1) | Forfeited during the year | Balance as at 31 March 2025 | | |
| Independent Non-executive Directors | | | | | | |
| – Leung Po Wing, Bowen Joseph (note 4) | HK\$1.02 | 1,400,000 | – | 1,400,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 1,400,000 | – | 1,400,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Chan Siu Wing, Raymond (note 4) | HK\$1.02 | 1,400,000 | – | 1,400,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 1,400,000 | – | 1,400,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| – Wong Wah On, Edward (note 4) | HK\$0.748 | 1,400,000 | – | 1,400,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Employees (note 4) | | | | | | |
| | HK\$1.02 | 1,200,000 | – | 1,200,000 | 3 July 2015 | 3 July 2015 to 2 July 2025 |
| | HK\$0.748 | 14,056,000 | (1,160,000) | 12,896,000 | 24 March 2016 | 24 March 2016 to 23 March 2026 |
| Total | | <u>66,803,800</u> | <u>(1,160,000)</u> | <u>65,643,800</u> | | |

20. EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

Notes:

1. Upon the share sub-division which became effective on 13 January 2016, pro-rata adjustments have been made to the exercise price accordingly.
2. Mr. Lau Ho Ming, Peter and Ms. Li Man Yee, Stella retired on 9 November 2023.
3. Mr. Chu, Raymond resigned as executive Directors on 9 July 2025.
4. Mr. Hau Yiu Por, Ms. Tang Yuen Ching, Irene, Mr. Leung Po Wing, Joseph, Mr. Chan Siu Wing, Raymond and Mr. Wong Wah On, Edward resigned from their composition of executive Directors and non-executive Directors with effect from 30 January 2026.

There was no equity settled share-based payment expenses incurred for each of the reporting period ended on 31 March 2026 and 2025 respectively.

The following share options were outstanding during the year:

| | 2026 | | 2025 | |
|------------------------|--|----------------------|--|----------------------|
| | Weighted average exercise price per share HK\$ | Number of options | Weighted average exercise price per share HK\$ | Number of options |
| At 1 April | 0.84 | 65,643,800 | 0.84 | 66,803,800 |
| Lapsed during the year | 0.86 | (65,643,800) | 0.86 | (1,160,000) |
| At 31 March | N/A | – | 0.84 | 65,643,800 |

There were no share options outstanding as at 31 March 2026.

As at 31 March 2025, the exercise price of share options outstanding were ranged between HK\$0.748 to HK\$1.02 (after the share sub-division) and their weighted average remaining contractual life was approximately 1.3 years.

Of the total number of share options outstanding as at 31 March 2025, no share option had not been vested and were not exercisable.

MANAGEMENT DISCUSSION ANALYSIS

BUSINESS REVIEW

During the Current Year, the Group was principally engaged in the manufacture of toys (the “**Toys Division**”), the provision of financial services (the “**Financial Services Division**”), and the trading of medical equipment (the “**Medical Equipment Division**”). As part of its efforts to alleviate its financial burden and enhance liquidity and capital utilisation efficiency, the Group disposed of (i) its entire equity interest in Crosby Asia Limited, the immediate holding company of Crosby Securities Limited, which was a licensed corporation carrying type 1, type 4, type 6 and type 9 regulated activities under the Securities and Futures Ordinance; and (ii) its wholly-owned subsidiary CAM Wealth Management Company Limited (formerly Crosby Asset Management (Hong Kong) Limited) (“**CAM**”), a licensed corporation carrying type 4 and type 9 regulated activities under the Securities and Futures Ordinance. The trading of medical equipment became a new business segment of the Group during the Current Year.

Continuing Operations – Toys Division

During the Current Year, the Toys Division continued to operate in a challenging and uncertain market environment arising from significant changes in global trade dynamics. In particular, the imposition of high tariffs by the United States caused customers to adopt a more cautious approach to placing orders, with certain customers seeking to shift their sourcing or production activities away from China. In addition, many retailers maintained elevated inventory levels carried over from previous years, resulting in more conservative procurement and inventory management strategies. As a result, orders received by the Toys Division declined significantly during the Current Year, leading to a corresponding decrease in its revenue and cost of sales.

The Toys Division also faced increasing operational challenges during the Current Year. Major customers continued to place greater emphasis on environmental, social and governance (“**ESG**”) requirements, including the use of recycled materials, sustainable sourcing practices and enhanced supply chain transparency. At the same time, the Toys Division experienced ongoing cost pressures arising from labour cost inflation in the PRC, higher costs associated with sustainable and recycled materials and transportation expenses. Coupled with customers’ continued efforts to limit price increases, these factors exerted pressure on the profitability of the Toys Division.

In response to these market conditions, the Toys Division continued to explore business opportunities in other markets, including Latin America, Eastern Europe, the Middle East and Southeast Asia, with a view to broadening its customer and geographical base. The Toys Division also noted increasing market demand for educational and STEM toys and will continue to assess potential business collaborations and opportunities in this product segment.

Continuing Operations – Trading of medical equipment

During the Current Year, following a strategic review of the Group's existing business operations, the Group commenced the trading of medical equipment as a new business segment with a view to broadening its revenue base and reducing reliance on the Toys Division. The Medical Equipment Division is principally engaged in the sourcing procurement and trading of medical equipment, diagnostic products and other healthcare-related products supplied by third-party manufacturers. During the Current Year, the products traded by the Group primarily comprised diagnostic reagent kits for the detection of autoimmune antibodies and other related diagnostic products.

As this division was newly established during the Current Year, the Group is still in the process of developing its market presence, supplier relationships and customer base. The Board believes that the Medical Equipment Division may provide the Group with an opportunity to diversify its business portfolio, and the Group will continue to assess suitable products and business opportunities in the medical and healthcare-related sectors.

Discontinued Operations – Financial Services Division

To alleviate its financial burden and improve its liquidity position and capital utilisation efficiency, during the Current Year, the Group disposed of (i) its interests in Crosby Asia Limited and its subsidiaries (“**Crosby Group**”), which principally engaged in the provision of securities brokerage, securities margin financing, and asset management services; and (ii) its entire interest in CAM Wealth Management Company Limited. As these services constituted a separate major line of business of the Group, the entire financial services division was classified and accounted for as a discontinued operation.

For details of the disposal of Crosby Group, please refer to the paragraphs under the heading “Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies”.

FINANCIAL REVIEW

Continuing Operations – The Toys Division

The Toys Division's revenue for the Current Year amounted to approximately HK\$25.9 million, representing a decrease by approximately 50.3% from approximately HK\$52.1 million for the Previous Year. Such drop in revenue was mainly due to a significant reduction in orders from certain major customers. The division recorded a segment loss of approximately HK\$5.3 million for the Current Year, compared with a segment gain of approximately HK\$0.4 million for the Previous Year. Such a shift from segment gain to segment loss was mainly attributable to a decrease in orders placed by certain major customers from markets located in North America and Western Europe.

Revenue from North America decreased by approximately HK\$17.0 million or 40.8% from approximately HK\$41.7 million for the Previous Year to approximately HK\$24.7 million for the Current Year, while revenue from Western Europe decreased by approximately HK\$5.4 million or approximately 89.3% from approximately HK\$6.0 million for the Previous Year to approximately HK\$0.6 million for the Current Year. The decrease in revenue in these two major regions was primarily attributable to a significant decline in customer orders amid market uncertainty arising from changes in global trade dynamics. Customers adopted a more cautious procurement strategy in response to higher U.S. tariffs and the related trade uncertainties, which adversely affected the order volume of the Toys Division during the Current Year.

Continuing Operations – Trading of medical equipment

The Medical Equipment Division, which commenced operations during the Current Year, generated revenue of approximately HK\$0.8 million.

The division recorded a modest segment gain of approximately HK\$6,000, representing the initial financial contribution from the Medical Equipment Division following its commencement of operations during the Current Year.

Discontinued Operations – The Financial Services Division

In respect of the discontinued operations, revenue decreased from approximately HK\$19.9 million in the Previous Year to approximately HK\$5.3 million in the Current Year. The discontinued operations recorded a net loss of approximately HK\$4.7 million for the Current Year, compared to a net loss of approximately HK\$11.4 million in the Previous Year.

OVERALL GROUP FINANCIAL PERFORMANCE

Continuing Operations

Revenue

The Group's revenue from continuing operations for the Current Year amounted to approximately HK\$26.6 million, which represents a decrease of HK\$25.4 million or about 48.9% from that of the Previous Year of approximately HK\$52.1 million. The decrease in total revenue for the Current Year was mainly attributable to the decrease in revenues from the Toys Division of approximately HK\$26.2 million or 50.3%, arising from a significant reduction in orders from certain major customers offset by revenue of approximately HK\$0.8 million generated from the trading of medical equipment business, which commenced during the Current Year.

Gross Margin

The gross margin of the Toys Division decreased slightly from approximately 7.0% for the Previous Year to approximately 5.7% for the Current Year. The gross profit of the Toy Division for the Current Year was approximately HK\$1.5 million, which decreased by approximately HK\$2.1 million or 58.3% when compared with the Previous Year. Such decrease in gross margin was mainly attributable to the decrease in revenue, which resulted in a lower absorption of fixed costs.

Net Loss

The Group's net loss from continuing operations for the Current Year amounted to approximately HK\$19.9 million, as compared to a net loss from continuing operations of approximately HK\$6.5 million for the Previous Year, representing an increase by approximately HK\$13.4 million or 207.5%. Such increase in net loss from continuing operations was mainly due to:

- a decrease in revenue from the Toys Division of approximately HK\$26.2 million in the Current Year;
- a decrease in other income, gains and losses of approximately HK\$3.8 million, which was primarily attributable to (i) the absence of a gain on disposal of property, plant and equipment of approximately HK\$3.1 million recorded in the Previous Year; and (ii) a decrease in interest income from bank deposits of approximately HK\$0.9 million, from approximately HK\$1.5 million for the Previous Year to approximately HK\$0.6 million for the Current Year;
- an increase in administrative expenses of about HK\$7.0 million as a result of (i) an increase in legal and professional fee of approximately HK\$2.6 million primarily due to disposal of the Group's subsidiaries during the Current Year; and (ii) a lease amortisation of approximately HK\$2.8 million recorded in the Current Year (Previous Year: nil) arising from the amortisation of right-of-use assets following changes in the Group's lease portfolio after the disposal of subsidiaries in August 2025; and
- an impairment loss on right-of-use assets of approximately HK\$1.6 million recognised during the Current Year.

Selling Expenses

Selling expenses mainly consisted of transportation fees and declaration fees for the Toys Division. During the Current Year, selling expenses increased by 10.5% from approximately HK\$0.1 million for the Previous Year to approximately HK\$1.4 million for the Current Year which was primarily due to an increase in declaration fees arising from higher customs declaration charges for shipments to the United States of America following changes in applicable tariff requirements, notwithstanding the decrease in transportation fees due to the decreased sales for the Toys Division in the Current Year.

Administrative Expenses

Administrative expenses mainly consisted of salaries to employees, consultancy fees to consultants, rents and rates for office spaces, depreciation of property, plant and equipment, and other administrative expenses. Administrative expenses increased by approximately HK\$7.0 million or 77.8% from approximately HK\$9.1 million for the Previous Year to approximately HK\$16.1 million for the Current Year as a result of (i) an increase in legal and professional fee of approximately HK\$2.6 million primarily due to disposal of the Group's subsidiaries during the Current Year; and (ii) a lease amortisation of approximately HK\$2.8 million recorded in the Current Year (Previous Year: nil) arising from the amortisation of right-of-use assets following changes in the Group's lease portfolio after the disposal of subsidiaries in August 2025.

Other Income, Gains and Losses

Other income, gains and losses mainly consisted of moulding income, interest income from bank deposits and others. During the Current Year, other income, gains and losses decreased by approximately HK\$3.8 million or 73.0% from approximately HK\$5.2 million for the Previous Year to approximately HK\$1.0 million. Such decrease was mainly attributable to (i) the absence of a gain on disposal of property, plant and equipment during the Current Year, as compared with such gain recorded in the Previous Year; and (ii) a decrease in interest income from bank deposits of approximately HK\$0.9 million.

Finance Costs

Finance costs mainly consisted of costs incurred on the Group's effective interest on the convertible notes and promissory notes issued by the Company and interest on lease liabilities arising from the adoption of HKFRS 16 Leases as set out in note 8 to the Financial Information in this announcement. Finance costs decreased by about 26.2% from approximately HK\$4.8 million for the Previous Year to approximately HK\$3.5 million for the Current Year, which was primarily due to a decrease in the interest expense on the promissory notes issued by the Company to approximately HK\$1.4 million for the Current Year from approximately HK\$3.1 million in the Previous Year. Such decrease was partially offset by an increase in interest on the interest expense on the convertible notes issued by the Company from approximately HK\$1.7 million from the Previous Year to approximately HK\$2.0 million for the Current Year.

Income Tax Expense

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Inventory

The inventory of the Group decreased by 21.5% to approximately HK\$2.6 million as at 31 March 2026 from approximately HK\$3.3 million as at 31 March 2025. The inventory turnover period, as calculated by dividing the average closing inventories by the cost of sales of the Toys Division for the period and multiplied by 365 days, decreased by 40.7% from 74.2 days for the Previous Year to 44.0 days for the Current Year arising from lower level of inventories maintained during the Current Year.

Trade Receivables

Trade receivables from the Toys Division was approximately HK\$0.5 million as at 31 March 2026 when compared with approximately HK\$0.7 million as at 31 March 2025. Accordingly, the trade receivables turnover days for the Toys Division, as calculated by dividing the averaging closing trade receivables by the revenue from the Toys Division multiplied by 365 days, was 9.0 days for the Current Year as compared with 68.0 days for the Previous Year. Such decrease was primarily attributable to the fact that most trade receivables remained within the current to 30 days ageing category, reflecting improved credit control and timely settlement by major customers.

Trade receivables from the Medical Equipment Division, which was commenced during the Current Year, amounted to approximately HK\$44,000 as at 31 March 2026.

Trade Payables

Trade payables from the Toys Division as at 31 March 2026 amounted to approximately HK\$2.4 million, which decreased from approximately of HK\$2.8 million at 31 March 2025. The trade payables turnover days for the Toys Division for the Previous Year and the Current Year, as calculated by dividing the averaging closing trade payables by the cost of sales from the Toys Division multiplied by 365 days, was 50.1 days and 39.0 days, respectively.

Trade payables from the Medical Equipment Division, which was commenced during the Current Year, amounted to approximately HK\$0.3 million at 31 March 2026.

LIQUIDITY AND FINANCIAL RESOURCES

For the Current Year, the Group continued to maintain a prudent and cautious financial management approach towards its treasury policies and maintained a healthy liquidity position. The Group strived to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risks, the Board continued to closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

For the Current Year, the Group mainly financed its working capital by internal resources. As at 31 March 2026, cash and cash equivalents amounted to approximately HK\$14.4 million (31 March 2025: HK\$25.6 million). The decrease in cash and cash equivalents of approximately HK\$11.1 million as at 31 March 2026 was mainly due to the redemption of the Group's promissory notes of approximately HK\$31.0 million during the Current Year. As at 31 March 2026 and 31 March 2026, there was nil interest-bearing bank borrowings. The debt to equity ratio of the Group, calculated as the ratio of the closing debt balance divided by the closing total equity at end of Current Year, was approximately 66.5% (31 March 2025: 100.0%) which was mainly due to which was mainly attributable to the redemption of the Group's promissory notes of approximately HK\$31.0 million during the Current Year, resulting in a decrease in the Group's total debt balance as compared to the Previous Year. As at 31 March 2026, the current ratio of the Group, as calculated by total current assets over total current liabilities, was approximately 1.9 (31 March 2025: 1.8).

During the Current Year, no new shares were issued by the Company.

CONVERTIBLE NOTES

On 11 May 2020, the Company issued 6% convertible notes with a maturity of three years with principal value of HK\$40.0 million 2020 CN, to redeem the remaining HK\$80.0 million in principal value of the convertible notes issued in 2017 by itself. On 16 May 2023, the Company issued 6% convertible notes with a maturity of three years in principal amounts of HK\$9.0 million 2023 CN and a 10.0% promissory note due 2026 in the principal amount of HK\$31.0 million, the 2023 PN to Benefit Global Limited, an independent third party, for redeeming the 2020 CN. Net proceeds of the HK\$9.0 million was raised under the 2023 CN.

As at the date of this announcement, the net proceeds of HK\$9.0 million from the 2023 CN have been used as follows:

| | <i>HK\$ millions</i> |
|--|----------------------|
| Partial redemption of the 2020 Convertible Notes | 9.0 |
| TOTAL | <u>9.0</u> |

On 15 May 2025, the maturity date of the 2023 PN has been extended to 16 May 2027 under mutual agreement between Benefit Global Limited and the Company. All other terms and conditions of the 2023 PN remains unchanged.

On 2 April 2026, the Company has redeemed all the outstanding 2023 PN with a principal amount of HK\$9.0 million in full.

LITIGATION

On 8 August 2024, Crosby Securities Limited (“**CSL**”), the former direct wholly-owned subsidiary of the Company, and eight other independent parties, received a writ of summon by an independent third party (the “**Plaintiff**”). The claim against CSL for breach of fiduciary and/or contractual duties. On 25 April 2025 the Company has engaged a lawyer firm to defend its position in the litigation. According to the lawyer, CSL has better than even prospects of successfully defending the claim against it, and as at 31 March 2026, the pleading stage between the Plaintiff and CSL was closed in 2025 and the Plaintiff has taken no further steps against CSL since then.

On 6 June 2025, the Company entered into a sale and purchase agreement as vendor (“**Vendor**”) with an independent third party as purchaser (“**Purchaser**”), (“**Agreement**”), for the disposal of the entire interest in (a) the Sale Share and (b) the Sale Loan. Under the Agreement, the Company has agreed to indemnify the Purchaser, Crosby Asia, CSL, and CFP against all costs, expenses, losses, liabilities, and legal fees arising from or related to the Litigation, including those from defending, settling, or addressing related claims, proceedings, or investigations; and the Company’s liability for compensation, damages, or other amounts ordered by the High Court of Hong Kong or any appellate court is capped at HK\$10 million. Given the above, the Directors are of the view that the Litigation would not have a material adverse impact on its financial position. For details of the Agreement, please refer to the announcement of the Company dated 6 June 2025. Save as disclosed above, as at date of this announcement, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

CHARGES ON ASSETS

As at 31 March 2026, the Group had no charge on assets. (31 March 2025: Nil).

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

As at 31 March 2026, there was no material capital commitment of the Group (31 March 2025: Nil).

SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company as at 31 March 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Major Transaction – Disposal of Crosby Group

On 6 June 2025, the Company, as vendor, and Emperor Capital Holdings Limited (the “**Purchaser**”), as purchaser, entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to purchase, one share capital of Crosby Asia Limited (the “**Sale Share**”), representing the entire issued capital of Crosby Asia Limited, and all the sums owing by the Crosby Asia Limited to the Company as at completion (the “**Sale Loan**”) (the “**Disposal**”). The Disposal was completed at a cash consideration of approximately HK\$12.1 million, being consolidated net asset value of Crosby Asia Limited as at 30 June 2025, as determined in accordance with the terms of the sale and purchase agreement.

As one or more of the applicable percentage ratios in respect of the Disposal were more than 25% but less than 75%, the Disposal constituted a major transaction for the Company under Chapter 14 of the Listing Rules and was subject to the notification, announcement, circular and shareholders’ approval requirements under the Listing Rules.

On 8 August 2025, the resolutions in respect of the sale and purchase agreement and the transactions contemplated thereunder were duly passed at the Company’s extraordinary general meeting.

On 31 August 2025, completion of the Disposal took place in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, the Company ceased to hold any shares in Crosby Asia Limited, and its subsidiaries, namely Crosby Securities Limited and Crosby Financial Products Limited, and they ceased to be subsidiaries of the Company.

For more details of the Disposal, please refer to (i) the announcements of the Company dated 6 June, 8 August, and 31 August 2025; and (ii) the circular of the Company dated 23 July 2025.

Saved as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plans to acquire any material investments or capital assets as at 31 March 2026.

FOREIGN CURRENCY EXPOSURES

Substantially all the transactions of the Company's subsidiaries in Hong Kong are carried out in United States dollar ("USD") and Hong Kong dollar ("HK\$"). As HK\$ is linked to US\$, the Group does not have material exchange rate risk on such currency. During the Current Year, the Group did not enter into any deliverable forward contracts to manage the foreign currency risk arising from fluctuation in exchange rate of the RMB against the USD.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group had a total of 9 employees (31 March 2025: 36). Total staff costs (excluding equity settled share-based payment expenses to eligible persons other than employees and directors) were approximately HK\$6.5 million for the year ended 31 March 2026 (2025: HK\$29.0 million).

Remuneration policies in respect of the Directors and senior management of the Group are reviewed regularly by the Remuneration Committee and the Directors, respectively. Remuneration packages of the Group were determined with reference to its remuneration policy based on position, duties and performance of the employees. Employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The performance appraisal cycle varies according to the positions of the employees. Performance appraisal of staff is conducted annually. The performance appraisal is supervised by respective executive Directors of the Group. The Company also adopted a share option scheme for the purpose of rewarding eligible participants for their contribution to the Group.

SHARE SCHEMES

The Company did not have any share award scheme during the Current Year and up to the date of this announcement. As at 31 March 2026 and as at the date of this announcement, the Company has no outstanding share options. For details of the Share Option Scheme, please refer to note 20 to the "Notes to Financial Information".

EVENT AFTER REPORTING YEAR

On 2 April 2026, the Company has redeemed all the outstanding 2023 PN with a principal amount of HK\$9.0 million in full. For details, please refer to the paragraphs under the heading "Convertible Notes". Saved as disclosed above, the Board is not aware of any significant event affecting the Group and requiring disclosure that has been taken place subsequent to 31 March 2026 and up to the date of this announcement.

PROSPECTS

Following the disposal of the Financial Services Division during the Current Year, the Group has further streamlined its business portfolio and intends to focus its resources on the development of its Toys Division and Medical Equipment Division. The Board believes that the disposal enables the Group to deploy its financial and management resources more efficiently towards its continuing businesses and to strengthen its overall operational flexibility.

Looking ahead, the Toys Division will continue to closely monitor developments in the global trade environment and changing customer demand. The Group will continue to explore opportunities to broaden its geographical customer base, enhance its product offerings and improve operational efficiency with a view to strengthening the competitiveness of the Toys Division. At the same time, the Group will continue to assess opportunities arising from increasing demand for educational, STEM and environmentally sustainable toy products, while remaining mindful of evolving regulatory requirements, supply chain developments and cost pressures.

The Medical Equipment Division, which commenced operations during the Current Year, is expected to become a new growth driver for the Group. The Group intends to progressively expand its product portfolio and customer network in the medical equipment and diagnostic products market, while exploring cooperation opportunities with manufacturers, distributors and healthcare service providers to broaden its market presence. The Board believes that the growing demand for medical equipment, diagnostic and healthcare-related products presents long-term business opportunities, and the Group will continue to evaluate suitable investment and business development opportunities with a view to establishing the Medical Equipment Division as an additional source of revenue and enhancing long-term value for the shareholders.

FINAL DIVIDEND

The directors do not recommend any final dividend for the Current Year (Previous Year: Nil).

PURCHASE, SALE OF REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Current Year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company adopted the Corporate Governance Code set out in Appendix C1 (the “Code”) of the Listing Rules as its own code of corporate governance practice. Throughout the Current Year, the Company has complied with all applicable code provisions under the Code with the exception discussed herein below.

Code C.2.1

Pursuant to the code provision under the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The post of chief executive officer of the Group (“CEO”) has been vacant since 25 November 2013. Since then, the duties and responsibilities of the CEO have been shared among the executive Directors. The Directors believe such arrangement would achieve a better balance of power and responsibilities.

Code C.2.7

Code provision C.2.7 of the Code provides the chairman of the board of the directors of the listed issuer should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the Current Year, the independent non-executive Directors had opportunities to discuss governance and board matters among themselves and with the chairman of the Board without the presence of other executive directors. In addition, the chairman of the Board had maintained regular and open communication with the independent non-executive Directors on an individual basis. The Board considered that these arrangements allowed the independent non-executive Directors to express their views freely and therefore served substantially the same purpose as the meeting contemplated under Code Provision C.2.7.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors and members of the audit committee. Having made specific enquiries of all Directors, each Director has complied with the required standard set out in the Model Code during the Current Year and up to the date of this announcement.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity 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 auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the “**Audit Committee**”) reviewed the audited consolidated financial statements for the Current Year in conjunction with the Auditor. Based on the review and discussions with management, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards, and fairly presented the Group’s financial position and results for the Current Year.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Hong Kong Exchanges and Clearing Limited and the Company at www.hkexnews.hk and www.quali-smart.com.hk respectively. The 2026 Annual Report of the Company containing all information required by the Listing Rules will be published on the above websites and dispatched to the shareholders of the Company in late July 2026.

By Order of the Board
Quali-Smart Holdings Limited
Liu Chong
Chairman and Executive Director

Hong Kong, 29 June 2026

As at the date of this announcement, the Board comprises Mr. Liu Chong (Chairman) and Mr. Poon Pak Ki, Eric as executive Directors; and Ms. Lin Binger, Ms. Chin Ying Ying and Mr. Huang Chaokai as independent non-executive Directors.